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UNITED NATIONS
WORLD TOURISM ORGANIZATION

TOURISM DOING BUSINESS
INVESTING IN

ALBANIA



REPUBLIC OF ALBANIA
MINISTRY OF TOURISM
AND ENVIRONMENT

ALBANIA
ALL SENSES





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Tourism Doing Business – Investing in Albania

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TOURISM DOING BUSINESS

INVESTING IN

ALBANIA

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Edi Rama

PRIME MINISTER OF ALBANIA





Albania, often referred to as the 'Hidden Pearl of Europe' by the international media, continues to capture the world's attention. It does so through the words of inquisitive journalists and the lenses of photographers who discern the beauty inherent in our land.

From the captivating landscapes of the northern Alps to the pristine beaches in the south, Albania stands today as one of the premier global tourist destinations. In 2023 alone, more than 10 million foreign visitors chose to experience our country.

With immense pride, we celebrate Albania's inclusion in the list of top-performing European destinations for 2023, as per the *UNWTO World Tourism Barometer*. This achievement underscores that Albania has emerged as a compelling attraction for those who appreciate the marvels of our nature, culture, tradition, and history.

Furthermore, we take equal pride in the acknowledgment of Albania as a safe haven for international visitors. The country continues to be a secure and welcoming destination for potential investors in the tourism industry. We firmly believe that realizing our ambition for elite tourism requires fostering hospitality towards interested investment partners.

Albania guarantees economic stability, thanks to the government's strategy for the sustainable development of tourism. This strategy aims to stimulate both public and private investments, attracting renowned brands to the hospitality and tourism sectors.

Our country provides a congenial legal framework for foreign investment, grounded in the principles of equality, non-discrimination, and investor protection.

As Albania progresses in terms of public infrastructure, the demand for elite tourism necessitates the development of five-star resorts along the coast and in the mountains. Natural beauty, we believe, must be complemented by top-notch services.

Finally, it is essential to remember that, while Albania welcomes luxury tourism brands with 4 and 5 stars, our authentic, unwavering brand deeply rooted in national tradition is synonymous with generosity.

Albania will always extend a warm welcome to everyone, regardless of their origin, language, or religious affiliation.

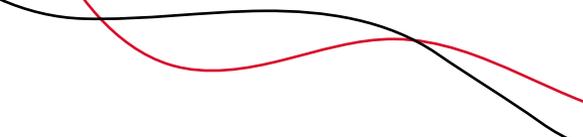
Edi Rama
Prime Minister of Albania



Mirela Kumbaro Furxhi

MINISTER OF TOURISM AND
ENVIRONMENT OF ALBANIA





Welcome to Albania, my beloved country. For centuries, Albania has remained a mysterious gem nestled in the heart of Europe, steeped in history. Now, thanks to tourism, it is unveiling its natural wonders, cultural heritage, and the warmth of its people to the world.

Within the pages of this publication, you'll have the opportunity to explore some of Albania's breathtaking natural beauty and learn about how this country is evolving into a hub for tourism enterprises that will ignite your curiosity to discover more of Albania and forge lasting bonds with this country.

Albania boasts an array of unique attractions: azure lakes set amidst towering mountains, picturesque valleys adorned with Roman ruins and Ottoman towns. With its spectacular mountain landscapes, a thriving capital in Tirana, and Adriatic and Ionian beaches, Albania truly has it all.

This is why Albania's tourism is encapsulated in the slogan "Albania, All Senses" - because to truly experience it, you must immerse yourself in all its splendor.

The economic prosperity of our country is closely tied to the development of tourism, which stands as one of our most vital sectors, catalyzing economic growth. However, just as the ministry that I lead unites two sectors, such as tourism and the environment, our focus is on reshaping the tourism landscape by prioritizing sustainable and responsible practices to safeguard our country's biodiversity and contribute to a global green transition.

In pursuit of our objectives, Albania is actively seeking to attract high-end accommodation brands through fiscal incentives to drive investments in the sector. Simultaneously, we are committed to preserving tradition through agritourism programs, which showcase traditional Albanian hospitality. We are passionate preserving traditions in the face of the temptation of mass production that also dictates the pace of tourism growth, which makes this country unique in the region.

Albania, nestled among the giants of world tourism, may not have the power to change the world on a grand scale, but it has the dream of offering the world a beautiful and sincere model. This is our vision for the future - a postcard of sustainability, and I say with unwavering conviction: All you need is here, in Albania.

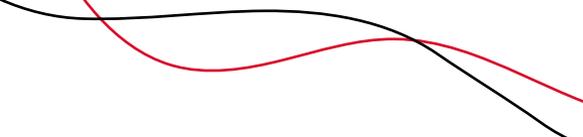
Mirela Kumbaro Furxhi
Minister of Tourism and Environment of Albania



Zurab Pololikashvili

SECRETARY-GENERAL, UN TOURISM





As part of our 'Tourism Doing Business' series, UN Tourism presents this latest analysis, conducted in partnership with the Ministry of Tourism and Environment of Albania and the Albanian Investment Development Agency. This report is designed to offer an in-depth view of the investment landscape and the rapidly evolving tourism sector in Albania.

Albania, celebrated for its landscape, liberal and reformist investment climate, and optimal geographic location, is also recognized for its economic growth and stability. With a strong growth trajectory towards developing infrastructure for high-end tourism and a solid GDP growth projection of 3.7% for 2024, the country demonstrates resilience and adaptability. Robust exports and increased foreign direct investments further underscore Albania's economic stability.

Moreover, the tourism sector has become a cornerstone of the economy, contributing significantly to GDP, signifying the deep interconnection between an inviting business climate, a robust tourism sector, and sustainable, growth-centric development. In the dynamic landscape of global tourism, Albania has emerged as a stellar performer, ranking fourth in the world for the

highest percentage change in international tourist arrivals in 2023 when compared to 2019. This remarkable accomplishment highlights Albania's growing presence on the international tourism map, positioning it as a standout and enticing destination for global travelers.

This report also uncovers the multifaceted investment opportunities within Albania's tourism sector. The nation has emerged as an attractive destination for investors due to its strategic geographic location, its developing infrastructure, and a government dedicated to enhancing foreign direct investment. These factors have already proven pivotal in driving Albania's growth and ongoing development.

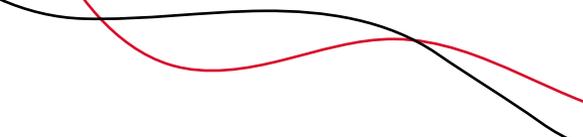
I am confident that this publication will serve as a valuable resource for potential investors. In the spirit of collaborative effort, we extend our thanks to all parties involved in its production. We remain confident that the partnerships fostered here will shape a future where Albania is recognized not only as a tourist destination but as an example of sustainable tourism and investment.

Zurab Pololikashvili
Secretary-General, UN Tourism



Natalia Bayona

EXECUTIVE DIRECTOR
UN TOURISM



It is with a sense of immense opportunity that I present the *Tourism Doing Business: Investing in Albania investment guideline*. This comprehensive report not only showcases Albania's unique potential as an expanding tourism destination but also emphasizes the vital role of sustainable investment in unlocking and maximizing this promise.

Albania emerges as a beacon of resilience and opportunity in southeast Europe, distinguished by its rich cultural heritage, and varied landscapes. Over the last decade, the nation experienced rapid economic growth rates, unforeseen challenges, and promising recoveries, making its economic journey fascinating.

This report adeptly encapsulates Albania's multifaceted economic, political, and social attributes, offering a comprehensive view of an investment environment. On the other hand, the report highlights key areas where investment can catalyse transformative change. In Albania, the alignment of tourism initiatives with the UN Tourism framework can foster socioeconomic development, job creation, and the preservation of cultural and natural heritage.

The comprehensive analysis of Albania's economic and tourism sectors reveals significant data, evidencing Albania's growth and investment development capacity. Key figures include a GDP growth of nearly 5% in 2022, with the GDP at current prices reaching USD 23 billion in 2023, up from USD 12.3 billion in 2012. The tourism sector, a major contributor to the economy, accounted for over 8% of the GDP, with international tourist numbers hitting 7.5 million in 2022. Foreign direct investment (FDI) in 2022 was substantial, at EUR 1,372 million, demonstrating Albania's attractiveness to investors. The country has also seen a surge in greenfield FDI announcements in the tourism cluster, totalling USD 135 million, highlighting the sector's growth and its role in driving Albania's economic development. These figures underscore Albania's resilient economic landscape and its burgeoning tourism sector, positioning it as a promising destination for investment in Southeast Europe.

In conclusion, *Tourism Doing Business: Investing in Albania* is a guide to action. It invites us to explore Albania's rich potential and participate in its journey towards sustainable tourism development. As we stand at this crossroads of opportunity, let us forge a path of collaboration, innovation, and sustainable growth for Albania's tourism sector.

Natalia Bayona
Executive Director
UN Tourism

Introduction

"Tourism Doing Business – Investing in Albania" offers a compelling exploration of Albania's vibrant business landscape, providing a comprehensive overview of its economic resilience and growth potential.

The journey commences with an insightful dive into the global economic context for 2024, navigating through both challenges and opportunities before zooming in on Albania's economic trajectory. Overcoming adversities such as the 2019 earthquake and the impacts of the COVID-19 pandemic, Albania emerges with remarkable economic resurgence, underscored by its vibrant private sector and government-led reforms. This initial chapter lays a solid foundation for understanding Albania's position as a promising investment hub in Southeast Europe.

Continuing the narrative, the subsequent chapter on investment outlook and the integral tourism investment collectively paint a vivid picture of the nation's robust economic landscape and its strategic

allure for foreign investors. Despite a global 12% dip in Foreign Direct Investment (FDI) flows in 2022, Albania shines, consistently surpassing its 10-year FDI average and attracting significant investments in sectors such as electricity, mining, and real estate. Notable post-pandemic growth areas include health, information, education, and real estate, with Switzerland, the Netherlands, and Italy emerging as key investors.

Simultaneously, the specific focus on tourism investment unveils Albania's exponential growth in tourism, surpassing pre-pandemic levels, fostering associated industries, and attracting global hotel brands. With proactive measures, including 21 tourism projects totaling EUR 3,090 million, Albania positions itself as a forward-thinking destination. Although fewer greenfield projects in tourism have landed compared to neighboring countries, Albania's strategic initiatives, facilitated by Albanian Investment Development Agency (AIDA), aim to transform it into a year-round tourism hotspot, aligning with sustainable development goals.



Against the backdrop of Albania's allure as 'Europe's last unturned stone,' highlighted by its diverse experiences and remarkable potential, the chapter stresses the proactive approach of the Ministry of Tourism and Environment, emphasizing sustainability and community-driven tourism. This backdrop makes Albania's economic landscape increasingly enticing to investors, challenging norms and paving the way for sustainable development in the Balkans.

The analysis of Albania's competitiveness in the tourism sector reinforces its allure, establishing the nation as an enticing destination for both tourists and investors. In 2023, amid the dynamic global tourism landscape, Albania has notched a remarkable achievement, securing the 4th position worldwide for the highest percentage change in international tourist arrivals compared to 2019. Boasting an impressive growth rate exceeding 53%, Albania stands prominently, surpassed only by Saudi Arabia, Qatar, and Turks & Caicos. In the Europe and Eurasia region, Albania underscores its emergence as a formidable player. This chapter highlights sustainable tourism

practices, regulatory frameworks, and comprehensive sector development, offering a comprehensive overview of Albania's tourism sector, spotlighting its substantial contribution to the country's GDP and noteworthy accomplishments on the global stage.

With over 10.1 million visitors in 2023 and a promising future ahead, Albania's tourism sector stands as a dynamic and promising landscape, offering a compelling blend of natural beauty, cultural richness, and strategic initiatives shaping its trajectory towards sustainable growth and success.



OVERVIEW OF ALBANIA

Albania's population of 2.8 million has shown remarkable resilience in the face of consecutive shocks. Thanks to a strong rebound in tourism, growth in 2022 beat expectations at close to 5 percent. As of 2023, the Gross Domestic Product (GDP) at current prices reached USD 23 billion, compared to USD 12.3 billion in 2012¹, affirming Albania's economic vibrancy and untapped potential.

A land of beauty

Nestled in the heart of the Balkan Peninsula, Albania beckons with its blend of natural beauty and cultural richness. From pristine beaches to the rugged Albanian Alps, diverse landscapes present opportunities for development and growth. Boasting various UNESCO World Heritage Sites, including the ancient city of Butrint and the medieval charm of Gjirokastër, Albania offers a unique narrative of history and modern possibilities. This seamless integration of natural wonders and cultural treasures makes Albania an appealing destination for those interested in exploring its rich heritage and contributing to its economic growth.

- *Gross domestic product (GDP) growth rate 2023²: **3.6%***
- *Projected GDP 2024³: **3.7%***
- *Inflation 2023 [e]⁴: **4.7%***
- *Projected inflation 2024 [e]⁵: **3.9%***

Albania's unveiling potential

Albania's economy is marked by a sectoral diversity that serves as an indicator of the nation's adaptability and strength, exemplifying a dynamic approach to economic growth. This diversity, extending across manufacturing, agriculture and various industries, highlights Albania's resilience in the face of evolving global demands.

- *Textiles and footwear: **27.8%***
- *Minerals, fuels, and electricity: **22.1%***
- *Construction materials and metals: **21.6%***
- *Food, beverages, and tobacco: **10.6%**⁶*



REASONS TO INVEST IN ALBANIA

1



LIBERAL AND REFORMIST INVESTMENT CLIMATE:

Albania's progressive stance on foreign investment lays the groundwork for a favorable business environment. The country offers special treatment outlined in the "**Law on Tourism**" for entities granted "special status" and upholds a liberal foreign investment regime, permitting foreign companies to own 100% of their operations under the "**Law on Foreign Investment.**" Investors also enjoy legal protections provided by the "**Strategic Investment Law,**" further emphasizing Albania's dedication to cultivating a stable and investor-friendly climate⁷.

2



OPTIMAL GEOGRAPHIC LOCATION:

Strategically positioned in the western Balkans, Albania serves as a vital crossroads for Europe's major transit corridors. Boasting a geographic advantage, the country connects northern and southern Europe, providing access to the world's largest trade routes. Its extensive coastline and ports in the **Adriatic** and **Ionian** Sea enhance Albania's role as a bridge between East and West.

3



ECONOMIC GROWTH AND STABILITY:

Albania's economic trajectory reflects strong growth potential. With a solid GDP growth projection of 3.7% for 2024⁸, the country is expected to keep demonstrating its resilience and adaptability. Robust exports and increased foreign direct investments emphasize Albania's economic stability. The implementation of free trade agreements with key markets further positions the nation as an attractive investment hub.

4



INFRASTRUCTURE DEVELOPMENT FOR HIGH-END TOURISM:

The Albanian government's medium and long-term vision extends beyond mere economic growth to the strategic development of high-end tourism. Taking a comprehensive approach, the nation focuses on refining tourism infrastructure, championing sustainability, and addressing seasonality challenges. Legislative initiatives are underway, actively encouraging private investments and attracting renowned international hospitality brands. Albania aspires to position itself as a year-round tourist destination by **2030**, supported by substantial investments in crucial infrastructure such as **airports, marinas, and ports**. Notable projects, including the completed **"Nations Road"** highway, seamlessly connect major tourist destinations with the capital, Tirana, enhancing Albania's allure and presenting a compelling investment landscape for those seeking an elevated and immersive tourism experience.

5



SUSTAINABLE TOURISM AND ENVIRONMENTAL FOCUS:

Albania's commitment to sustainable tourism aligns with its environmental priorities. Managing tourism and the environment under the same ministry allows for innovative policymaking. The government envisions extending tourism across the entire country, emphasizing sustainability and authenticity. Initiatives like the **Vjosa Wild River National Park** exemplify Albania's dedication to protecting natural resources while fostering responsible tourism.

This fusion of economic stability, diversified growth sectors, and a dedicated effort towards responsible tourism not only positions Albania as a promising investment destination but also challenges conventional expectations, setting the stage for a new era of sustainable and thriving development in the heart of the Balkans.



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Acronyms and abbreviations

AATSF	The Albanian Agribusiness and Tourism Support Facility
AIDA	Albanian Investment Development Agency
AKUM	National Agency for Water Supply, Sewerage, and Waste Management
ALL	Albanian lek
CEFTA	Central European Free Trade Agreement
CFF	cash flows from financing
CIEWS	Climate Information and Early Warning System
DCM	Decision of the Council of Ministers
EBRD	European Bank for Reconstruction and Development
EFTA	European Free Trade Association
EU	European Union
EUR	euro
FDI	foreign direct investment
FTA	Free Trade Agreement
GCF	Green Climate Fund
GDP	gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSP	General System of Preferences
INSTAT	Albania Institute of Statistics
IMF	International Monetary Fund
IUCN	International Union for Conservation of Nature
KFW	Kreditanstalt für Wiederaufbau Bank
NBC	National Business Center

NSPP	National Single Projects Pipeline
PIZHT	Infrastructure and Tourism Development Programme in Albania
PPK	National General Plan
SBA	Small Business Advisory
SECO/SDC	Swiss Agency for Development and Cooperation
SMEs	small and medium-sized enterprises
TIA	Tirana International Airport
TTDI	Travel & Tourism Development Index
UN Tourism	World Tourism Organization
USD	dollar of the United States of America
VAT	valued added tax
WB	World Bank
WBIF	Western Balkans Investment Framework
WEO	World Economic Outlook
WEF	World Economic Forum

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01

ECONOMIC OUTLOOK

1.1. Global Economic Outlook

Navigating the global economic landscape in 2024 presents a mixed yet optimistic outlook, particularly for developing countries, including the vibrant and resilient Albania. Projections indicate a growth rate of 3.1%, slightly surpassing the October 2023 World Economic Outlook [WEO] by 0.2% points⁹. This upward trajectory is attributed to the unexpected resilience in the United States of America, coupled with robust performance in several emerging markets and fiscal support from China. The forecast for 2024/2025 is, however, below the historical [2000–2019] average of 3.8%. Within this global context, Albania's economic potential shines through amidst challenges, with factors like elevated central bank policy rates, a withdrawal of fiscal support, and low productivity growth being carefully managed.

According to the International Monetary Fund [IMF], in the context of emerging market and developing economies, where Albania is situated, growth is expected to remain at 4.1% in 2024 and rise to 4.2% in 2025¹⁰.

Albania's contribution to the positive economic narrative in emerging and developing Europe is truly noteworthy. The country is expected to maintain steady growth, with a closing estimate Gross Domestic Product [GDP] growth of 3.6% in 2023. Looking ahead, the forecast for 2024 and 2025, remains optimistic at 3.2%. This consistent economic performance highlights Albania's resilience and its positive impact on the broader regional economy¹¹.



1.2. Albania's Economic Outlook

Albania, resilient in the face of significant challenges, has adeptly overcome hurdles such as the 2019 earthquake and the disruptive COVID-19 pandemic. Demonstrating an impressive capacity for recovery, the nation experienced a remarkable economic resurgence, particularly fueled by a robust rebound in tourism, resulting in nearly

5% growth in 2022. As of 2023, the GDP at current prices reached USD 23 billion, compared to USD 12.3 billion in 2012¹², affirming Albania's economic vibrancy and untapped potential. This remarkable journey highlights Albania's ability to transform adversity into opportunities for growth and showcases its attractive economic landscape.

Figure 1.1: Albania – gross domestic product (GDP) at current prices, 2012 – 2025e
 [USD billions]

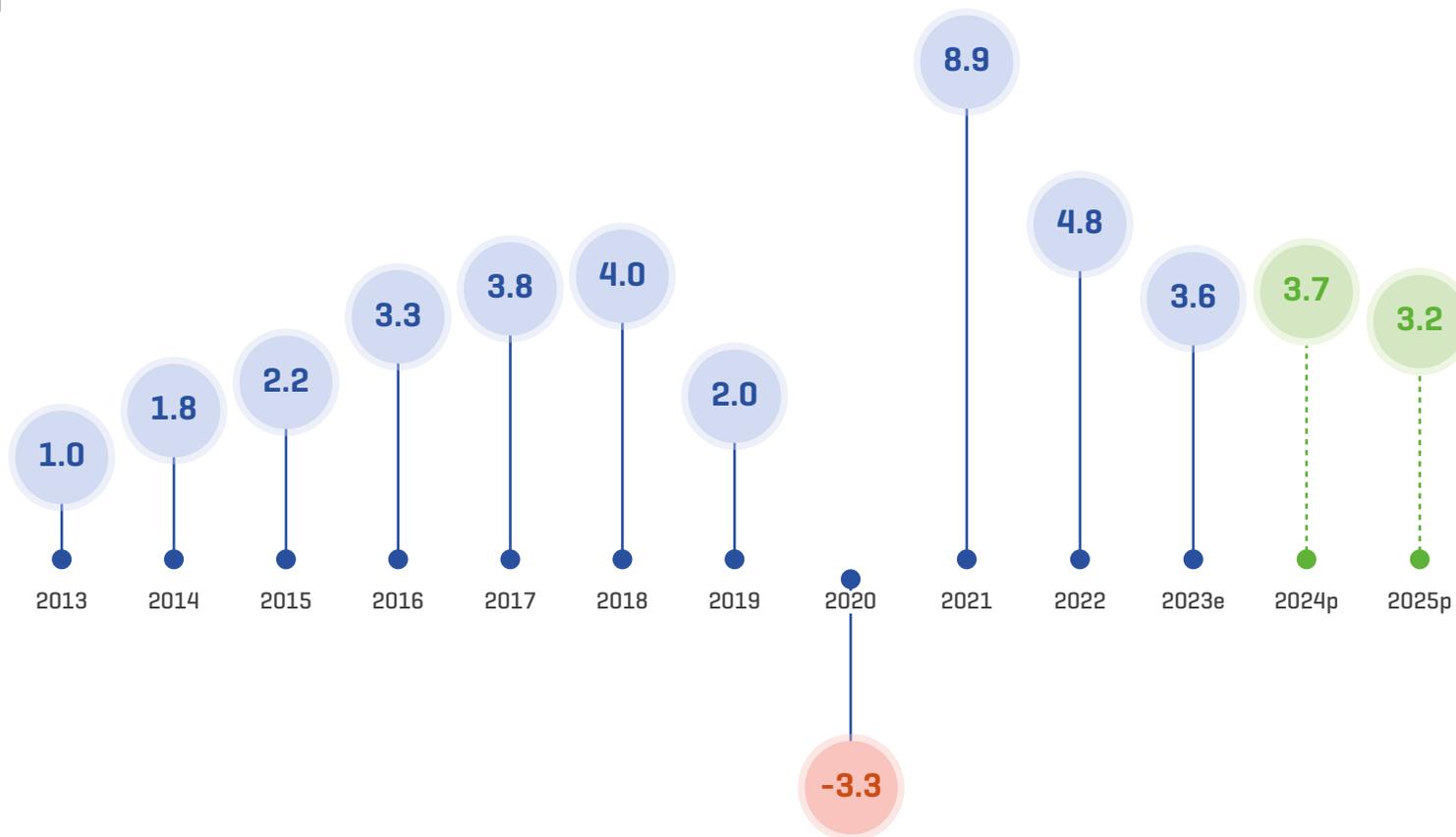


Note: e: estimate

Source: World Bank [2024], Global Economic Prospects, January 2024, available online <https://www.worldbank.org/en/publication/global-economic-prospects> [07-02-2024].

The GDP growth for 2023 stands at a robust 3.6%, underscoring Albania’s ability to navigate challenges and consistently move toward economic advancement. According to the Ministry of Finance of Albania, economic development is expected to continue in 2024, with a GDP increase by 3.7%, primarily driven by private consumption, particularly in the tourism and construction sectors¹⁴.

Figure 1.2: Albania - gross domestic product (GDP), annual growth, 2013-2025p
[%]



Notes: e: estimated.
p: projected.

Source: World Bank [2024], Global Economic Prospects, January 2024, available online at: <https://www.worldbank.org/en/publication/global-economic-prospects> [07-02-2024].



The economic strength and expansion in Albania are further featured by the diverse contributions of its key sectors to the GDP. The agricultural sector, deeply rooted in the country's heritage, contributes 18.6% to the GDP and employs 36% of the workforce, while the service industry, encompassing the rapidly expanding tourism sector, leads with a substantial 47.3% contribution to the GDP and employment for 43% of the workforce. In contrast, the influence of the manufacturing sector is diminishing, now contributing 21.4% to the GDP and employing 20% of the workforce¹⁵. This intricate economic tapestry, not only illustrates the adaptability of Albania's economy but also provides investors with valuable insights for strategic decision-making, highlighting the diverse investment opportunities within this resilient and dynamic market.

Figure 1.3: Contribution of different sectors to the GDP
[%]



Source: World Bank Data [2024], available online at <https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS?locations=AL> [08-02-2024].

Albania has shown how the tourism sector can drive economic development. Over the past two decades, the contribution of Albania's inbound tourism expenditure to the country's GDP has steadily increased averaging 13,6%. Nevertheless, it has been growing and in 2022 reached 17,2%, a number that is higher in comparison with pre-pandemic levels¹⁶.

Figure 1.4: Albania's main merchandise exports 2022
[% Exports]



28%
**Textiles
& Footwear**



22%
**Minerals, Fuels
& Electricity**



22%
**Constructions
Materials & Metals**



11%
**Food Beverages
& Tobacco**

Source: World Bank Data [2024], available online at <https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS?locations=AL> [08-02-2024].

According to the World Bank, Albania's economic rebound is anticipated to be anchored by tourism and construction, mirroring pre-pandemic growth levels. Notable merchandise exports in 2022 include textiles and footwear [27.8%], minerals, fuels, and electricity [22.1%], along with construction materials and metals [21.6%], and food, beverages, and tobacco [10.6%]¹⁷. It's noteworthy that international tourism plays a crucial role, representing 46% of total exports and 65% of exports of services, emphasizing its significant contribution to the country's economic landscape.

Albania's economic trajectory is poised for collaboration with key international partners such as Germany, Greece, Italy, and Kosovo. These strategic alliances are anticipated to contribute significantly to Albania's economic growth. As the nation moves forward, a harmonious convergence of cooperation and economic prosperity is expected to unfold on the horizon.

The dynamic private sector has emerged as the driving force behind Albania's economic development, fostering trade integration with global and European markets. This expanding role presents ongoing opportunities to broaden the country's economic foundation, fostering accelerated and diversified export-oriented growth. In alignment with the pursuit of a novel economic model geared towards prosperity, employment, and comprehensive development, the government has embarked on a series of reforms.

These initiatives aim to enhance the business climate, elevate productivity, bolster competitiveness in the Albanian economy, stimulate both domestic and foreign investment, and fortify the financial and economic stability of the nation. As Albania forges ahead, the synergy between a robust private sector and strategic governmental reforms sets the stage for sustained economic progress.

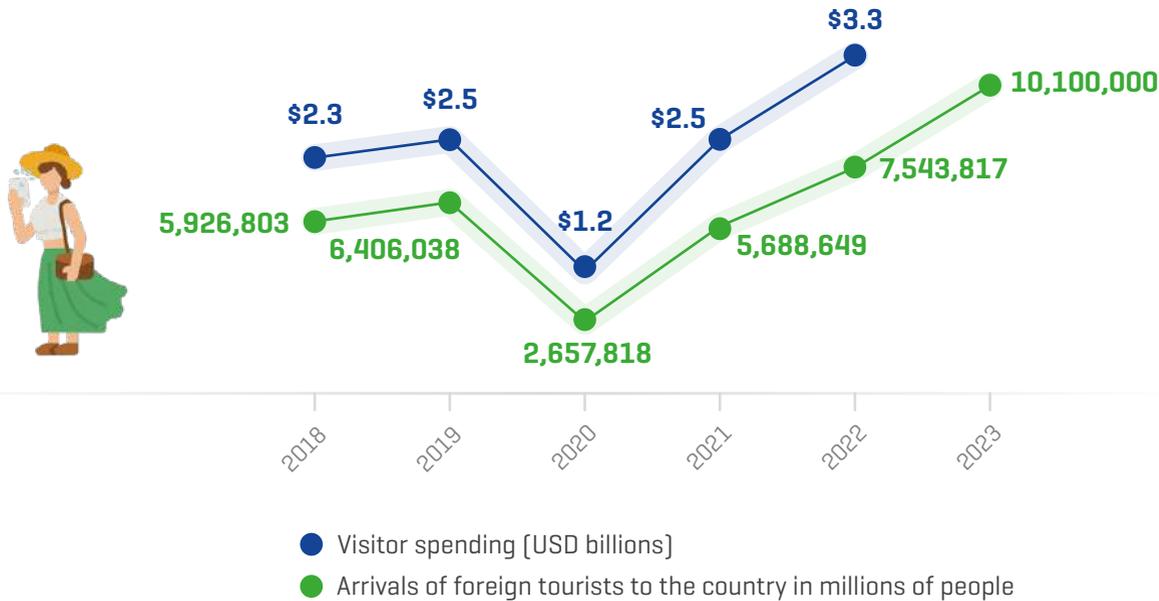
Figure 1.5: Albania - Macroeconomic Context



Albania's tourism landscape has undergone a dynamic transformation over the years, illustrating both resilience and growth. In 2018, the country hosted 5.9 million international tourists, a figure that experienced a temporary setback in 2020 due to the impact of the COVID-19 pandemic, with arrivals dropping to 2.7 million, representing a decrease of approximately 55%. However, the destination rebounded swiftly, with 7.5 million tourists in 2022 and an impressive surge to 10.1 million in 2023.²⁶

Note: The term "tourists" includes both traditional international tourists and excursionists.

Figure 1.6: Inbound Tourism to Albania (2018 – 2022)



Note: International visitors includes both international tourists [overnight visitors] and excursionists [same-day visitors]. Please note that the latest available data on visitor spending is as of 2022.

Source: Albania Institute of Statistics, INSTAT [2022], available online at <http://www.instat.gov.al/> [08-02-2024] and Ministry of Interior of Albania [2024], Migration and Border Management, available online at <https://albania.iom.int/data-and-resources> [08-02-2024].

From 2019 to 2023, international tourist arrivals increased by a substantial 61%, reflecting Albania's growing allure. This significant percentage increase underscores the country's resilience and its appeal as an emerging tourism hotspot. The impact of the COVID-19 pandemic in 2020, although resulting in a temporary setback, highlights the sector's ability to recover and adapt. In 2023, Albania stands out as one of the best-performing destinations compared to 2019, emphasizing its remarkable recovery and positioning the country as an attractive destination for potential investors seeking opportunities in a tourism sector that demonstrates both growth and adaptability.

The surge in international arrivals can be attributed to key factors such as post-pandemic demand, enhanced air connectivity, and the prevalence of online booking platforms. Approximately 70% of all non-resident visitors are estimated to be of Albanian origins, Macedonia, as well as those from the diaspora, including Germany, Greece, Italy, the United Kingdom, the United States of America, and more. Notably, Kosovo stands out as the primary market for tourism in Albania, constituting 45% of all international arrivals²⁷.

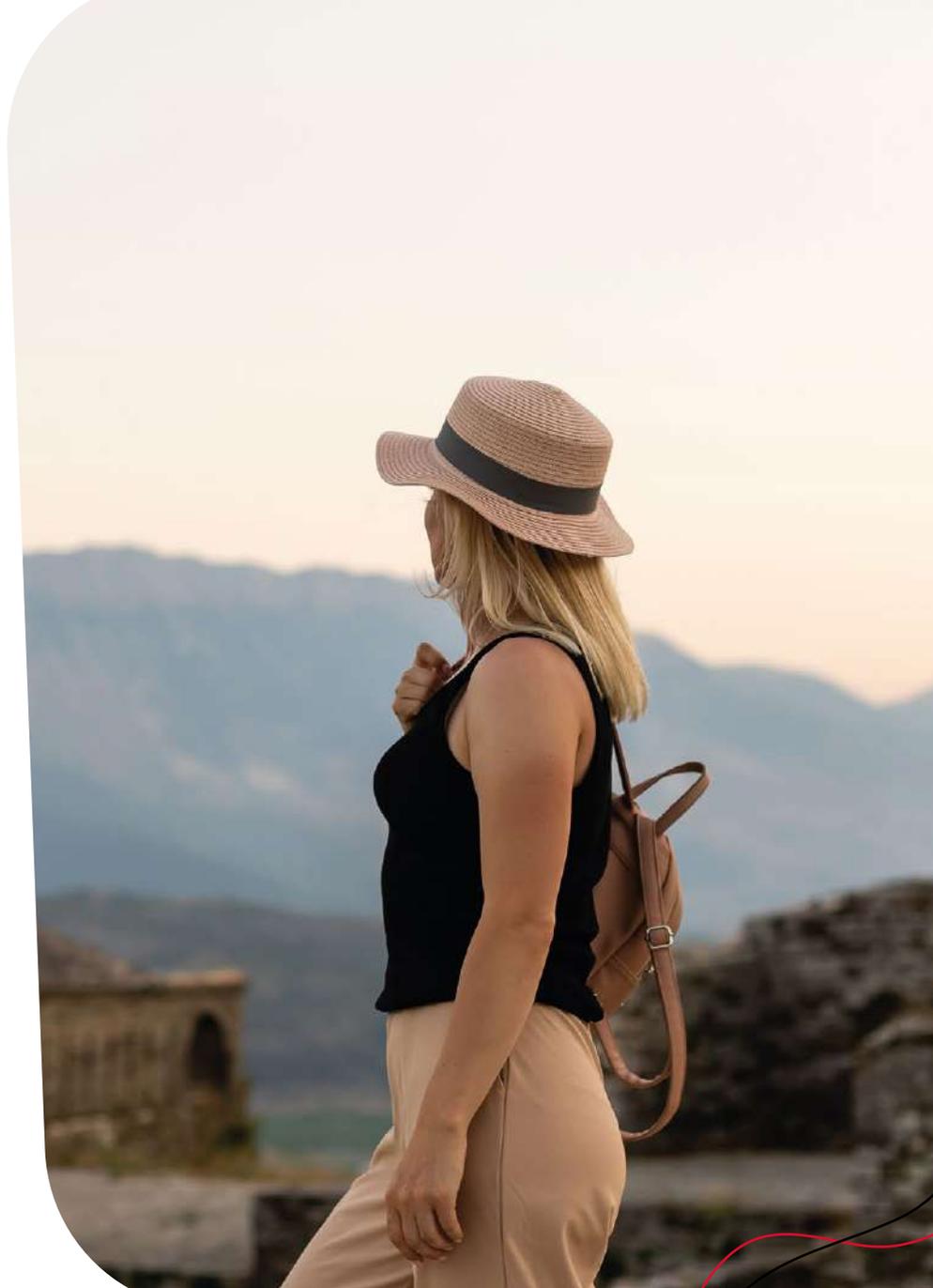
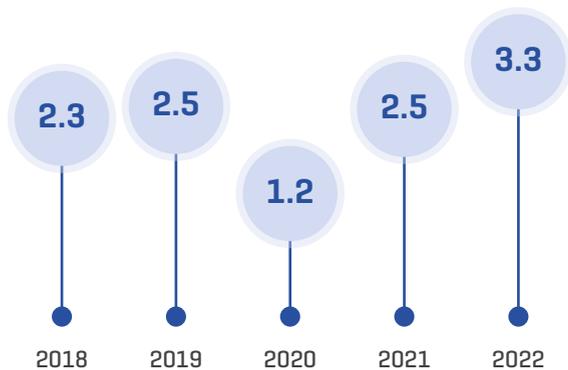


Figure 1.7 International Tourism Receipts (2018 - 2022)
[USD, billions]



Albania's data on inbound tourism spending [international tourism receipts] demonstrates a strong recovery. Visitor spending reached USD 2.5 billion in 2019 but then declined to USD 1.2 billion in 2020 as a result of the COVID pandemic. Inbound spending then rebounded in 2021, returning to the pre-pandemic record of USD 2.5 billion. The positive trend continued in 2022, surpassing previous highs at USD 3.3 billion²⁸. This recovery, as illustrated in Figure 1.7, emphasizes the resilience of Albania's tourism sector and its capacity to foster economic growth for the country.

Tourism has emerged as a significant driver of Albania's economic landscape, steadily gaining importance over the years. In 2014, tourism's direct contribution to the GDP was 2%, and by the end of September 2023, this figure surged to an impressive 3.8%²⁹. This underscores the growing significance of the tourism sector in Albania's economy. The sustained growth not only highlights its economic importance but also reflects its strength in the face of challenges.

Source: Albania Institute of Statistics, INSTAT 2022, available online at <http://www.instat.gov.al/> [08-02-2024].

Figure 1.8 Tourism Direct GDP

[% contribution of tourism sector to GDP]



Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].



In sum, Albania's economic journey reflects resilience and growth, overcoming challenges to pave the way for future prosperity. The dynamic private sector and government reforms create an inviting business environment. The impressive growth in international arrivals from 2018 to 2023 mirrors Albania's allure and adaptability. Forming alliances with key international partners, Albania becomes an appealing investment destination. As investors seek both financial returns and positive impact, Albania offers a promising opportunity for sustainable growth in Southeast Europe.



02

INVESTMENT OUTLOOK

2.1. Foreign direct investment (FDI) flows and stocks in Albania

Globally, foreign direct investment (FDI) flows across all sectors decreased by 12% in 2022, dropping to USD 1.3 trillion (around EUR 1.2 trillion), primarily due to a reduction in the volume of financial flows and transactions in developed countries³⁰. Preliminary figures for 2023 indicate a slight increase of 3% in global FDI flows compared to 2022, reaching USD 1.37 trillion (around EUR 1.27 trillion)³¹.

In Europe, the geopolitical conflicts and the complicated international landscape have been affecting the flows of FDI over the last years. Nevertheless, the situation appears to be improving as FDI inflows to the region in 2023 amounted USD 70 billion (around EUR 65 billion), compared to the outflow of USD 107 billion in 2022 (around EUR 161 billion), indicating that the European market continues to maintain its appeal for investors despite the geopolitical instability at its borders³².

In the case of Albania, the country is positioning itself as an attractive market for investments. This assertion finds support in the fact that, over the past five years, Albania has consistently attracted foreign direct investment (FDI) at levels surpassing the preceding ten-year average, totalling EUR 1,004 million. In 2022, the country received EUR 1,372 million, and between January and September 2023, it received around EUR 1,089 million. This suggests that, despite the complicated geopolitical landscape that the world is facing and higher interest rates that hinder investments, the country is showcasing itself as attractive for investors. The favourable economic landscape, coupled with the abundant opportunities within the country, particularly in the thriving tourism sector, presents auspicious indicators of sustained growth³³.

Figure 2.1: Evolution of foreign direct investment (FDI) flows across all sectors in Albania, 2014-2023
 [USD million]



Note: 2023 includes figures from January to September.

Source: Bank of Albania (2024), Statistics, Foreign Direct Investments, available online:

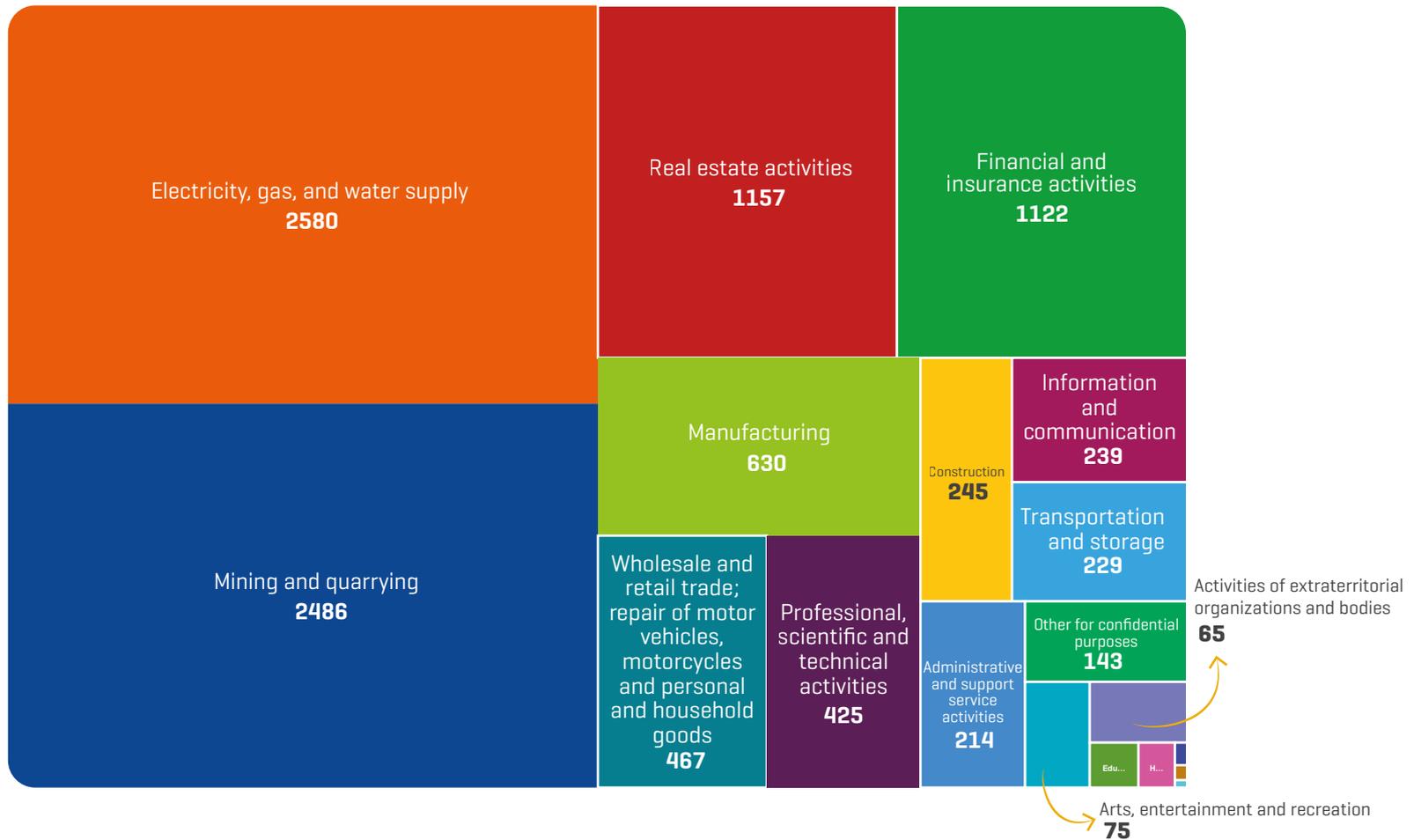
https://www.bankofalbania.org/Statistics/External_sector_statistics/Foreign_Direct_Investments/Foreign_direct_investments_flow.html [08-02-2024].

According to data from the Bank of Albania, on average, between 2014 and 2023Q3, the economic activities that have attracted the highest inflows of foreign direct investment have been the electricity, gas, and water supply sector, accounting for 25.5% of the total FDI inflows of that period, followed by mining and quarrying activities with 24.5%, real estate activities with 11.4%, and financial and insurance activities with 11.1%³⁴.

However, the sectors that have relatively shown, on average, a greater growth in the attraction of FDI inflows after the pandemic are human health and social work activities (1,430%), information and communications (883%), other services activities (863%), education (764%), and real estate (312%)³⁵. In the case accommodation and food services, this sector has shown, on average, a growth of 262% compared to the pre-pandemic average FDI inflows³⁶.

Figure 2.2: Aggregate of foreign direct investment (FDI) inflows by Economic Activity in Albania, 2014 – 2023

[Value added in EUR millions]



Note: 2023 includes figures from January to September.

Source: Bank of Albania [2024], Statistics, Foreign Direct Investments, available online:

https://www.bankofalbania.org/Statistics/External_sector_statistics/Foreign_Direct_Investments/Foreign_direct_investments_flow.html [08-02-2024].

Regarding the origin of FDI inflows, between 2014 and 2023Q3, Switzerland has been the main investor in the country with EUR 1,829 million, followed by the Netherlands with EUR 1,693 million, Italy with EUR 887 million, Turkey with EUR 809 million, and Austria with EUR 489 million. Similarly, when examining the stock of investments allocated in the country, the Netherlands holds the largest share at 16.5%, followed by Switzerland at 16.0%, Canada at 12.8%, Italy at 11.0%, and Turkey at 7.65% of the total FDI stock located in Albania, respectively³⁷.

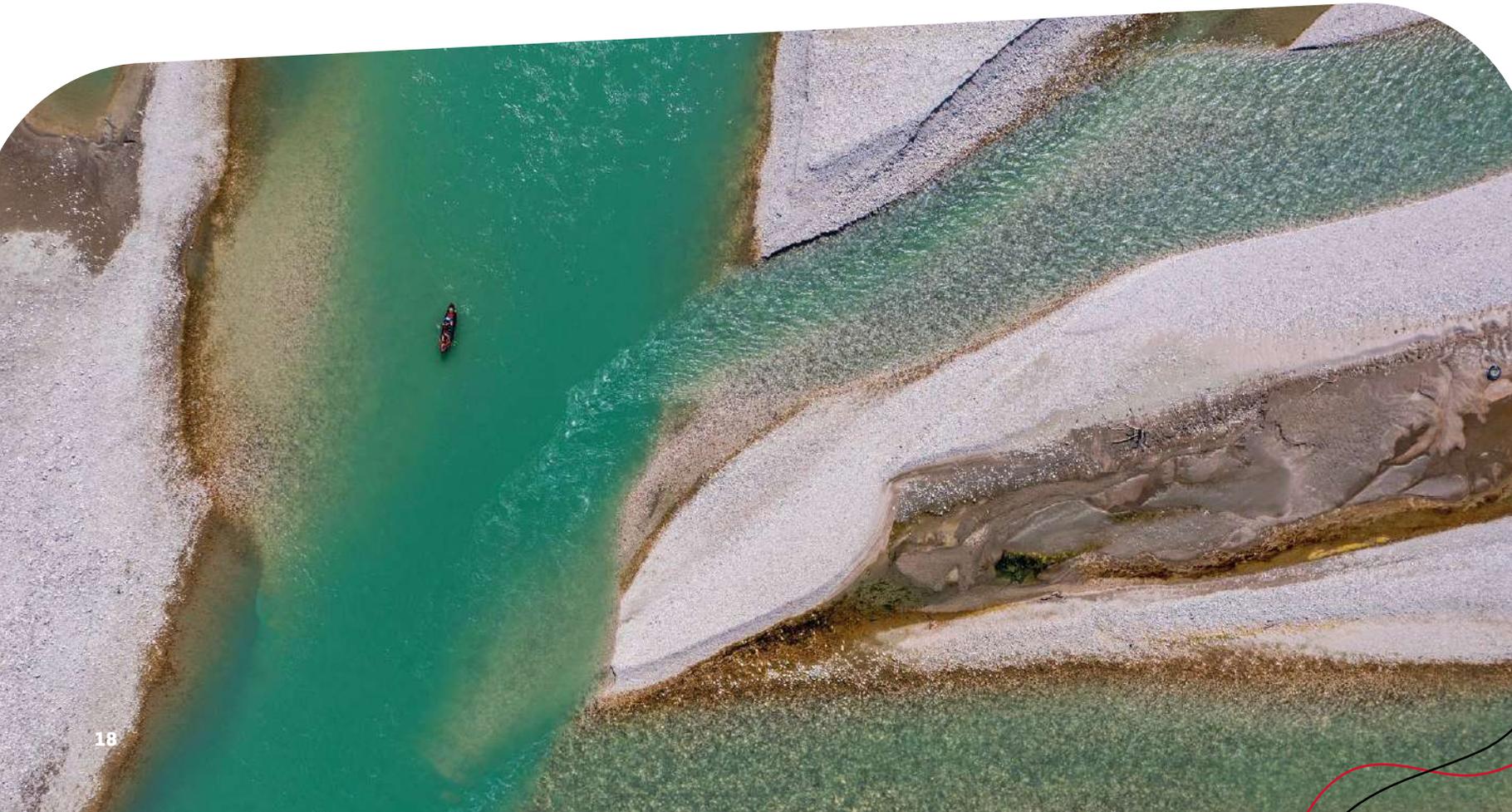
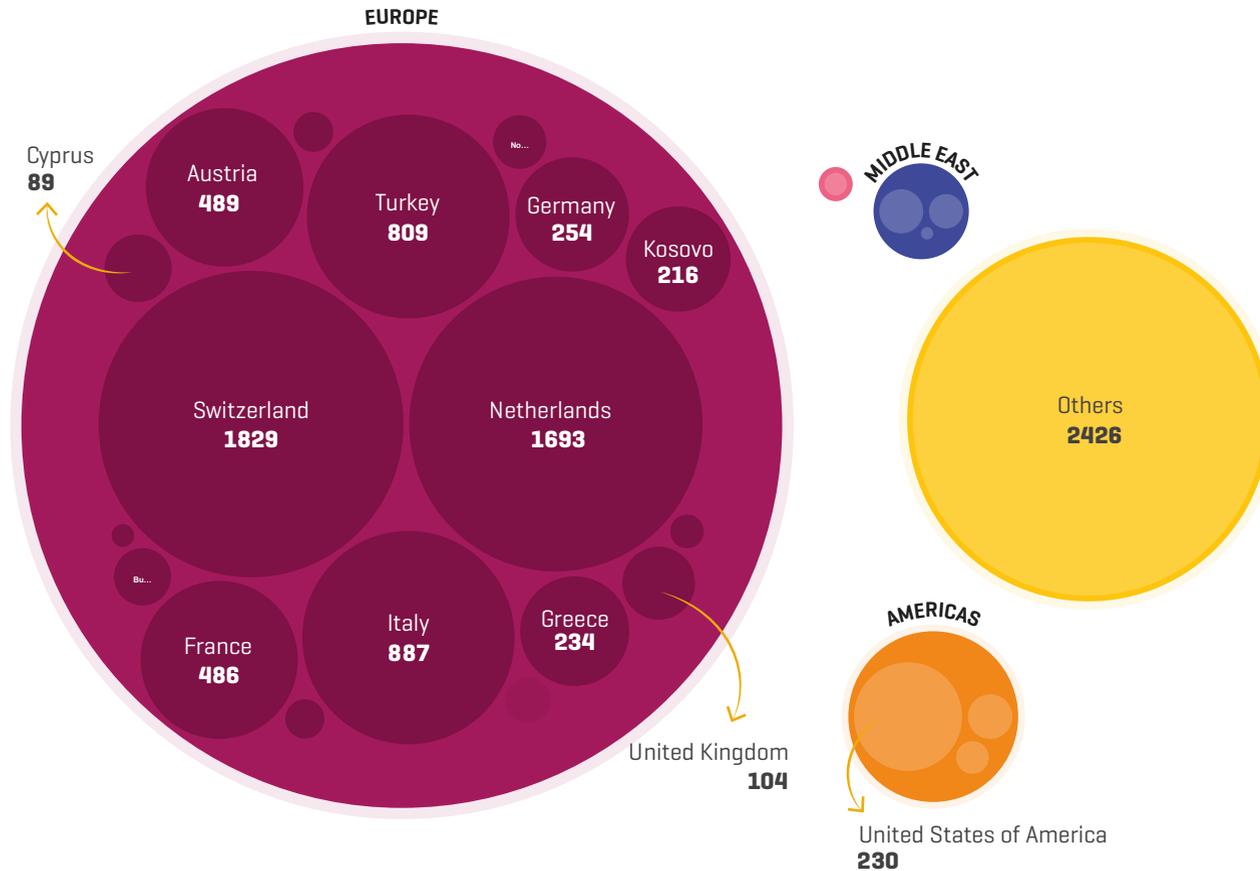


Figure 2.3: Origin of foreign direct investment (FDI) Flows in Albania, Cumulative Periods from 2014 to 2023
 [USD millions]



Note: 2023 includes figures from January to September.

Source: Bank of Albania [2024], Statistics, Foreign Direct Investments, Quarterly stock of direct investment-liabilities by country – BPM6, available online: https://www.bankofalbania.org/Statistics/External_sector_statistics/Foreign_Direct_Investments/Foreign_direct_investments_position.html [09-02-2024].

Albania has a clear strategy to boost and promote investment in the country, whether local or foreign, especially through the Albanian Investment Development Agency (AIDA), established under the **Law 10303 in 2010**. This agency, operating under the authority of the Ministry of Economy, Culture and Innovation, focuses on enhancing the competitiveness of the private sector, strengthening the export potential of the country, and promoting and supporting FDI in Albania, along with promoting the country's tourism potential³⁸.

More recently, under the **Strategic Investment Law from 2016**, some sectors such as energy and mining, transportation, electronic communications infrastructure, urban waste management, tourism, and agriculture, among others, present attractive incentives for investors³⁹.





2.2. Tourism investment in Albania

Tourism investment is a multidimensional concept involving multiple stakeholders, each playing a significant role in the development and promotion of the tourism sector. This sector holds great relevance in the economic development of countries, as it generates positive externalities and spillover effects in other ecosystem subsectors such as hospitality, food, transportation, construction, and commerce, among others.

The recent resurgence of the tourism sector in the country and the progressive increase in international visitors, which already surpasses pre-pandemic levels, are driving and energizing not only the hotel industry but also related sectors such as local commerce, gastronomy,

and recreational activities. This multiplier effect is yielding positive results in terms of employment and the diversity of the tourism offer, while also increasing incentives to develop infrastructure related to the sector.

In this context, the Government, through the Strategic Investment Law, has promoted around 21 strategic investment projects related to tourism between 2016 and 2023. These projects, which have either been completed or initiated implementation, represent a total investment of EUR 3,090 million and generating approximately 16,900 new jobs.

1. New Born

Investor

MANE TCI

Investment Value

EUR 26 million

Description

Tourism complex, villas and apartments

Location

📍 Hamallaj, Durrës



3. Gone Perivol

Investor

CONCORD INVESTMENT

Investment Value

EUR 32.5 million

Description

Tourist complex [hotel, village and service facilities]

Location

📍 Palasë, Himarë



2. Green Coast 1

Investor

GREEN COAST

Investment Value

EUR 52.5 million

Description

- Tourism complex. Hotel with 100 rooms, 188 villas and 136 apartments
- 5-star hotel and a tourist complex

Location

📍 Palasë, Himarë



4. Kepi Merli

Investor

BOIKEN

Investment Value

EUR 78 million

Description

Tourist complex [5- star hotel with 210 beds; 4-star hotel with 210 beds; 63 villas; other services]

Location

📍 Ksamil, Sarandë



5. San Pietro

Investor

CONCORD INVESTMENT

Investment Value

EUR 88 million

Description

Tourist complex [5- star hotel with 210 beds with 500 rooms and tourist village and service facilities]



7. Plantation of pomegranate, avocado, finger lime

Investor

AGRO ILIRIA GROUP

Investment Value

EUR 6.6 million

Description

Plantation of pomegranate, avocado, finger lime

Location

 Karavasta, Divjake



6. White Rocks

Investor

EUROCOL

Investment Value

EUR 6.8 million

Description

Tourist Resort

Location

 Dhermi



8. Jala Entertainment Park

Investor

SOLEIL & SEA

Investment Value

EUR 67 million

Description

Tourist resort [Hotel with 60 rooms and 60 villas]

Location

 Jale – Vuno, Himare



9. Lajthiza Rural Tourism Complex

Investor

LAJTHIZA INVEST

Investment Value

EUR 20 million

Description

Modern hotel

Location

📍 Lajthiza, Municipality of Fushe - Arrez



11. Coast to Coast

Investor

GJIKURIA

Investment Value

EUR 56.9 million

Description

3 hotels and residential villas

Location

📍 Municipality of Himare



10. Hotel Chaonians Deluxe

Investor

ILIR TREBICKA

Investment Value

EUR 5.5 million

Description

4-star hotel

Location

📍 Municipality of Himare



12. Green Coast 2

Investor

GREEN COAST

Investment Value

EUR 60.8 million

Description

5 hotels with 100 rooms each, elite individual villas, apartments, swimming pools, restaurants, coffee bar, health center, gym and a public park.

Location

📍 Municipality of Himare



13. Marina di Valona

Investor

MARINA DI VALONA (JV)

Investment Value

EUR 105 million

Description

Integrated project which consists in the development of a concessionary tourist port infrastructure as well as the development of accommodation units, hotels and standardized services in the area bordering the port infrastructure.

Location

 Municipality of Vlore



14. Manastir Resort - tourist resort 2,3 and 4 floors with underground parking.

Investor

ALB STAR

Investment Value

EUR 28 million

Description

Resort [hotel and accommodation 33 units for around 90 beds, restaurant, bar, outdoor pool, etc.]

Location

 Municipality of Sarande



15. White Roads Hotel

Investor

WHITE ROADS HOTEL

Investment Value

EUR 10 million

Description

Resort [hotel and accommodation facilities with 150 units, restaurants, bars, SPA, etc.]

Location

 Municipality of Himare



16. Marina & Yachts of Durres

Investor

GREEN COEAGLE HILLS REAL ESTATE
DEVELOPMENT AST

Investment Value

EUR 2,000 million

Description

Integrated project with tourist port and elite accommodation structures, high standard residences, and services in their function

Location

📍 Municipality of Durres



18. Zagrotourism

Investor

ZAGROTURIZËM

Investment Value

EUR 5.5 million

Description

Hotel with 62 rooms as well as a number of other recreational and agricultural facilities

Location

📍 Municipality of Tepelene



17. Tourist Resort in Lalëzi Bay

Investor

OMNIX ALBANIA

Investment Value

EUR 216 million

Description

Tourist complex (5-star hotel with 250 rooms and 500 apartments and villas

Location

📍 Municipality of Durres



19. Green House Korça Resort

Investment Value

EUR 18 million

Description

5-star hotel with 94 rooms

Location

📍 Municipality of Korça



20. The Cliffs of Tirana

Investor

ADRIATIC RESORTS

Investment Value

EUR 197 million

Description

5-star hotel with 250 rooms and 60 apartment units and casino

Location

 Municipality of Tirana



21. Dajti Express Resort

Investor

DAJT EXPRESS

Investment Value

EUR 12 million

Description

Rehabilitation of the former camp of Pioneers and 12 wooden cottages

Location

 Municipality of Tirana.



Source: Albanian Investment Development Agency (AIDA).

According to the Ministry of Tourism and Environment of Albania, the growth has been exponential, and currently, the country boasts the presence of 17 global brand chains of hotels, including names such as Melia, Marriot, Movenpick-Accor, Mercure-Accor, Maritim, Radisson, Hyatt, Hilton, Pullman-Accor, Hotels-International Hotel Group. Five years ago, none of these brands had a presence in the country.

To analyse foreign direct investment (FDI) transactions, particularly focusing on new projects in the tourism sector, data on greenfield investments in the tourism cluster are used as an approximation to determine capital formation in the sector. According to fDi Intelligence Financial Times, between 2018 and 2023, 212 FDI greenfield projects in the tourism cluster were announced in Emerging Europe, with a total capital investment of USD 9,254 million and an expectation to create over 34,770 new jobs. In 2023 alone, 26 greenfield FDI projects were announced in the tourism cluster in the region, with an investment of USD 722 million⁴⁰.

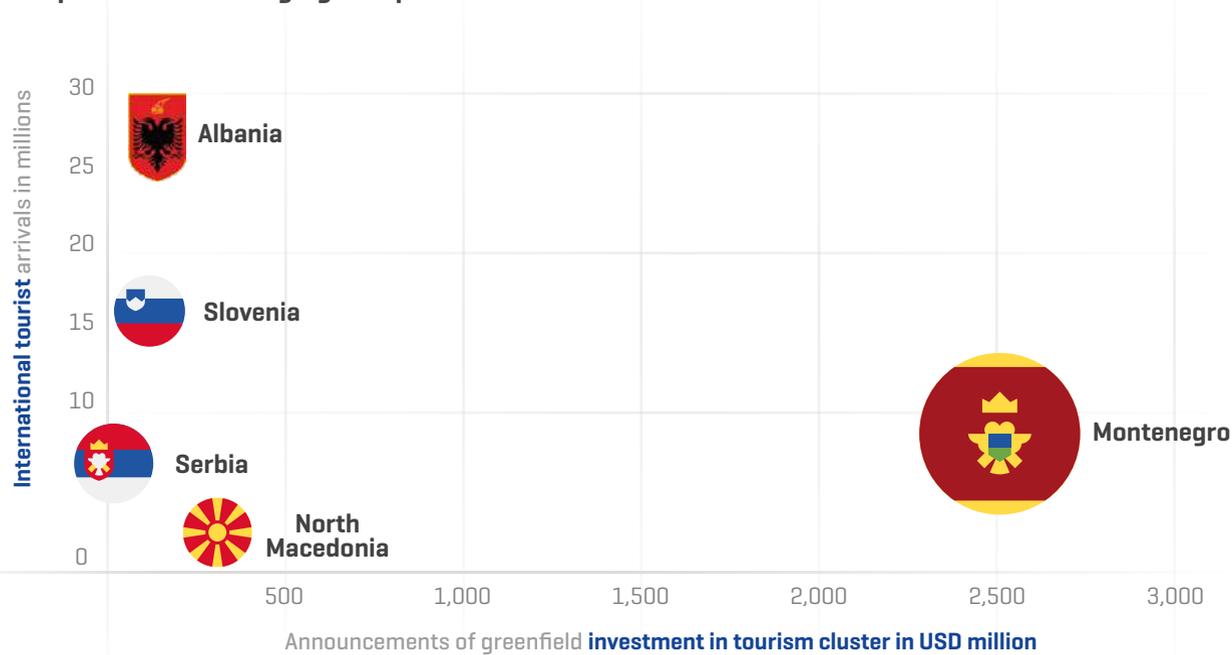
The effects of the pandemic and measures implemented to prevent the spread of COVID-19, such as mobility restrictions and social interaction limitations, have impacted the flow of investments into the tourism sector. In 2019, 62 greenfield projects were announced in the

tourism cluster in Emerging Europe, totalling USD 2,036 million. Since then, the situation has been slowly improving but remains far from pre-pandemic levels. Between 2022 and 2023, 50 greenfield projects were announced in the tourism cluster for a total of USD 1,348 million, showing some improvement with the easing of mobility restrictions and the significant recovery of the tourism sector, but still lagging pre-pandemic levels and other regions, likely affected by geopolitical conflicts and military movements in relatively nearby zones.

In the case of Albania, according to fDi Intelligence Financial Times information between 2018 and 2023, only 4 greenfield projects were announced in the tourism cluster for a total of USD 135 million. This indicates less attention compared to neighbouring countries along the Adriatic coast, such as Montenegro (with 11 projects for a total of USD 2,509 million) or even North Macedonia (2 projects for a total of USD 312 million). Despite being the largest international tourist destination on the Adriatic coast after Italy, Greece, and Croatia, and one of the main receptors of international tourism revenue, Albania has not been as successful as its neighbours in attracting foreign investments to the sector in recent years. Figure 2.4 illustrates the significant potential of Albania in this regard.



Figure 2.4: Comparison of 5 Emerging Europe destinations



Note: only tourists (overnight visitors) are taken into account; excursionists are excluded. The size of the circle is linked to the relative comparison of the number of greenfield FDI projects announced in each country between 2018 and 2022.

Source: fDi Intelligence Financial Times, fDi Makets [12-02-2024].

Aware of this potential, the Albanian government, through the Ministry of Tourism and Environment and the Albanian Investment Development Agency, has taken several steps to foster tourism development and transform the country into an attractive, dynamic, and productive tourism destination throughout the year. With a focus on sustainable economic development and social well-being, the government aims to elevate the tourism sector to become a significant contributor to Albania's growth.

Key initiatives include enhancing the quality and quantity of tourism services, promoting greater dissemination of visitor flows, and improving infrastructure to reduce seasonality and extend tourists' stays. By leveraging Albania's diverse natural and cultural offerings, the Government aims to attract private investments and international hospitality brands to foster a thriving tourism sector by 2030.

With this integral approach, it is likely that the current trend of lagging in foreign investments in the tourism sector will reverse in the near future.



2.3 Overview of the Startup Ecosystem and Venture Capital Landscape

Albania's startup ecosystem is still in its nascent stages, with concerted efforts from both the public and private sectors to support entrepreneurship. Fueled by the energy of young innovators, the country witnesses a continuous surge in groundbreaking startups, especially in information technology, supported by entities like the European Bank for Reconstruction and Development (EBRD) and the Ministry of State for Entrepreneurship. Collaborative endeavors among community members and early-stage investors are crucial in unlocking the full potential of Albania's thriving startup scene, showcasing substantial progress.

Aligned with the startup landscape, Albania's commitment to entrepreneurship is evident in various initiatives and partnerships. Stakeholders like the Albanian-American Development Foundation, Norfund, Crimson Capital Corp, and the Municipality of Tirana have jointly established Cash Flows from Financing (CFF) to address the challenge of limited funding opportunities. The government's commitment to technology development, tax relief for local software development companies, and anticipated legal policies for startups during the incubation phase contribute to the imminent creation of a sustainable startup ecosystem, particularly focused on technology companies. In addition, initiatives like digital nomad visas and EU funds earmarked for startup development position Tirana as a burgeoning innovation hub in the region.



154
Startups



2
Venture Capital Investors



17
Funding rounds Investors

Source: Albania Tech [2024], available online at: <https://albaniatech.org/> [12-02-2024].

Albania is swiftly emerging as an enticing destination for investors and entrepreneurs, supported by a dynamic ecosystem and favorable government initiatives. Ongoing endeavors, such as the establishment of a "Start-up Law"⁴¹ in collaboration with donor organizations, aim to streamline support for startups. The country's scenic beauty, high scores in various indices, and provisions for large businesses, coupled with a well-educated workforce and tax benefits, amplify Albania's allure for foreign investors. Notable success stories across industries, facilitated by initiatives like the National Business Center, underline the growing opportunities in the region.

Further fortifying its position as an appealing entrepreneurial hub, Albania's lenient legislation on foreign investments prioritizes equal treatment and protection. SmartCapital's direct access to capital and smart technologies breaks down barriers for small and medium-sized enterprises [SMEs]. Notably, the law extends its support to "digital nomads,"⁴² defined as foreign citizens using communication technology to offer professional services for entities outside of Albania without the need for a registered office or headquarters. Collectively, these efforts position Albania as a vibrant ecosystem for innovation

and economic growth, offering a welcoming environment for both investors and entrepreneurs alike.

Albania's Parliament recently approved Law no. 36/2023⁴³, effective from June 28, 2023, which supports the creation and development of high-growth potential startups in the technology and innovation sector.

The law provides the following tax incentives for digital nomads in Albania:



Non-residency for 12 Months:

Digital nomads won't be considered tax residents in Albania for their first 12 months – a generous grace period to kickstart your professional endeavors.



No Permanent Seat Worries:

Non-resident entities hiring digital nomads won't establish a permanent seat in Albania solely based on these collaborations. It's a hassle-free arrangement!



Flexible Workspace:

The activity of a digital nomad won't establish a fixed place of business, ensuring the freedom to work from wherever inspires creativity.

Digital nomads can exercise their activity after being provided with the unique permit.

The law also provides for:



Start-up Agency:

An agency dedicated to the development and support of startups, streamlining processes, and ensuring a conducive environment for growth.



Financial Support Schemes:

A robust management and monitoring unit overseeing the implementation of financial support schemes, turning innovative ideas into successful ventures.

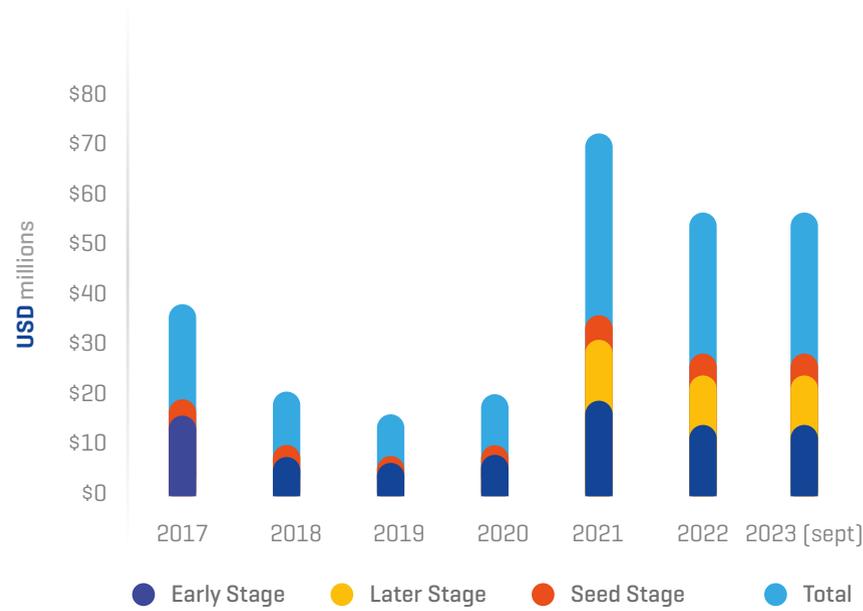


Evaluation Excellence:

Introducing the "Evaluation Commission" and the "Appeal Commission" - two bodies dedicated to assessing requests from startups and facilitators, ensuring a fair and efficient process.

This legislative initiative reflects Albania's commitment to fostering entrepreneurial growth and accommodating flexible work arrangements in the evolving landscape of technology and innovation.

Figure 2.5 Venture Capital from 2017 to 2023
[USD millions]



Source: Statista 2024 - available online at <https://www.statista.com/outlook/fmo/capital-raising/traditional-capital-raising/venture-capital/albania> [22-02-2024].

Albania's Venture Capital market has experienced significant growth in recent years. From 2017 to 2023, there have been fluctuations in Early Stage, Later Stage, and Seed Stage investments. Early Stage peaked at USD 19.3 million in 2021, stabilizing at USD 14.6 million in 2022 and 2023. Later Stage investments surged to USD 12.2 million in 2021, followed by a slight decline to USD 9.5 million in 2022 and a marginal rise to USD 9.7 million in 2023. Seed Stage investments reached a

peak of USD 5.1 million in 2021, gradually decreasing to USD 4.1 million in 2023. The overall trend shows a notable increase from USD 19.3 million in 2017 to a peak of USD 36.5 million in 2021, with a slight dip to USD 28.6 million in 2022 and a stable figure of USD 28.5 million in 2023⁴⁴.

Entrepreneurs in Albania are increasingly leveraging venture capital for its benefits, including access to capital, expertise, and networks. The rise of local venture capital funds focused on Albanian startups plays a crucial role in providing early-stage funding. Simultaneously, there's growing interest from international venture capital firms, drawn by the expanding startup ecosystem and favorable economic conditions. Despite historical challenges like a small market size, Albania's Venture Capital market is overcoming obstacles, supported by government policies and efforts to attract foreign investment.

With steady economic growth, a dynamic population, and a strategic location, Albania is becoming an attractive destination for venture capital investment. This trend is expected to persist as more entrepreneurs recognize the advantages of venture capital for scaling up their businesses.

2.3.1 Empowering Opportunities

In addition to the thriving startup ecosystem, Albania is strategically implementing projects to further enhance its economic landscape. The Albanian Agribusiness and Tourism Support Facility (AATSF), initiated in 2016, stands out as a significant endeavor funded by the EBRD. In collaboration with the Albanian Government and partner banks, AATSF focuses on propelling the agribusiness sector, a pivotal yet underexplored facet of the Albanian economy, through a combination of financial support and technical assistance⁴⁵.

AATSF offers innovative financing options for financial institutions, including credit lines and portfolio risk-sharing, with loss coverage provided by the Albanian Government. This distinctive financial instrument stimulates lending across the entire agribusiness value chain. Additionally, agribusinesses can tap into the Small Business Advisory (SBA) program, supported by EBRD, providing consultancy services for various aspects of institutional development.

The primary beneficiaries of AATSF are farmers, entrepreneurs, and companies involved in agriculture, agribusiness, and tourism. The program aims to unlock the untapped potential of these sectors, offering financial resources and expert guidance through technical assistance facilitated by Landmark Communications sh.p.k (Albania) and Colliers Albania consortium.

Complementing AATSF is the Infrastructure and Tourism Development Program in Albania (PIZHT)⁴⁶. This program addresses challenges within the country's tourism sector by making strategic investments in both infrastructure and tourist-related businesses. It aligns with the Government of Albania's (GoA) broader objective outlined in the National Strategy for Development and Investment, aiming to enhance Albania's competitiveness and foster sustainable economic growth, particularly through high-quality tourism.

Recognizing the significance of Travel & Tourism as a key driver of economic growth, PIZHT focuses on leveraging Albania's extensive coastline, a major tourist attraction. However, it also identifies substantial opportunities for the development of inland tourism, capitalizing on the presence of UNESCO World Heritage sites and other cultural landmarks. This holistic approach seeks to diversify and expand Albania's tourism offerings, contributing to both economic development and the preservation of cultural and natural heritage.

Connecting the initiatives, Albania's simultaneous focus on nurturing its startup ecosystem and implementing strategic projects underscores the comprehensive approach taken by the government to foster economic growth. The combination of supporting emerging businesses and investing in key sectors like agribusiness and tourism positions Albania as a dynamic and forward-thinking player in the global economic landscape.

In conclusion, Albania stands at the forefront of economic dynamism, weaving a tapestry of innovation and strategic development. The

flourishing startup ecosystem, characterized by an enthusiastic community of entrepreneurs, vibrant support networks, and government initiatives, showcases the nation's commitment to fostering technological advancements.

Two noteworthy startups contributing to this vibrant landscape are HotelBee [hotelbee.co], offering cutting - edge hotel management software that revolutionizes the hospitality industry, and OpenPay [openpay.al], providing an innovative payment solution with a state-of-the-art Point Sale [POS] system. HotelBee's software streamlines hotel operations, enhancing efficiency and guest experiences, while OpenPay's payment solution redefines transaction processes, bringing convenience and security to business.

Simultaneously, ongoing projects like the Albanian Agribusiness and Tourism Support Facility [AATSF] and the Infrastructure and Tourism Development Program [PIZHT] reflect a visionary approach to harnessing untapped potentials in agribusiness and tourism. These endeavors not only fortify Albania's competitiveness on the global stage but also exemplify its dedication to sustainable growth, cultural preservation, and a diversified economy. With a blend of technological prowess, entrepreneurial spirit, and strategic investments, Albania emerges as an inviting destination for investors, entrepreneurs, and enthusiasts eager to be part of a nation poised for remarkable economic success.





03

VALUE PROPOSITION

Albania, often referred to as **'Europe's last unturned stone,'** emerges as a small yet compelling country with astonishing diversity. Its accessibility is a key feature, offering an array of experiences that surprise and captivate. Recognizing this potential, the Albanian government has proactively taken steps to foster tourism development. The Ministry of Tourism and Environment, emphasizes Albania's holistic vision for the tourism sector. This approach not only considers the environmental impact but also integrates local communities, showcasing a commitment to sustainable and community-oriented tourism practices.

In the realm of this unique charm and conscientious development strategies, Albania's economic landscape gains even greater appeal to investors. The fusion of economic stability, diversified growth sectors, and a concerted effort toward responsible tourism positions Albania as a promising investment destination that exceeds conventional expectations.

3.1. ¿Why to invest in Albania?



3.1.1

Albania's Economic Landscape and Investment Potential



1. Liberal and Reformist Investment Climate:

Albania's progressive stance on foreign investment lays the groundwork for a favorable business environment. The country offers special treatment outlined in the "**Law on Tourism**" for entities granted "special status" and upholds a liberal foreign investment regime, permitting foreign companies to own 100% of their operations under the "**Law on Foreign Investment.**" Investors also enjoy legal protections provided by the "**Strategic Investment Law,**" further emphasizing Albania's dedication to cultivating a stable and investor-friendly climate⁴⁷.



2. Optimal Geographic Location:

Strategically positioned in the western Balkans, Albania serves as a vital crossroads for Europe's major transit corridors. Highlighting a geographic advantage, the country connects northern and southern Europe, providing access to the world's largest trade routes. Its extensive coastline and ports in the **Adriatic** and **Ionian Sea** enhance Albania's role as a bridge between East and West.



3. Economic Growth and Stability:

Albania's economic trajectory reflects strong growth potential. With a solid GDP growth projection of 3.7% for 2024⁴⁸, the country is expected to keep demonstrating its resilience and adaptability. Robust exports and increased foreign direct investments emphasize Albania's economic stability. The implementation of free trade agreements with key markets further positions the nation as an attractive investment hub.

Free access to large markets

Additionally, Albania is part of the **General System of Preferences (GSP)**, an asymmetric preference system. Under this system, certain states, such as Australia, Belarus, Canada, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland and the United States of America, grant preference to goods originating from developing countries, but not vice versa. Countries where Albanian preferential origin goods can be exported under preferential tariff treatment according to GSP include Australia, Belarus, Japan, Kazakhstan, New Zealand, the Russian Federation and the United States of America⁴⁹.





4. Infrastructure Development for High-End Tourism:

The Albanian government's medium and long-term vision extends beyond mere economic growth to the strategic development of high-end tourism. Taking a comprehensive approach, the nation focuses on refining tourism infrastructure, championing sustainability, and addressing seasonality challenges. Legislative initiatives are underway, actively encouraging private investments and attracting renowned international hospitality brands. Albania aspires to position itself as a year-round tourist destination by **2030**, supported by substantial investments in crucial elements such as airports, marinas, and ports. Notable projects, including the completed **"Nations Road"** highway, seamlessly connect major tourist destinations with the capital, Tirana, enhancing Albania's allure and presenting a compelling investment landscape for those seeking an elevated and immersive tourism experience.



Albania's Road Connectivity

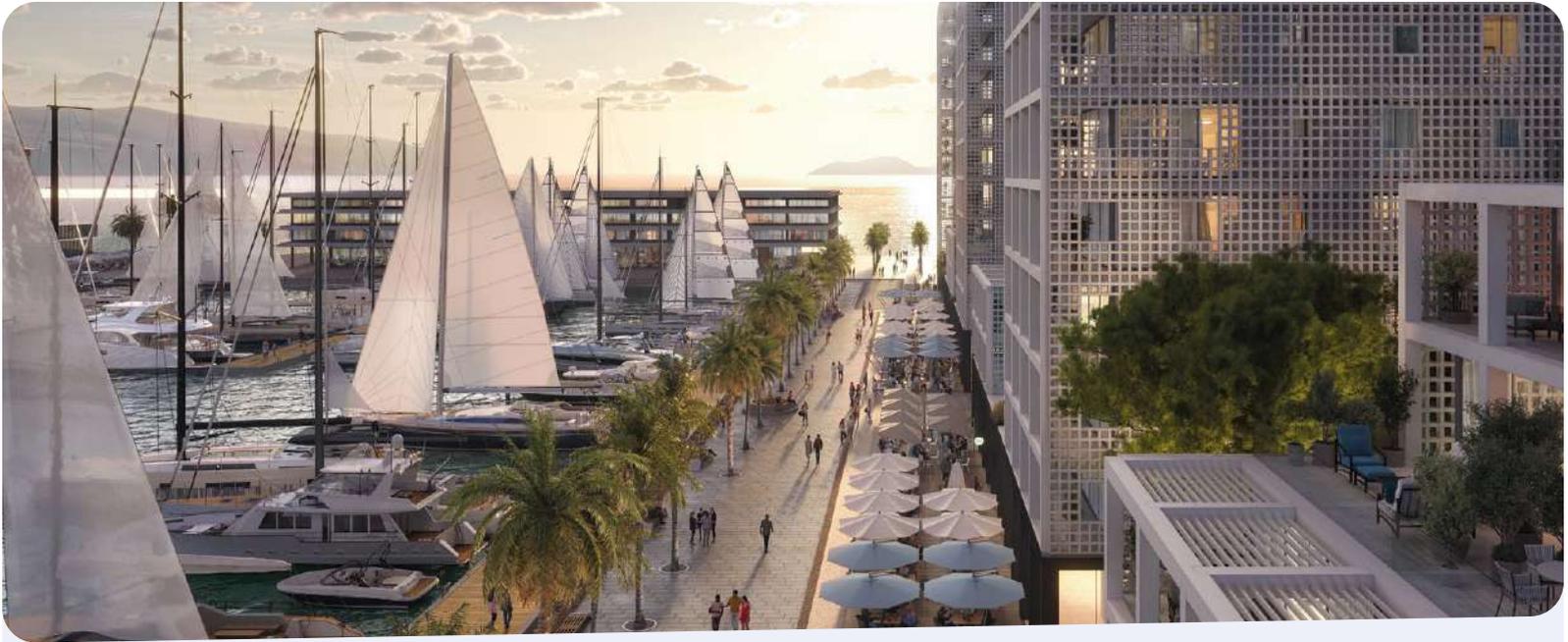
- Road transport in Albania encompasses a network of approximately 18,600 km, consisting of main interurban roads, secondary roads, and urban interurban roads⁵⁰.
- The completion of the **Durrës-Kukës-Morinë** highway, known as **"Nations Road,"** spanning 170 km, has notably enhanced trade between Albania and Kosovo.



Sailing Albania's Maritime Advancements

Albania's maritime transport, with about 440 km of coastline, benefits from favorable natural conditions and resources. The four main Albanian ports, including Durres Port Authority, Vlora Seaport, Shengjin Seaport, and Saranda Seaport, facilitate various activities such as transport, tourism, and fishing.

- **Durres Port**, the largest and most crucial port in Albania, acts as the main gateway for Corridor VIII and the Durres-Kukes-Morine Corridor. It covers over 81.8% of all domestic transport and more than 90% of freight transport.
- **Vlora Port**, the country's second-largest port, primarily serves as a passenger port and partially as a freight port. It is a vital component of Corridor VIII, connecting Albania to the Black Sea, Burgas, and Varna.
- **Saranda Port**, located in the south of Albania in the Ionian Sea, accommodates domestic tourism, and facilitates exchanges with Corfu, Greece.
- **Shengjin Port**, situated in the northwest along the Adriatic Sea, has a capacity of 60 million tons per year, intending to support trade exchanges with Kosovo, Serbia, Macedonia, and beyond.
- **Romano Port** located 6.5 km north of the city of Durrës, specializes in offshore oil and gas services.
- **Petrolifera Port** located in the bay of Vlora serves as a terminal for oil and liquefied gas. It is part of Corridor VIII⁵¹.



- **Durres Yacht & Marina:** The largest foreign investment in the history of the country, valued at approximately EUR 2.17 billion, represents a landmark tourist project that will profoundly transform Durres into a premier destination in the Mediterranean. Encompassing an area of around 450 hectares, the project is expected to generate approximately 12,000 jobs during the construction phase. It aims to convert the port into a luxury Superyacht Marina, driving the tourism sector to new heights.
- **Vlora Marina:** Situated in a prime location in Vlora with exclusive sea views, Vlora Marina is a world-class marina – the

first in Albania with 438 berths for year-round mooring of yachts and mega yachts. The promenade of Vlora Marina stretches along the sea and is considered one of the longest, connecting promenades next to a forest. Two 5-star hotels, affiliated with international hotel chains present in over 139 countries and managing over 8,000 accommodation structures, are integral parts of this development.

- **Orikum Marina:** Orikum Marina is a fully operational marina in Albania, situated 1.5 km north of the small town of Orikum in the bay of Vlore, Southern Albania. Since 2018, the Marina of Orikum has held official recognition as an International Port.

In air transport, Tirana International Airport (TIA), known as "Mother Teresa Airport," of Rinas; is managed and operated by a Public-Private Partnership. Conveniently positioned 17 km to the north of Tirana's city center, TIA serves as a vital gateway to Albania.

- 17 km [30 minutes] north of Tirana city center.
- 32 km [45 minutes] northeast of Durrës, the country's largest port.
- Located at the crossroads between northern, southern, central, and eastern Albania.
- It is located very close to the main industrial areas of Albania.



Albania in the Air



**Year
2020**



**Flights
19,248**



**Passengers
5,198,550**



**Freight Volume
2,065**



**Number of companies
17 airlines operating
in 60 destinations**

Source: Ministry of Tourism and Environment of Albania [2024].

- **Kukës Airport**, as the second civil airport in Albania, targets low-cost airlines. It has been built but is not operational yet.
- **Vlora Airport**, dedicated to tourism, is currently under construction.
- The new **South Tourist Airport** is planned to be constructed in the historic city of Gjirokastra. This stone city is already listed as part of the UNESCO World Cultural Heritage, solidifying Gjirokastra as a significant hub for year-round cultural tourism, witnessing a consistent rise in visitors each year. Currently, the project is in the conception phase.

Albania's comprehensive infrastructure development positions it as an attractive investment destination with vast potential for economic growth and prosperity.



5. Sustainable Tourism and Environmental Focus:

Albania's commitment to sustainable tourism aligns with its environmental priorities. Managing tourism and the environment under the same ministry allows for innovative policymaking. The government envisions extending tourism across the entire country, emphasizing sustainability and authenticity. Initiatives like the **Vjosa Wild River National Park** exemplify Albania's dedication to protecting natural resources while fostering responsible tourism.

Vjosa – The First National Park of the Last Wild River in Europe

Vjosa, the last wild river in Europe, designated as a National Park since March 2023, is a true marvel stretching across 192 km in Albania. The creation of Europe's inaugural wild river national park underscores the commitment of the Albanian government to foster sustainable tourism development, preserving natural resources while creating ecotourism opportunities in harmony with nature. The Vjosa and its main tributaries flow freely for over 400 km, originating from the Pindus Mountain Range in Greece, known as Aoös, and coursing to the Adriatic coast in Albania. The river and its surrounding areas constitute ecosystems with substantial biodiversity, housing over 1,100 species of animals, including 13 animal species and two plant species globally assessed as threatened by International Union for Conservation of Nature (IUCN).

The Vjosa Wild River National Park offers solutions to challenges faced by the river, such as water and land pollution, waste management, and deforestation. Additionally, the National Park is

poised to create economic opportunities for local communities through responsible tourism, addressing the issue of depopulation in the area. The surrounding watershed provides fertile land for agricultural activities, including crop production and livestock farming. The abundance and diversity of fish play a crucial role in sustaining the livelihoods of local fishermen, especially in the lower part of the Vjosa. Eco-tourism along the Vjosa and its tributaries has witnessed a significant increase in recent years, with enthusiasts enjoying activities such as rafting, canoeing, kayaking, and swimming⁵².

New Trends in Tourism

Albania is dedicated to fostering sustainable and diversified tourism, moving beyond the conventional focus on beautiful beaches. Currently, the nation is experiencing a surge in various tourism sectors. In 2023 alone, 4.6 million people explored our protected areas, with an additional 1 million visitors exploring National Heritage sites, Natural and National Parks. Cultural tourism has seen significant traction, attracting over 700,000 visitors to archaeological and cultural sites. The burgeoning culinary tourism landscape boasts 260 agrotourism offerings across Albania. Additionally, the emergence of festival tourism, a novelty for Albania, draws thousands of young people from across Europe. Events like UNUM Festival in Shengjin, Kala Festival in Dhermi, South Outdoor Festival in Borsh, and numerous smaller festivals during the summer season play a pivotal role in showcasing the diverse offerings of Albania.

In essence, Albania, often lauded as **'Europe's last unturned stone,'** reveals itself as a small yet captivating country with remarkable diversity. Its accessibility and wide range of experiences make it an appealing destination for travelers. The Albanian government has taken proactive measures to foster tourism development, emphasizing sustainability and community-driven practices through initiatives led by the Ministry of Tourism and Environment. This commitment underscores Albania's dedication to responsible tourism and sets the stage for a thriving industry.

The country's diverse tourism offerings, coupled with its commitment to preserving natural resources, present an unparalleled investment landscape. As Albania seeks to redefine regional tourism, it welcomes investors looking for a prosperous and responsible business environment. This fusion of economic stability, diversified growth sectors, and dedication to responsible tourism not only positions Albania as a promising investment destination but also challenges conventional expectations. It sets a new era of sustainable development in the heart of the Balkans, promising mutual benefits for both investors and the local community alike⁵³.





3.2 Albania's Tax General Overview

The tax system in the Republic of Albania comprises a package of laws, instructions, regulations, and tax agreements with other countries. These components delineate the types of taxes and fees applied in Albania, their levels, procedures for establishing, amending, and removing taxes, as well as the protocols for the assessment and collection of tax liabilities. The system also outlines various forms and methods for tax control⁵⁴.



Legal and natural persons in the Republic of Albania are subject to taxes as follows:

- Personal income tax.
- Corporate income tax.
- Value added tax.
- Withholding tax.
- Excise tax.
- Local taxes.
- National taxes.



National taxes include the following:

- Port tax.
- Turnover tax on gasoline.
- Tax on used means of transport.
- Mining royalty tax.
- Acts and stamp tax.
- Carbon tax on gasoline.
- Tax for exercising fishing activity, among other activities.



Local taxes include the following:

- Simplified profit tax for small business.
- Real estate tax, which includes taxes on buildings, taxes on agricultural land and taxes on land.
- Hotel accommodation tax.
- Infrastructure impact tax from new constructions.
- Tax on the transfer of ownership of immovable property.
- Table tax.
- Temporary taxes.



3.2.1

Key Taxes on Tourism Related Activities

VALUE ADDED TAX (VAT)

The standard rate of VAT is 20%, applicable for all businesses that exceed the threshold of ALL [code for Lek, the currency of Albania] 10 million [approx. EUR 96,150]⁵⁵.



Reduced VAT rate

The reduced VAT rate of 6% is applied to the following:

- Accommodation services, according to the categories defined by the tourism legislation.
- Any supply of services provided within the **"Five Star Hotel / Resort, with special status"**, holders of an internationally recognized and registered trademark [brand name].
- The provision of accommodation and restaurant services, with the exception of drinks, for facilities certified as **"agritourism"** subject.



PROFIT TAX

- The standard rate is 15%.
- The reduced rate of 5% is applicable for:
 - Taxpayers certified as **"agritourism"** subject⁵⁶.

Accommodation facilities such as **"Four-five-stars hotels, with special status"**, holders of an internationally recognized and registered trademark [brand name] for a period of 10 years starting from the commencement of activity, but no later than 3 years from obtaining the special status, are exempted from the profit tax.

LOCAL TAXES



LOCAL TAXES BUILDING TAX

- Accommodation facilities **“Four- and five-star hotels, with special status”**, holders of an internationally recognized and registered trademark [brand name] are exempted from building tax.

Albania, with its strategic focus on fostering a conducive business environment, offers a variety of incentives that make it an attractive destination for investment in the tourism sector. One notable incentive is the exemption from corporate income tax for accommodation facilities, such as **“Four and Five-star Hotels with special status,”** and entities holding an internationally recognized trademark for a period of 10 years. Additionally, for taxpayers certified as **“agritourism”** entities, there is a reduced rate of 5% for profit tax. Furthermore, there is an exemption from the tax on infrastructure impact for certified agritourism activities and specific accommodation facilities.



TAX OF IMPACT ON INFRASTRUCTURE

- Accommodation facilities **“Five-star hotels, with special status”**, holders of an internationally recognized and registered trademark [brand name] and **“agritourism”** subjects are exempted from tax of impact on infrastructure⁵⁷.

The legal and tax framework in Albania, encompassing personal income tax, corporate income tax, value-added tax, and various local and national taxes, aims to create a favorable environment for businesses. Key taxes related to tourism activities, such as standard and reduced rates of VAT and profit tax, are structured to encourage growth and investment in the sector.

Within the current legal framework for tourism, the categorization of accommodation structures is a prerequisite for accessing incentives such as the reduced **6% VAT** and applying for the use of beach areas for beach station activities. Albania's commitment to supporting tourism-related businesses is evident through these comprehensive incentives, positioning the country as an enticing hub for those seeking a thriving and profitable investment landscape.

Table 3.1 Tax Exemptions

Incentive Profit Tax

Who

Accommodation facilities such as **“Four and Five-stars Hotels, with special status”** and the holders of an internationally recognized and registered trademark (brand name).

What

Exempted from corporate income tax for a period of 10 years are those structures that receive special status, starting from the commencement of activity, but no later than 3 years from obtaining the special status.

Incentive Tax on buildings

Who

Accommodation facilities such as **“Four and Five-stars Hotels, with special status”** and the holders of an internationally recognized and registered trademark (brand name).

What

Exempted

Incentive Tax on Impact on Infrastructure

Who

Accommodation facilities such as **“Four and Five-stars Hotels, with special status”** and the holders of an internationally recognized and registered trademark (brand name).

What

Exempted

Who

Investments of the entities, which carry out hosting activities certified as **agritourism**, according to the legislation in force in the field of tourism.

What

Exempted

Source: Ministry of Tourism and Environment of Albania [2024].

Table 3.2 Fiscal Incentives**Incentive****VAT****Who**

Every supply of service provided within Accommodation facilities such as **“Four and Five-stars Hotels, with special status”** and the holders of an internationally recognized and registered trademark [brand name].

What

Reduced rate of VAT of 6%

Incentive**VAT****Who**

Supply of accommodation and restaurant services, **except for beverages**, for the structures which carry out hosting activities certified as **agrotourism**, according to the legislation in force in the field of tourism.

What

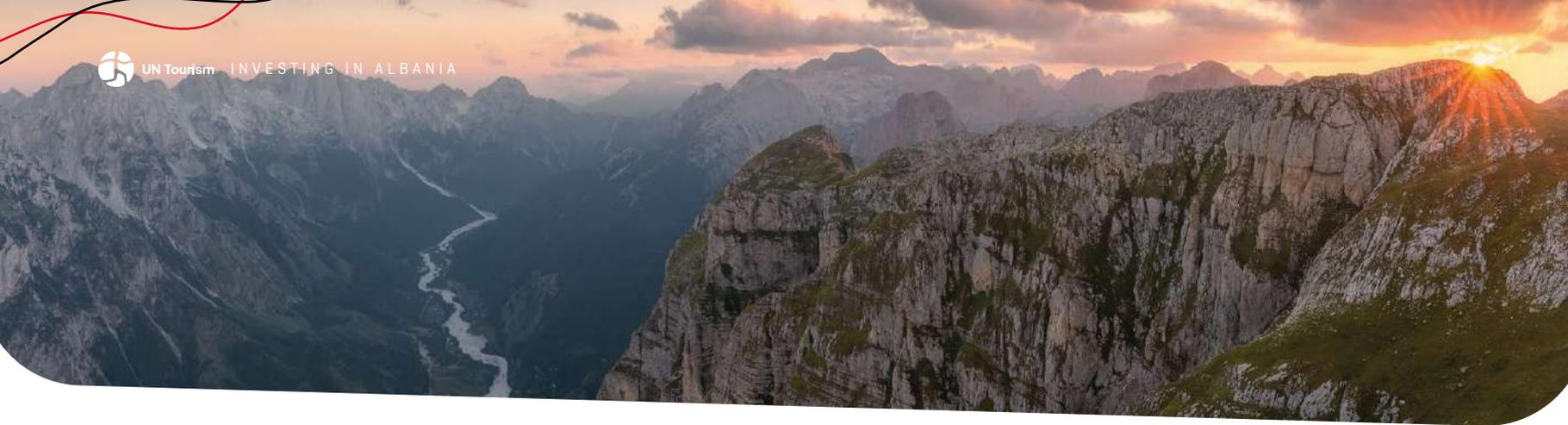
Reduced rate of VAT of 6%

Source: Ministry of Tourism and Environment of Albania [2024].

Other Incentives

The support for investments in priority areas for tourism development such as:

- The disposal of state immovable property. provides for the availability of state real estate [also through a symbolic EUR 1 - contract] for a period of up to 99 years.
- Establishing of touristic ports or permanent pits serving as supporting infrastructure for tourist structures.
- Disposal of beach areas for investments near the shores of the sea or lake.



Priority Areas in Tourism Development

"Development Priority Areas" refer to regional and/or local government areas deemed of special importance requiring specific support for economic development, increased employment, improved living conditions, and efficient use of public resources and infrastructure. In these designated priority areas, the state is anticipated to take on the role of developer, engaging in various forms of partnership. State-owned real estate or local government units within these areas will be placed under the administration of the Ministry of Tourism within two months of the area's approval⁵⁸.

For investments in these areas, it is expected that real estate will be made available for the construction of accommodation facilities and other tourism structures, with a lease period of up to 99 years. Additionally, there is a provision for the disposal of beach areas for investments near the shores of the sea or lake.

The announcement of the 17 priority areas for tourism development is made in consideration of:

- Promotion of quality and sustainable tourism by coordinating and orienting public investments and promoting private investments in these areas.
- Achieving the balance between the development of tourism and the protection of natural, cultural, and historical assets.
- Sustainable use and management of areas through the drafting of detailed action development plans for each of them.
- Designing and implementing special incentive policies for each area.
- Increasing the quality of tourist services by controlling the development and encouraging investments in accommodation structures with 4-5 stars, in accordance with the natural characteristics of the areas.

Decision No. 1, dated July 26, 2018, officially declared 17 areas as priority zones for tourism development in the Republic of Albania, as follows:

Table 3.3 priority zones for tourism development in the Republic of Albania

Priority Area	Size
Dajti Mountain - Bize - Martanesh - Qafeshtame - Kraste	643.4 km²
Prespe and Ohrid lakes	589.9 km²
Shebenik - Jabllanice	339.2 km²
Ridge of Morava	169.5 km²
Lake Ulze	42.0 km²
Lure - Deje	200.9 km²



Priority Area

Canyons of Nivice

Size

125.7 km²

Priority Area

Dumre Plateau

Size

243.7 km²

Priority Area

Korab - Koritnik

Size

555.9 km²

Priority Area

Korce

Size

34.9 km²

Priority Area

The Alps

Size

1,238.6 km²

Priority Area

Coastal zone

Size

1,518.9 km²

Priority Area

Canyons of Osum

Size

55.5 km²





Priority Area

Rinasi

Size

15.3 km²

Priority Area

Vjosa Valley - Zagori

Size

441.1 km²

Priority Area

Tomorri Mountain

Size

260.8 km²

Priority Area

**Lake Shkoder and
the Buna River**

Size

419.0 km²

Source: Ministry of Tourism and Environment of Albania [2024].



3.2.2

Strategic Law on Tourism

Administrative Incentives to Reduce Administrative Burden - Law No. 55/2015 "On Strategic Investments in the Republic of Albania."

The "Assisted Procedure" is the administrative process outlined in Law No. 55/2015, wherein public administration follows, coordinates, assists, supervises, and, if necessary, represents a strategic investment during its implementation phases.

The specific procedures facilitated for the investor include the following:

- Completion of preparatory actions, document preparation, and administrative application in an expedited procedure by the assisting agent, including necessary accompanying documents, when issued by a state administration body, following the request of another state administration body.
- Priority handling of documentation preparation, provision of opinions, or employment of procedures within the area of activity of the state administration bodies, represented in the operational group, for the preparation and implementation of the strategic investment.
- Land consolidation.
- Supporting programs.
- Support with assistive infrastructure.
- Provision of access to state-owned immovable property for the purposes of developing and executing strategic investment projects.

Eligibility: For an investor in the tourism sector to benefit from the assisted procedure and be considered a strategic investor, the investment should focus on accommodation structures, amounting to or exceeding EUR 5 million, and concurrently generate a minimum of 80 new jobs.

"Special procedure" is the administrative process outlined in Law 55/2015, through which support is extended under specific regulations to strategic investments that significantly impact the economy, employment, industry, technology, and/or regional development. The objective is to streamline and accelerate investment processes.

In addition to the facilities, the Government of Albania provides the following assurances to investors:

- Expropriation of private immovable assets to facilitate the development and execution of strategic investment projects.
- Approval by the Assembly, following an assessment by the Council of Ministers, of the relevant strategic investment contracts, upon the request of the strategic investor, to enhance the security of the regulated judicial relationship between the investor and the Albanian state.

Eligibility: For an investor in the tourism sector to benefit from the special procedure and be considered a strategic investor, the investment should focus on accommodation structures, amounting to or exceeding EUR 50 million.

Four national tourist destinations—Albanian Alps, New South, Ports and Marinas, and Tirana—will be consolidated for enhanced tourism experiences.

- **Albanian Alps:** A destination centered on hiking (trekking), emphasizing nature, activity, and sports tourism.
- **South coastline and combination with mountains.** The new airport in the south will bring a significant improvement.
- **Marinas and ports in Albania** exhibit substantial potential for attracting foreign tourists. With a growing influx of sea entry into the country, there are opportunities to develop six new port points with a high level of utilization.
- **Tirana** will continue to enhance its infrastructure, evolving into an attractive hub for regional business events and weekend visitors. Additionally, it aims to solidify its status as a cultural and tourist center⁵⁹.

Through these changes, the concept of investors in 4- and 5-stars accommodation structures is introduced, making them eligible to receive special status and, consequently, benefit from the incentives. These incentives are part of the government's strategy to promote strategic investments in the tourism sector, fostering its growth and development.



3.3 How to Start a Business in Albania

Business registration and licensing procedures in Albania have undergone alignment with European Union (EU) standards, emphasizing the streamlining of administrative processes for businesses. Facilitating the establishment of enterprises, the introduction of the National Business Center (NBC) and the online accessibility of pertinent documents have resulted in a more efficient registration process. This has not only minimized registration costs but has also integrated tax, health insurance, and employment registration into a single application.

At the NBC, entity registration is concluded within 24 hours upon the submission of required documentation, accompanied by a nominal fee of ALL 100 (approximately EUR 0.8), which can be further reduced to ALL 0 for electronic registrations. NBC's administrative services are efficiently delivered electronically, ensuring swift processes and

nominal charges. Applications can be submitted at any NBC service window, providing flexibility irrespective of the applicant's location. Online business registration is also permissible through the government portal, e-Albania.

Upon successful NBC registration, applicants are required to visit the Local General Directorate of Taxes in the respective municipality/commune for fiscal registration. Notably, the "silence is consent" principle applies, signifying that if the NBC fails to complete registration, notify suspension, or deny the application within the mandatory one-day period, the registration is automatically considered accepted.

Note: All these documents must be translated into Albanian through an official licensed translator.

Application to NBC and Documentation

1

The process of forming businesses in Albania is fast and efficient. Their formation is regulated by Law No. 9901 dated 14.4.2008 "On traders and companies", amended by the Albanian Civil Code. Below is a brief description of the main elements of the commercial entities identified above, that have the obligation to register in the commercial register of the NBC.

Ways of applying for registration in the commercial register

Applications for registrations in the commercial register can be made at:

- NBC service counters
- Online through the electronic counter

Entities Required to Register with the NBC Commercial Register

2

The economic system in the Republic of Albania operates on a market economy model, emphasizing freedom in economic activities, which is actively promoted and protected by Albanian legislation. However, this legal framework necessitates the registration of entities engaged in economic and commercial activities, primarily to identify businesses and ensure compliance with tax, employment, and social and health insurance obligations.

The legal framework determines the obligation of registration for the following entities:

- Natural persons (Individual Entrepreneurs), who exercise an economic activity or are independent professionals.
- Simple companies.
- Commercial companies.
- Branches of foreign companies.
- Representation offices of Albanian and foreign companies.
- Saving and credit companies and their unions.
- Mutual Cooperation companies (joint venture).
- Agricultural cooperatives.

Other categories of entities may have the obligation to register if that is set forth by specific laws.

Entities registering as legal persons typically acquire legal status through the commercial register, while for certain entities, such as natural persons and branches of foreign companies, registration holds a declarative effect, as they do not gain legal personality solely through this process.

Legal Framework

3

Law No. 9901, enacted on April 14, 2008, governs entrepreneurs and commercial enterprises in Albania, addressing aspects such as the status of entrepreneurs, company establishment and management, partner rights and obligations, and the processes of reorganization and liquidation. This legislation aligns business registration and licensing procedures in Albania with EU standards, emphasizing the promotion and facilitation of private company development in the country.

Legal reference for registration:

- Law No. 131/2015, "On the National Business Center".
- Law No. 9723, dated: 03.05.2017, "On Business Registration".
- Law No. 9901, dated: 14.04.2008, "On Traders and Business Associations".

Business Licensing

4

Law No. 10081, dated February 23, 2009, titled "On Licenses, Authorizations and Permits in the Republic of Albania," has been amended. The law outlines principles for identifying economic activities and the use of public goods subject to licensing and permitting processes. It also establishes criteria for determining conditions, procedures, validity periods, and reasons for revocation. The annex, an integral part of the law, categorizes licenses, permits, and authorizations overseen by central institutions. Applications follow general processing rules based on fields, categories, and subcategories outlined below:

- By or through the NBC, and in this case the abovementioned law defines the procedures for submitting, reviewing and deciding on an application.
- Without the involvement of the NBC, in specific cases, where the procedures are rendered by the institutions defined by the applicable law in force.
- Decision of the Council of Ministers [DCM] No. 538, dated 26/05/2009, "On Licenses and Permits that are processed by or through the National Business Center [NBC] and some other common sublegal amendments", amended.

This DCM divides licenses and permits into those that are treated by or through the NBC and licenses and permits that are processed without the involvement of the NBC.

License and Permit Groups

5

Licenses and permits processed by or through the NBC are categorized into three groups based on application procedures, decision time frames, and required documents:

- **Group 1** relies solely on the applicant's self-declarations for evaluating fulfillment of licensing criteria. The NBC decides within 2 working days from the application date.
- **Group 2**, in addition to self-declarations, considers supporting documents from the applicant. The NBC decides within 4 working days from the application date.
- **Group 3**, requiring a more extensive evaluation process, involves inspection, testing, competition, interview, or other methods. The NBC and the relevant institution decide based on the deadline set in sectoral legislation.

Entities that have the obligation to obtain a License, Permit or Authorization

The licensing/permitting process is influenced by sectoral legislation, delineating areas requiring licenses/permits, specifying criteria and documentation needed.

Legislation in this field is accessible on the NBC's official website. Individuals or entities, equipped with the tax ID number NUIS (NIPT), engaging in economic, commercial, or professional activities outlined in law No. 10081/2009 appendix, are obligated to obtain a license/permit/authorization. Typically, activities within this commercial realm are free from licensing. Exceptions arise when laws stipulate that licensing is necessary, contingent upon two conditions being met:

- Improper execution or performance of an activity may have repercussions on citizens' life, health, rights, and legitimate interests, as well as on public order, national security, fair competition, market functioning, public goods, social objectives, and other related public interests.
- Ensuring an adequate guarantee for these interests necessitates a thorough process involving self-declaration, review, inspection, and evaluation of compliance with specific predetermined criteria before initiating the activity or action.

Special conditions and licensing/permitting criteria, as well as documentation proving the fulfillment of these conditions/criteria are well defined in DCM No. 538/2009 and in sectoral legislation.

Application and Documentation

Persons in charge of submitting the application for obtaining a license/permit.

- The submission of an application for a permit or license is carried out by the legal representative of the entity aiming to acquire the permit or license, or by an authorized individual acting on their behalf, at the service counters of the NBC.

Supporting documentation to be submitted at the time of application:

- At the time of application, the individual presenting the request must provide all required supporting documentation as stipulated in Law No. 10081/2009, DCM No. 538/2009, and, in specific instances, by sectoral legislation.

Ways of applying for a license/permit

Applications for a license/permit can be made in two ways:

- At the physical service counters of the NBC
- Online through the electronic portal

Legal references for licenses, authorizations and permits:

- Law No. 10081, dated 23.2.2009 "On Licenses, Authorizations and Permits in the Republic of Albania".
- Law No. 10137, dated 11.5.2009 "On some amendments in the legislation in force for licenses, authorizations, and permits in the Republic of Albania"⁶⁰.





04

COMPETITIVENESS OUTLOOK

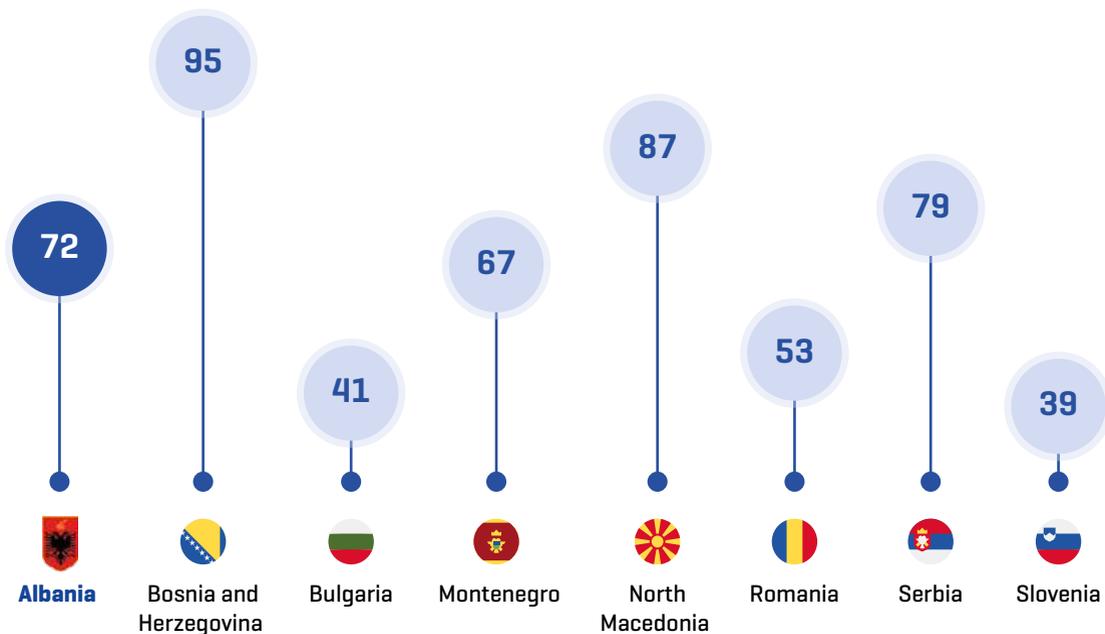
4.1. Attractiveness and Positioning of Albania [Country Benchmark]

To assess and compare Albania's tourism sector with other countries, the 2021 Travel and Tourism Competitiveness Index [TTDI] by the World Economic Forum is a valuable tool. This index evaluates factors and policies contributing to sustainable tourism development, considering 17 pillars and 112 indicators. In the Europe and Eurasia region, Albania secured the 72nd position out of 117 countries, marking its emergence as a competitive player. Notably, six of the top 10 economies in the region showcase Albania's progress. With a rich cultural heritage and diverse natural attractions, Albania aligns well with the regional strengths in cultural and non-leisure resources⁶¹.

Albania's placement among the top 75 economies in the index underscores its commitment to tourism development. In a region where cultural resources and international openness are prevalent,

Albania stands out for leveraging its unique offerings. Balancing price competitiveness with prioritizing tourism infrastructure, Albania shares characteristics with other tourism-dependent states in Southern Europe. The country's dedication to sustainable tourism aligns with the broader European trend, emphasizing environmental responsibility. As Albania continues to ascend in the TTDI rankings, it signifies the potential for sustained growth and competitiveness in the European and Eurasian travel and tourism sector.

Figure 4.1: Comparison of Balkans and Eastern Europe countries, travel and tourism development index, 2021



Source: World Economic Forum [2022], Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future, WEF, Geneva, available online: <https://www.weforum.org> [12-02-2024].

The insights derived from the comparative analysis presented in Figure 4.1, which juxtaposes the Travel and Tourism Development Index [TTDI] of Balkans and Eastern Europe countries in 2021, provide a robust framework for thoroughly assessing Albania's performance relative to its neighboring countries, underscoring the nation's unwavering dedication to advancing its tourism sector. By pinpointing Albania's distinctive strengths, including its rich cultural resources and international openness, the comparison highlights the country's alignment with broader European trends in sustainable tourism.

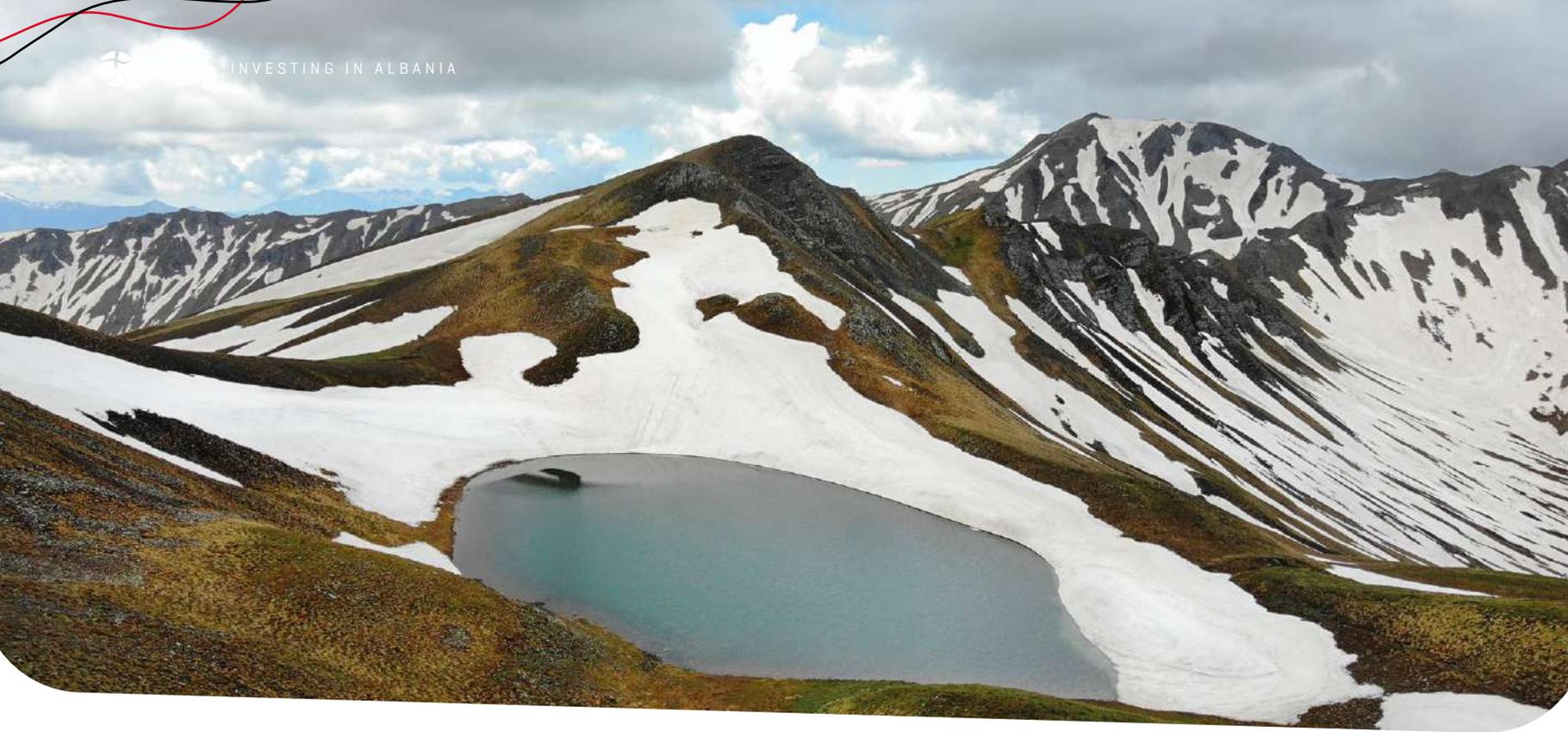
Figure 4.2: Balkans and Eastern Europe score Heat Map Travel and Tourism Development Index, 2021



Source: World Economic Forum [2022], Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future, WEF, Geneva, available online: <https://www.weforum.org> [12-02-2024].

In a broader context, Albania has been proactively working towards fostering a conducive business environment, aiming to attract high-quality, long-term investments. The country's progress in crafting regulatory frameworks, implementing incentives for investment attraction, and strategizing for comprehensive development across various sectors, including tourism, stands as a testament to its commitment to sustainable economic growth. Albania's dedication to enhancing its regulatory landscape and

creating favorable conditions for investors showcases a forward-thinking approach that positions the nation as an appealing destination for those seeking to engage in vibrant and diverse economic opportunities. Despite specific areas where improvement may be ongoing, Albania's overall efforts reflect a positive trajectory and a promising environment for both domestic and international investors.

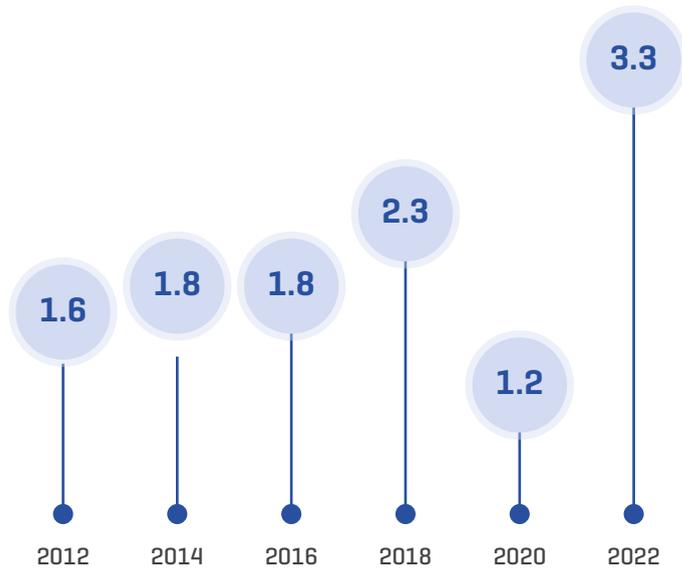


4.2 Tourism Cluster Overview

Albania's tourism sector has emerged as a significant and growing pillar of its economy, with a direct contribution of 3.3% to the country's GDP in 2019, a figure that underscores its importance even before the pandemic. In comparison, as of September 2023, the estimated contribution of the tourism sector to the GDP has risen to 3.8%, showcasing a positive trajectory and potential for further development⁶².

In the context of the Balkans, where competitors like Croatia and Greece traditionally attract a higher volume of travelers, Albania has strategically positioned itself by making substantial investments in tourism infrastructure and air connectivity while implementing effective marketing strategies. Despite facing stiff competition, Albania has managed to claim its well-deserved position on the Mediterranean travel landscape.

Figure 4.3: International tourism receipts in Albania, 2012-2022, USD, billions

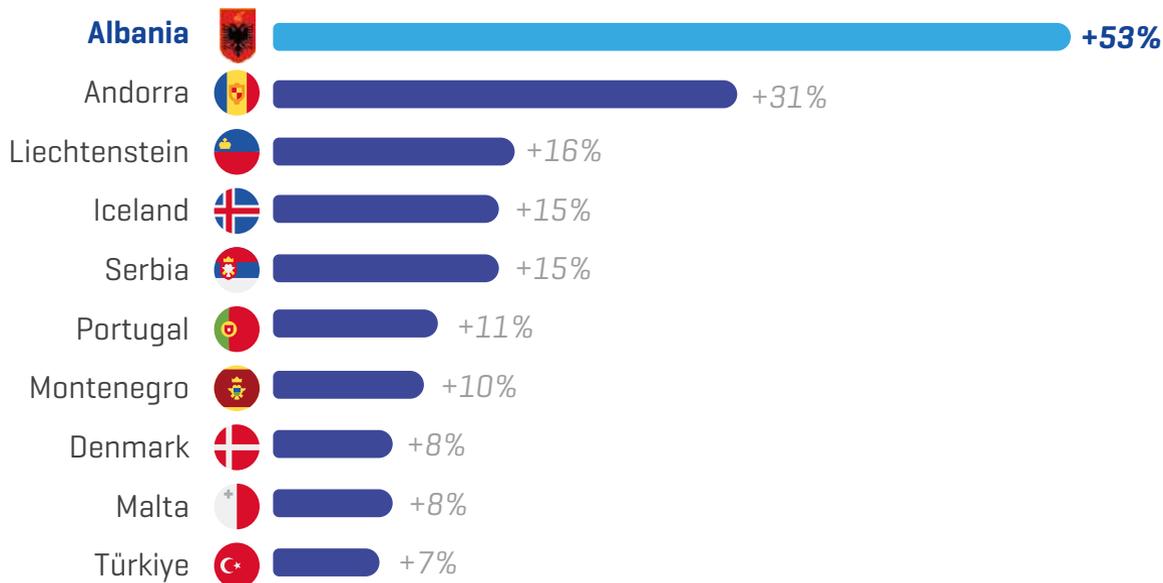


Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].

The COVID-19 pandemic had a significant impact on the global tourism value chain, leading to a decline in international tourist arrivals [overnight visitors] in Albania. In 2020, there was a decrease of approximately 59%, with 2.7 million international arrivals compared to 6.4 million in 2019. International tourism receipts also decreased from USD 2.5 billion in 2019 to USD 1.2 billion in 2020. Nevertheless, there was an outstanding rebound from 2020 to 2022, witnessing a remarkable increase in visitor numbers, reaching 10.1 million in 2023. Correspondingly, international tourism receipts bounced back to USD 3.3 billion in 2022. These numbers reflect Albania's resilience and swift recovery, positioning it as an increasingly attractive destination for global travelers⁶³.

In 2023, within the dynamic global tourism landscape, Albania has distinguished itself as an outstanding performer, securing the **4th** position worldwide for the highest percentage change in international tourist arrivals compared to 2019. With an impressive growth rate of over **53%**, Albania stands tall, surpassed only by Saudi Arabia, Qatar, and Turks & Caicos. Notably, this achievement is not confined to the global stage; within Europe, Albania takes the lead as the best-performing destination. This remarkable accomplishment underscores Albania's growing allure on the international tourism map, positioning it as a standout and enticing destination for global travelers⁶⁴.

Figure 4.4 Best Performing Destinations in Europe, Jan – Dec 2023, international tourist arrivals
[% change vs. 2019]



Source: World Tourism Organization [2024], UNWTO World Tourism Barometer, volume, 22, issue 1, presentation version, UN Tourism, Madrid, available online at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2024-01/barometer-turism-data-ppt-jan24.pdf?VersionId=ua6xuwZCeveZWEzBlFVP5eXUmGszXhXs> [20-02-2024].

Albania, a hidden gem in the heart of the Balkans, has seen a remarkable surge in foreign citizen arrivals, making it an enticing destination for both tourists and investors alike. Personal travel, including holidays and various other purposes, accounted for the majority, with over 10.1 million visitors in 2023. The breathtaking landscapes, rich cultural heritage, and warm hospitality make holidays in Albania an unforgettable experience. For those with business and

professional pursuits, the country also offers a thriving environment, with a notable increase from 87,177 in 2018 to 106,340 in 2022⁶⁵. Albania's strategic location, coupled with its diverse offerings, positions it as an ideal destination for both leisure and business, attracting a growing number of foreign citizens seeking unique experiences and investment opportunities.

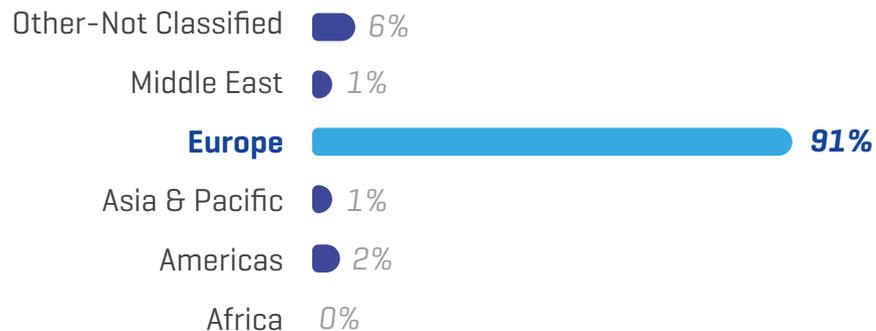
Figure 4.5 Number of foreign citizens arrival by purpose of trip, year 2018 – 2023



Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].

In Albania, a remarkable 91% of international visitors hail from Europe, highlighting the country's strong appeal within the continent. The remaining 9% comprises a mix of travelers from the Americas [2%], Asia and the Pacific [1%], the Middle East [1%], and a diverse group labeled as "Others not classified" [6%]. This diverse influx underscores Albania's broad global allure and growing popularity as a destination, particularly in the European context⁶⁶.

Figure 4.6 Tourist arrivals by region of origin (share, %)



Source: World Tourism Organization [2024], 'UNWTO Tourism Data Dashboard', UN Tourism, Madrid, available online at: <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance> [08-02-2024].

In 2023, international tourist flows experienced a substantial 35% increase, highlighting remarkable growth in key source markets compared to 2022. Turkey led the surge with an impressive +108%, followed by Spain at 92%, Germany at +65%, and Italy at +56%. This surge in tourism unveiled Albania as a multifaceted gem, mirroring the diversity of its landscape. Welcoming 1,250 arrivals through the skies, 384 navigating azure waters, and 5,919 adventuring on solid ground, Albania beckoned travelers to embark on a journey as varied as the nation itself, seamlessly blending air, sea, and land experiences.

Figure 4.7 Arrivals by mode of Transport, 2022
[thousand]



Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].

The hotel industry, one of the key drivers of Albania’s tourism infrastructure, responded quite adequately to the increase in international visitors. Albania Institute of Statistics (INSTAT) reports that there were 1,385⁶⁷ officially registered establishments as of 2022, an increase of almost 36% from 2018. At the same time, the overall capacity in terms of available rooms increase by 39% since 2018, indicating an upgrade in hotels capacities over the years, likely driven by factors such as increased demand, tourism, and economic growth. The substantial investments that began in the hotel industry in the

early 2000s appear to have supported hotel expansion, both in terms of the number of new hotels built as well as the average hotel size. However, following the establishment of several tax incentives in 2018, it appears that a new era of significant investments in hotel infrastructure has begun.

Figure 4.8 Evolution of number of establishments and rooms, 2018 - 2022



Number of establishments

2018 → 1,021

2019 → 1,126

2020 → 1,237

2021 → 1,256

2022 → 1,385



Number of rooms

2018 → 30,524

2019 → 33,798

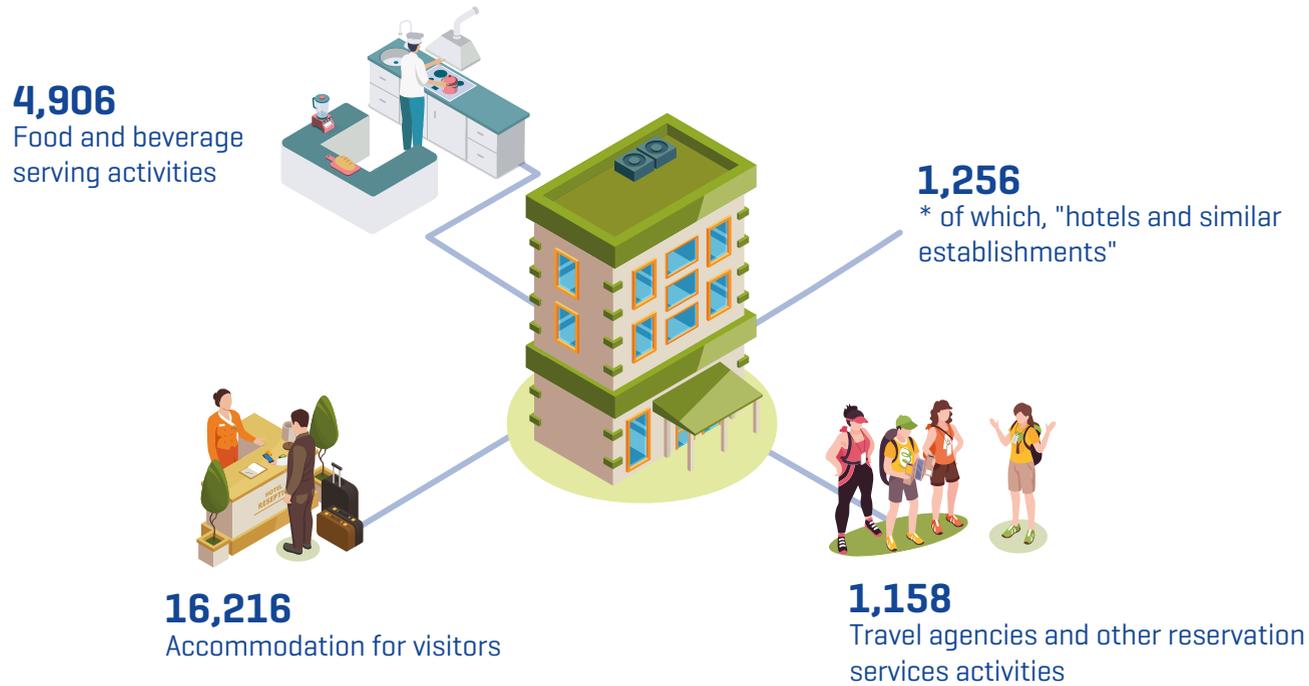
2020 → 34,713

2021 → 35,802

2022 → 42,464

Source: World Tourism Organization [2024], 'UNWTO Tourism Data Dashboard', UN Tourism, Madrid, available online at: <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance> [08-02-2024].



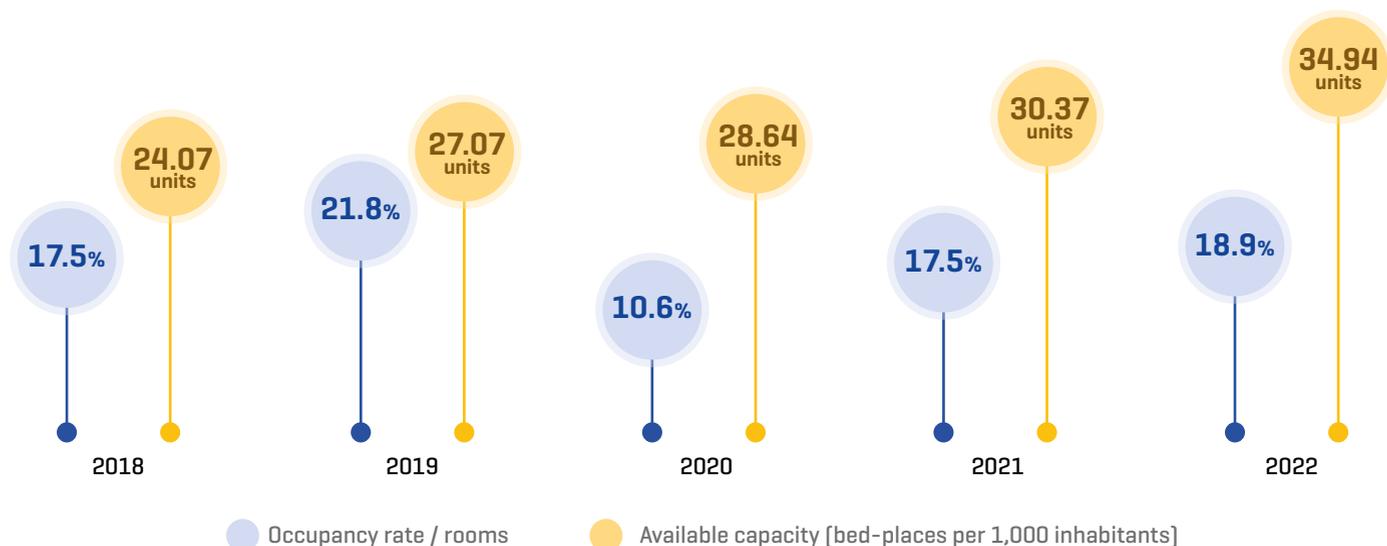
Figure 4.9 Tourism Industries


Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].

In the dynamic scenario of Albania's tourism sector, the number of establishments reveals a thriving and diverse landscape that enhances the country's allure for travelers. As of 2021, the accommodation sector alone featured a remarkable 16,216 establishments, showcasing the multitude of choices available to cater to the diverse preferences of tourists. Specifically, "hotels and similar establishments" accounted for 1,256 of these, ensuring comfortable and varied lodgings for visitors. The food and beverage

serving activities sector added to the vibrant landscape with 4,906 establishments, providing a rich culinary experience for tourists exploring the country. The travel agencies and other reservation services activities sector, with 1,158 establishments, played a crucial role in facilitating seamless travel arrangements and services. These figures underscore the dynamic and multifaceted nature of Albania's tourism industries, contributing to the nation's reputation as an inviting and well-equipped travel destination.

Table 4.1 Accommodation for visitors in hotels and similar establishments



Source: Albania Institute of Statistics, INSTAT 2023, available online at <http://www.instat.gov.al/> [08-02-2024].

In the evolving landscape of Albania's hospitality sector, the occupancy rates in hotels and similar establishments tell a compelling story of resilience and adaptability. Starting at 17.5% in 2018, the rates dipped to 10.6% in 2020, reflecting the global challenges faced by the industry. However, Albania swiftly rebounded, with the occupancy rate climbing to 18.9% in 2022. This remarkable recovery showcases the nation's commitment to providing welcoming spaces for visitors, even in the face of adversities, and positions Albania as an attractive destination with a growing appeal over the years.

Not only has the occupancy rate shown resilience, but Albania's available capacity has also expanded impressively. Measured in bed-places per 1,000 inhabitants, the available capacity climbed from 24.07 units in 2018 to a robust 34.94 units in 2022. This growth underscores Albania's commitment to enhancing accommodation options, ensuring a comfortable and enriching experience for every visitor. As the numbers surge, Albania's hospitality sector stands ready to embrace an ever-increasing influx of guests, offering a diverse range of accommodations for a memorable stay. The interplay between increasing occupancy rates and expanding capacity paints a vibrant picture of Albania's thriving hospitality landscape.

Table 4.2 Number of employees by tourism industries, 2021 [thousand]



32.9

Accommodation services for visitors
[hotels and similar establishments]



8.5

Passenger transportation



2.1

Travel agencies and other reservation
services activities

Source: Albania Institute of Statistics, INSTAT 2022, available online at <http://www.instat.gov.al/> [08-02-2024].

Albania’s tourism sector serves as a significant source of employment, contributing to the nation’s economic vitality. With a total workforce of 43,500, the sector encompasses various segments, each playing a crucial role. Accommodation services, including hotels and similar establishments, account for a substantial portion, employing 32,900 individuals. The passenger transportation sector is also a key contributor, providing jobs for 8,500 employees. Additionally, travel agencies and other reservation services activities employ 2,100 individuals, contributing to the overall workforce in the dynamic tourism landscape of Albania. These employment figures underscore the sector’s role in creating diverse job opportunities and fostering economic growth, further solidifying tourism as a cornerstone of Albania’s labor market.

Furthermore, the sector represents a dynamic and promising landscape, evident through its notable achievements and strategic initiatives. The country’s impressive standing in the 2021 Travel and Tourism Competitiveness Index underscores its competitiveness in the European and Eurasian travel and tourism sector. Albania’s commitment to sustainable development, exemplified by regulatory improvements and investment incentives, positions it as an appealing prospect for both domestic and international investors. Despite the challenges posed by the COVID-19 pandemic, Albania showcased resilience, rebounding from a significant decline in 2020 to a remarkable surge in international tourist arrivals in 2022. The strategic positioning of Albania in the Mediterranean travel landscape, coupled with substantial investments in tourism infrastructure and

effective marketing, has allowed the nation to secure a well-deserved place among global travel enthusiasts and investors.

Albania's global performance is particularly noteworthy, ranking 4th in the world for the highest percentage change in international tourist arrivals compared to 2019. Leading Europe in this regard, Albania stands out as an enticing destination for global travelers. The country's multifaceted means of arrival, diverse international tourist sources, and the influx of over 7.5 million visitors in 2022 underscore Albania's position as a captivating and accessible destination. The thriving hotel industry increased registered establishments, and available rooms reflect Albania's commitment to providing diverse and quality accommodations. The evolving landscape of occupancy rates and available capacity demonstrates the resilience of Albania's hospitality sector. With a workforce of 43,500 employees contributing across various segments, tourism plays a pivotal role in driving employment and fostering economic vitality in Albania. Overall, Albania's tourism sector is poised for continued growth, offering a compelling destination for tourists and investors alike, with a blend of natural beauty, cultural richness, and strategic initiatives shaping its future success.







05

TOURISM INVESTMENT OPPORTUNITIES

Please be aware that these project proposals are considered to have a significant economic impact on the tourism sector and great potential for development. They have been approved by DCM No. 447, dated 26.07.2023, "On the Approval of the Priority Policy Document," as part of the NSPP [National Single Project Pipeline, in the Context of the Economic Reform Programme 2024-2026]:

1. Clean and Resilient Environment "Blue Sea"

The project aims to reduce pollution from land-based sources in the aquatic environment in selected areas of the **Southwestern Coastal Belt of Albania**. This will be achieved by improving the potential for operational sustainability and increased circulation in waste management. The project will provide technical support for waste management data management and monitoring of waste management performance, including:

- Support for management and data verification systems at the municipal level.
- Monitoring performance and developing an implementable mechanism for municipal waste management activities.
- Capacity enhancement of performance, including training, for selected municipalities regarding waste management and the implementation of environmentally performance-based investments.

The objectives of the project include promoting integrated circulation approaches to protect landscapes and water resources, reducing water pollution in the **Vjosa River**, and expanding sanitation infrastructure.

Implementing Authorities:

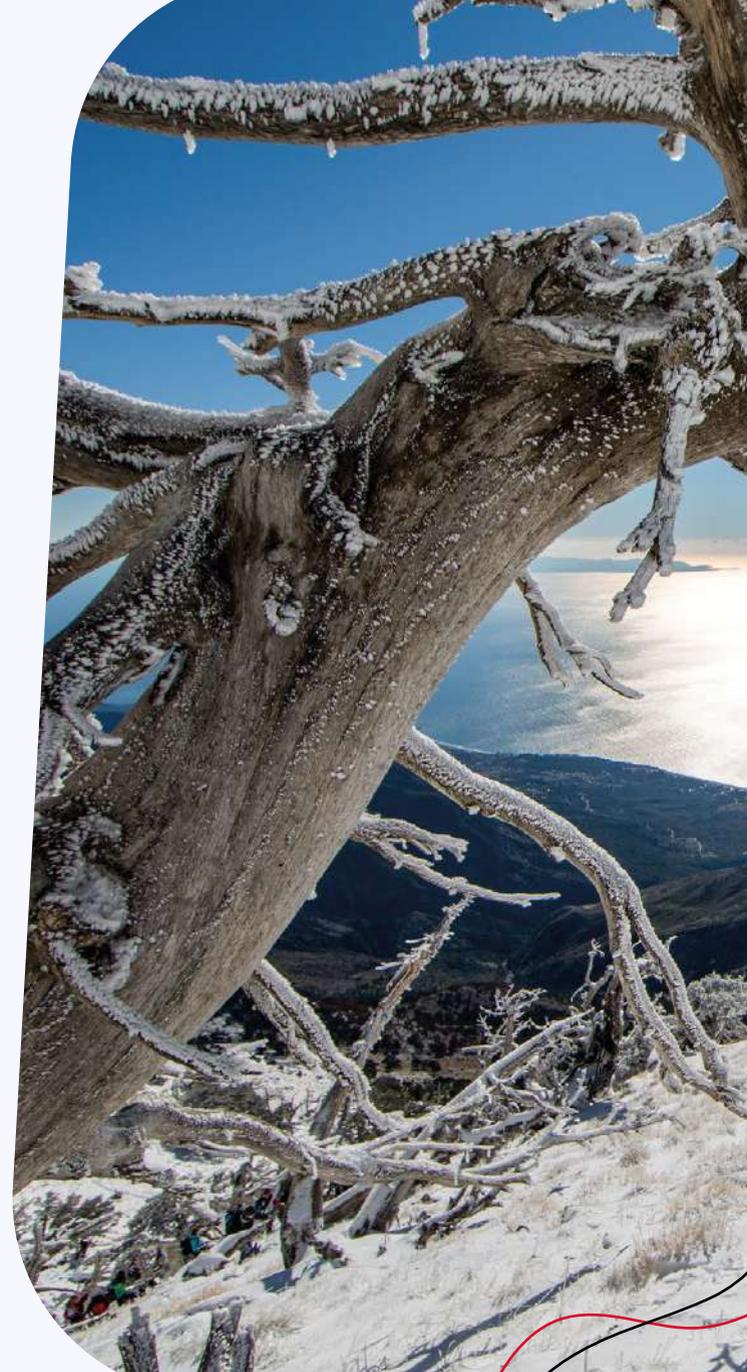
Ministry of Tourism and Environment and National Agency for Water Supply, Sewerage, and Waste Management [AKUM].

Estimated Investment Value:

EUR 80 million.

Project Status:

Currently, the project is in the stage of principle approval of the loan agreement between the Republic of Albania and the International Bank for Reconstruction and Development.



2. Project for the development of the tourism potential of the Vjosa Valley and the establishment of the Vjosa National Park as a tourism destination.

This project aligns with the National General Plan [PPK] "Albania 2030," Council of Ministers Decision no. 881, dated 14.12.2016, "On the approval of the national general territorial plan," and the national study of research planning "Metabolism of Albania." One of the main strategic objectives is to identify and include the economic potential of environmentally unprotected areas in the tourism development sector.

The Vjosa Valley is identified as a project area for implementing alternative forms of tourism, such as eco-tourism and agritourism. The project aims to promote high-quality tourism in the country and protect natural areas from exploitation and urban development. Furthermore, the project aims to serve as a catalyst for a sustainable transition towards an ecologically healthy development model, creating not only jobs but also regional development opportunities. This project includes the cities of Përmet, Këlcyrë, and Tepelenë.

Implementing Authority:

Ministry of Tourism and Environment

Estimated Investment Value:

EUR 10 million.

3. Improvement of Tourism and Business Infrastructure in the Cross-Border Area in Korçë, Albania

The overall objective of this project is to encourage growth by improving access to the region and supporting sustainable tourism and sports development throughout the year. The project aims to:

- Promote economic and social development in the region through infrastructure interventions.
- Develop diversified tourist products based on natural resources.
- Support entrepreneurship in the region, aiming to strengthen service quality capacities, respecting the tradition, values, and specificity of the area.
- Preserve and promote cultural and natural assets in the area.
- Develop public road infrastructure to reach tourist and sports areas.

Implementing Authority:

Ministry of Finance and Economy

Estimated Investment Value:

EUR 26,520,000, of which **EUR 800,000** are grants.



4. Regional Integrated Tourism and Urban Improvement Study for the Alps Gateway Project

This project encompasses the territory along the Adriatic coast in northern Albania, the area along the Vjosa River, and the eastern lake of Shkodra, including the coastal areas of Velipoja and Shëngjin, referred to as the "**Alps Coastal Zone.**" The projects will address territorial, environmental, and social issues present in the area. This initiative offers a comprehensive approach to territorial and social foundations, assisting the area in developing sustainably and providing suitable conditions for the community residing in this area, as well as for tourists and visitors.

The intervention also aims to revitalize cross-border tourist destinations along the sea, river, lake, and mountain, making the cross-border region more attractive and competitive in the tourism sector. This effort is expected to stimulate economic growth in the area and contribute to the creation of a stronger regional identity.

This program is part of assistance committed by the European Investment Bank (EIB), which is also the potential funder of the program to be implemented and is still in the process of being shaped. By the end of 2022, the first phase of technical assistance, committed directly by the EIB itself to determine the vision, objectives, and identification of developmental interventions in the territory, was completed. Work has begun on the second phase, focusing on maturing priority projects, and preparing the financing agreement for the project between the EIB and the Albanian Government.

Implementing Authority:

Albanian Development Fund

Estimated Investment Value:

EUR 70 million of which **EUR 2.5 million** are grants and **EUR 1.0 million** through Western Balkans Investment Framework (WBIF). According to the latest reports from the Albanian Development Fund, the project value is increasing to EUR 88 million.

5. Support for Sustainable Regional Development in Economically Potential Areas in Albania

The overall objective is to increase competitiveness and build and strengthen revenue generation capacities in regions through an integrated approach to the scheme, supporting investments in infrastructure and public services. The project will help diversify the economy and promote sustainable development through planning and management of appropriate assets and resources.

The project is expected to be implemented in two phases. The first phase with a value of EUR 21 million (EUR 20 million financing and EUR 1 million grant) will be implemented in the municipalities of **Pogradec and Pustec**. The second phase with a value of EUR 30 million (to be confirmed after negotiations between the Albanian Government and Kreditanstalt für Wiederaufbau Bank [KfW]) will be implemented in the municipality of **Himara [Borsh, Lukovë]**.

The "Scoping Study" in the intervention areas has been completed, and the long list of priority interventions has been determined. In December 2022, the financing agreement for Phase I was negotiated and signed between the Albanian Government and KfW.

Implementing Authority:

Albanian Development Fund.

Estimated Investment Value:

EUR 60 million.





6. Improvement of Tourism and Business Infrastructure Related to it in the Cross-Border Area of the Albanian Alps/Prokletije Mountains

This is a cross-border cooperation program between Montenegro and Albania. The overall objective is to encourage growth and sustainable prosperity in the cross-border region of the Albanian Alps/Prokletije Mountains by improving access to the region and supporting sustainable tourism development.

The feasibility study has been completed in three main areas: Shkodër, Plavë, Pejë. Concepts for development and studies for each area have also been created, and potentials have been identified.

Implementing Authority:

Albanian Development Fund

Estimated Investment Value:

EUR 30 million, of which **EUR 10,736,000** are credits.

7. Effective Cross-Border Measures for Competition, Growth, and Sustainable Local Development in the Albania-Kosovo Cross-Border Area

The general objective is to improve the connection in the Kosovo-Albania cross-border area, thus creating conditions to benefit from the extraordinary natural and cultural assets and strengthening the economic and social development in the region. Development concepts and studies have been created for each area, as well as potentials have been identified. Initiatives to secure grant funds have not been successful, while the Albanian Development Fund has tried to finance some of the priority interventions in the respective Tropoja and Has areas.

Implementing Authority:

Albanian Development Fund.

Estimated Investment Value:

EUR 54 million, of which **EUR 500,000** are grants.



8. Development of Local Entrepreneurship and Cross-Border Tourism along Lake Shkodra/Skadar through Improvements in Business Infrastructure

The project aims to facilitate the access of national and international visitors and tourists to the cross-border area of Lake Zogaj [Shkodër] – Arbnesht [Tivar] and invest in the revitalization of the local economy, traditions, natural, and cultural heritage. The border crossing point in Zogaj will create the opportunity for universal access to Shkodër/Lake Shkodër. Development concepts and studies for each area have been created, as well as potentials have been identified. Efforts to secure grant funds have not yielded success. However, the Albanian Development Fund has attempted to finance some priority interventions in the respective areas.

Implementing Authority:

Albanian Development Fund.

Estimated Investment Value:

EUR 25 million.

9. Program for Urban Development Resistant to Climate Change in Albania -ALBAdapt

The **ALBAdapt** project-proposal [recently forwarded by the Ministry of Tourism and Environment to be evaluated for inclusion in the National Single Projects Pipeline (NSPP)] aims to increase the adaptive capacity and climate resilience of Albania. This is to be achieved through the generation, coordination, and effective use of climate information. The project entails the establishment of a national hydrometeorological service and a national operational framework for climate services, alongside a human-centered multi-hazard early warning system. Together, these components form an 'integrated' Climate Information and Early Warning System (CIEWS).

The project further aims to modernize the software and hardware infrastructure of hydro-meteorological monitoring in the country, aligning with the standards of the World Meteorological Organization. The project also involves institutional reform in the field of hydrometeorology, including addressing the missing legal basis. Additionally, it seeks to create the first-of-its-kind national platform for climate data and services in the Western Balkans, accessible not only to institutional actors but also to the wider public.

Implementing Authority:

Ministry of Tourism and Environment

Estimated Investment Value:

Value of the Anticipated Investment: The project financing is expected to be divided between donors [Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Swiss Agency for Development and Cooperation (SECO/SDC), and Green Climate Fund (GCF)] in the amount of **EUR 33 million** and **EUR 3 million**.



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