INVEST in TIRANA
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Picture credit © Tirana Municipality
## 1. GENERAL DATA

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<th>General Economic Data</th>
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<td><strong>GDP</strong></td>
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<td><strong>Companies with foreign capital in Albania</strong></td>
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### Main Exporting Markets
- Greece
- Italy
- Kosovo etc.

### Main Importing Markets
- Italy
- Greece
- Germany
- Turkey etc.

### General Economic Data

<table>
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<th>TAX RATES</th>
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<tr>
<td><strong>Corporate Tax Rate</strong></td>
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<td><strong>Personal Income Tax</strong></td>
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<td>Salaries from:</td>
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<tr>
<td>0 – 30'000 ALL – 0%</td>
</tr>
<tr>
<td>30'001-100'000 ALL – 13%</td>
</tr>
<tr>
<td>100'000 ALL + – 23%</td>
</tr>
<tr>
<td><strong>VAT</strong></td>
</tr>
<tr>
<td>0 – 30'000 ALL – 0%</td>
</tr>
<tr>
<td><strong>Social Security Rate</strong></td>
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<tr>
<td>30'001-100'000 ALL – 13%</td>
</tr>
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<td><strong>Social Security Rate for Companies</strong></td>
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<td><strong>Social Security Rate for Employees</strong></td>
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## 2. EDUCATED AND PRODUCTIVE LABOR FORCE

Tirana, the capital of Albania is a flamboyant city that is flourishing with enormous steps. It has 811,649 inhabitants and an average age of 32. The **Literacy rate for adults** is **96.85%** (INSTAT, 2011)

The economy of Tirana Metropolitan Area benefits considerably from the concentration of the largest universities and schools of all levels and types in the country and also numerous research and scientific institutes, including the Academy of Sciences with its 13 institutes and the scientific research centers. Tirana has about **180 educational institutions** among which there are: Medicine, Law, Economic Science, Engineering Science, Social Science. The **Literacy rate for Youth** is **98.7%** (INSTAT, 2011)

Tirana currently accommodates up to **100,000 students** at levels 5 and 6 (undergraduate and postgraduate), gaining not only a vibrant, young population from all over Albania and neighboring countries, but also a relatively **well-educated labor force** as many of the students stay afterwards in Tirana.

### Human Development Report 2016-2017

ranked Albania in the 80th position and highlighted as the strongest sectors of the economy Health and Education, Training and Labor Market Efficiency. English, Italian and Greek are all widely spoken while French and German are included in education curricula at school.

### Average Wages in the Balkans (EUR)

<table>
<thead>
<tr>
<th>Country</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>550</td>
</tr>
<tr>
<td>Macedonia</td>
<td>800</td>
</tr>
<tr>
<td>Montenegro</td>
<td>950</td>
</tr>
<tr>
<td>Croatia</td>
<td>1050</td>
</tr>
</tbody>
</table>

Source: Respective Institutes of statistics Q3 – 2016
An educated population, many of whom have worked in other European countries for some period of time.

**Competitive Human Capital**

- 57% of Albania’s population is under the age of 35;
- The average wage in Albania is the most competitive in the region while the minimum wage is the lowest in the region;
- Albania has over 1 million well-educated, highly-motivated professionals;
- English, Italian and Greek are all widely spoken while French and German are included in education curricula at school;
- Each year, more than 100,000 students enroll at university.

3. A GATEWAY TO SOUTH EAST EUROPE

Albania’s location at the center of the natural crossroad of European transport corridors places the country in a **unique geographical position**. Albanian government has been investing for a long time now in the country’s infrastructure in order to develop the transport sector and Tirana is the kingpin of the projects.

The Albanian national road network contains:

- 3,719 km of roads;
- 1,198 km of primary roads and 2,083 km of secondary roads;
- All the country’s primary roads are paved according to international standards;
- 67% of the country’s secondary network paved according to international standards;
- Albania is connected to a number of regional logistics corridors;
- The strategic Pan-European Corridor VIII is important for transport & trade in Albania, as it:
  - Joins the Adriatic Sea to the Black Sea;
  - Passes through Albania, Macedonia and Bulgaria;
  - Connects Durres and Tirana with Skopje, Sofia, Bourgas, Varna and Plodiv
One example is the “Durrës - Kukës Morinë” corridor, which is known as “Rruga e Kombit”.

- Considered as Albanian’s best link with Pan-European Corridor VIII
- 170 km long
- Connects the capital – Tirana – with the port of Durrës and state of Kosovo.

Concerning major transport infrastructure, work is currently in progress on the completion of a number of other important corridors including:

- 29 km road known as the Tirana – Elbasan highway, an important part of Albania’s Central-South axis.

SEA PORTS

Albania currently has ports in four main cities - Durrës, Vlora, Saranda and Shengjini - with plans for continuous expansion.

**Port of Durres** is only 31 km from Tirana:
- The largest and most important port in Albania
- The main gateway to Pan – European Corridor VIII
- Covers 81.8% of all the country’s maritime transport
- Has a processing capacity of 4 million tons per year

The **port of Vlora**, with a distance of 150 km from the Albanian capital, is a terminal port for petroleum, byproducts, and LPG. It has access to Corridor VIII and it is positioned nearby the Greek and Italian refineries.

AIR TRANSPORT

Tirana International Airport – “Mother Teresa” is located in an excellent geographical position at the heart of Albania. It is:
- 17 km (30 minutes) from the capital city
- 32 km (45 minutes) from Durrës, the country’s biggest port
- Located at a major crossroad between northern, southern, central and eastern Albania
- Located very closely to Albania’s core industries which are mostly located in or around Tirana

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

Tirana is one of the most important hubs of the Southern Balkans.

The construction of an important physical artery (the Tirana – Durrës highway) has connected the country’s two major urban areas, built up economic potential, has attracted additional investments and has contributed significantly to the general development of the region as well as the whole country. In the Tirana – Durrës corridor is produced more than half of the country’s total GDP. The main flows of the economical interaction are covered from the Tirana – Durrës Highway, alongside of which can be found numerous industrial & manufacturing facilities. Around 25000 people travel toward Tirana and 1400 people toward Durrës, that have to move from one city to the other due to employment in different parts of the region in daily basis.

Durana, as conurbation project, aims to create a strategic network and maximize the natural, cultural and social assets of the region. Albania’s economic activities are increasingly concentrated in the urban corridor Tirana-Durrës, where some 50% of domestic enterprises, 90% of large enterprises and 63% of production is located.

Tirana and Durrës area is a critical component of the national economy of Albania. By 2011 they provided 46% of the national Gross Domestic Product (GDP) - Tirana alone about 37%, and showed overall productivity levels well above the national average (41% higher).

Compared to Albania, Tirana demonstrates a:
- lower share of agriculture (5% compared to 19% nationally);
- higher share of services (70% compared to 58% nationally).

**Domestic Enterprises - INSTAT 2011**

- 50% Domestic Enterprises located in Durana
- 50% Domestic Enterprises located in other cities
National Production - INSTAT 2011

Share of Agriculture

- Albania: 63%
- Tirana: 37%

Source: INSTAT 2011

Share of Services

- Albania: 90%
- Tirana: 10%

Source: INSTAT 2011
5. NATIONAL INCENTIVES FOR FDI

Albania offers a unique economic opportunity to develop modern industries, an attractive and stable country to live in, and a government committed to long-term economic development. FDI portfolio investment in Tirana has developed during the last decade. Companies in expansion that have decided to enter the Albanian market are replacing the individual investors. An introduction to Albania, its investment climate and a description of the Technical and Economic Development Areas of Koplik, Spitalla and Vlora, can be found in the official website: http://www.teda.gov.al

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

Law on TEDA Incentives

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

General Incentives

Predictability

- The creation of a clearly mandated, effective administrative process to provide essential government services and a single window for TEDA developers and users
- Significantly lengthening the maximum lease term available to developers
- Ensuring that any disputes are resolvable through international arbitration

Productivity

- Ensuring that reliable infrastructure is provided to the edge of the TEDA
- The provision of outward processing for TEDA products
- Fiscal incentives for research development and training of labor force

Profitability

- Significant customs and VAT exemptions relating to goods, raw materials and machinery for developers, users and operators of TEDAs
- Tax incentives and exemptions from income and real-estate taxes to minimize start-up costs
- Fiscal incentives for increasing employment
6. INTERNATIONAL TRADE

Custom tariffs apply on the Combined Nomenclature of Classification of Goods. This Classification is in compliance with the European Community Combined Nomenclature of Classification of goods. The tariff system is very simple. The most-favored-nation tariff system applicable is: 0%, 2%, 5%, 6%, 10% and 15%.

Stabilization and Association Agreement
As an important achievement towards EU integration, the Stabilization and Association Agreement includes the establishment of a free trade area between Albania and the EU in a 10-year time frame. The SAA was ratified on April 2009 and supersedes the Interim Agreement which is now an integral part of the SAA.

Central European Free Trade Agreement (CEFTA)
On December 19, 2006, all of Albania’s bilateral trade agreements with countries in the region were transformed into a multilateral one, the Central European Free Trade Agreement (CEFTA 2006), which includes eight countries: Albania, Macedonia, Montenegro, Kosovo, Moldova, Croatia, Serbia and Bosnia and Herzegovina. CEFTA’s main objectives are, inter alia, to expand trade in goods and services and foster investment by means of fair, stable and predictable rules, eliminate barriers to trade between the Parties, provide appropriate protection of intellectual property rights in accordance with international standards and harmonize provisions on modern trade policy issues such as competition rules and state aid. It also includes clear and effective procedures for dispute settlement.

European Free Trade Association (EFTA)
On December 2009, Albania signed an FTA with the European Free Trade Association (EFTA). EFTA member states are Iceland, Liechtenstein, Norway and Switzerland. The Free Trade Agreement between the Republic of Albania and the EFTA states focuses on the liberalization of trade in goods. Both EFTA and Albania will abolish all customs duties on industrial products, including fish and other marine products. Bilateral arrangements on agricultural products between the individual EFTA States and Albania also form part of the instruments establishing the free-trade area between both sides.

Free trade agreement with Turkey
Albania has also a Free Trade Agreement with Turkey, signed in 2006 and entered into force on May 2008. According to the agreement, no tariffs will be put on Albanian industrial goods exported to Turkey and tariffs for certain Turkish products will be reduced before they will eventually be exempted in five years. Regarding to agricultural products, the countries have granted each other tariff quota.

Diagonal accumulation
Diagonal accumulation (based on the principle which enables you importing countries, which after a certain degree of processing, goods originating them as their own). The application of diagonal accumulation between Albania, Croatia, Macedonia, Serbia and the EFTA States is foreseen by the Free Trade Agreements that these countries have signed with the EFTA States.

The U.S. Generalized System of Preferences (GSP) Program
The System of Preferences General (GSP) is a US trade program designed to promote economic growth in developing countries by providing preferential duty-free entry of up to 3,500 products from 128 countries including Albania & Kosovo. The purpose of the GSP program is to give these exports a competitive edge in the U.S. market.

INTERNATIONAL RELATIONS

International Organizations
Albanian Helsinki Committee
Central European Initiative
European Bank for Reconstruction and Development
Food and Agriculture Organization
International Atomic Energy Agency
International Criminal Court
International Fund for Agricultural Development
International Finance Corporation
International Labor Organization
International Monetary Fund
International Organization of La Francophonie
Multilateral Investment Guarantee Agency (World Bank Group)
NATO
Black Sea Economic Cooperation
Organization of the Islamic Conference
Organization for Security and Co-operation in Europe
The World Bank
UNESCO
UNICEF
UNIDO
United Nation
United Nations Conference on Trade and Development
USAID
WHO
WIPO
WTO
7. IMPORT AND EXPORT PERMITS

Albanian Customs Regimes

Customs legislation and administration
The General Directorate of Customs (GDC) is the institution responsible for the management of customs in the Republic of Albania. The GD Customs is under the Ministry of Finance and conducts its activity pursuant to the Law No. 8449 dated 27.01.1999 “Customs Code of the Republic of Albania” and its amendments. More info about Albanian customs can be found in www.dogana.gov.al.

4. The outward processing regime applies to Albanian goods temporarily exported from the country for being processed outside the country and re-imported in the form of compensating products, into the territory of Albania. The re-imported compensating products will be released for free circulation fully or partially exempted from import duties.

5. The warehousing regime allows storage in a custom warehouse of:
   a) Non-Albanian goods not subject to custom duties.
   b) Albanian goods, when the provisions in force, in cases of their warehousing in customs, require the application of measures regarding the export of these goods.

A customs warehouse may be public or private.
- Public warehouses are used to store goods by any interested person.
- Private warehouses are used to store goods by warehouse operators only.

6. Transit Regime. It refers to the circulation of goods from one customs point to another in the territory of Albania of:
   a) Non Albanian goods not subject to custom duties and import duties.
   b) Albanian goods subject to export procedures.
This regime can be also applied on circulation of goods to another territory in cases of :
   a) a signed international agreement
   b) it is accompanied by a transport document released in the territory of Albania.

7. The regime of processing of goods under customs control allows the import of non-Albanian goods exempted from custom duties; their utilization in operations that cause the change of their nature, and then placement in free circulation of the products obtained as a result of these operations, once the relevant import duties have been fulfilled.

8. Temporary admission is applied to goods that will not be released into free circulation immediately and are held temporarily in a warehouse until they are put in another customs regime. The warehouses are premises that have been approved by the Customs Authorities. The storage time in these areas shall be no more than 5 days for goods of road and railway transport and no more than 10 days for the goods of maritime transport.

ALBANIAN CUSTOMS REGIMES

1. Placing in free circulation regime. Goods placed in free circulation, with a level of reduction or zero import duty, due to their particular/special use, will remain under customs supervision. This supervision shall end when the conditions for the level of reduction or zero rate of duty cease to exist, when goods are exported or destroyed, or when goods are used for purposes other than those provided for the implementation of level reduction or zero rate of duty, provided that the relevant obligations are paid.

2. The Temporary Permit Regime enables into the customs territory of the Republic of Albania, the total or partial relief from import duties and without their being subject to commercial policy measures, to the non-Albanian goods intended for re-export without having undergone any change except depreciation due to their use.

3. Inward processing Regime refers to a customs procedure where goods imported to Albania, or of Albanian origin, are manufactured or processed and then re-exported from Albania in the form of compensating product. The inward processing regimes allow producers to import raw materials or semi-processed products, exempt fully or partially from customs duties, and to manufacture/process and re-export the finished compensating products. The original imported product may or may not be distinguishable from the finished product.
Value Added Tax (VAT)

Imports
VAT is assessed, applied and paid at the moment goods enter the Albanian custom territory. The VAT rate is 20% of the taxable value.

According to the Law No.7928 dated 26.12.2007 "For VAT" as amended, the exempt from VAT is applied to:
- Import of goods placed in the transit regime.
- Import of goods declared to fall under Temporary Allowance Regime
- Import of goods in active processing
- Import of goods or services relating to the performance of exploration and development phases of petroleum operations, carried out by contractors who work for these operations.
- Import of live animals of origin, coming from different donors.
- Import of goods coming from NATO.
- Import of good of appliances that help the integration of people with disabilities in the everyday life.

The customs Code foresees the exemption of the customs duties for the returning emigrants (persons that have lived in another country for a period of not less than 12 months continuously and are coming back to Albania).

Exports
Albanian exports are exempted from VAT (VAT rate 0%).

8. FIND OPPORTUNITIES IN TIRANA

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

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

Advantages:

- The accumulation and concentration of a wide variety of urban economic activity in the Municipality of Tirana
- Relatively high economic growth
- Well-developed infrastructural network, made of rings and radial roads
- Tirana as part of the Pan European Corridor VIII
- Considerable potential to be a future unique urban center in the Balkans, thus to attract tourists and investors from the EU countries
- Availability of well educated labor force
- Cultural, Social and scientific relations with the Albanian population in the neighboring countries and a high level of integration with the close EU countries such as Greece and Italy.
- Relatively homogenous and involving society, and poverty indicators rapidly decreasing
- Well developed International Accessibility

Opportunities:

- Spatial potential in rise, in order to attract new investment opportunities outside the main ring of the city
- Increase in population within and outside the city, activating this way the urban economy
- Close connection to the Durres Port and the existence of an efficient operative port for future developments
- Inflow of labor with professional and entrepreneurial skills and the accumulation of capital and assets in productive sectors
- New investment opportunities, including industries that are located outside the city ring and better management of the territory
- Positive effects in terms of efficiency and economy of scale in managing the city and applying the decentralization reform.
- Intensive cooperation with the Municipality of Durres for full utilization of the transportation modes and the capitalization of a common economy.
DOING BUSINESS 2016 – PROFILE OF ALBANIA

Ease of Doing Business rank (1-190) 58
Starting a business (rank) 46
DTF score for starting a business (0-100) 91.73
No. of procedures 5
Time (days) 5
Cost (% of income per capita) 10.1%
Minimum capital (% of income per capita) 0.0

Dealing with construction permits (rank) 106
DTF score for dealing with construction permits (0-100) 67.61
Procedures (number) 16
Time (days) 220
Cost (% of warehouse value) 3.3
Building quality control index (0-15) 13

Getting electricity (rank) 156
DTF score for getting electricity (0-100) 48.30
Procedures (number) 6
Time (days) 134
Cost (% of income per capita) 515.5
Reliability of supply and transparency of tariffs index (0-8) 0

Registering property (rank) 106
DTF score for registering property (0-100) 58.77
Procedures (number) 6
Time (days) 19
Cost (% of property value) 9.9
Quality of land administration index (0-30) 15.5

Overall distance to frontier (DTF) score (0-100) 68.90

Getting credit (rank) 44
DTF score for getting credit (0-100) 65.00
Strength of legal rights index (0-12) 7
Depth of credit information index (0-8) 6
Credit bureau coverage (% of adults) 0.0
Credit registry coverage (% of adults) 38.9

Protecting minority investors (rank) 19
DTF score for protecting minority investors (0-100) 71.67
Extent of disclosure index (0-10) 9
Extent of director liability index (0-10) 7
Ease of shareholder suits index (0-10) 7
Extent of shareholder rights index (0-10) 7
Extent of ownership and control index (0-10) 6
Extent of corporate transparency index (0-10) 7

Paying taxes (rank) 97
DTF score for paying taxes (0-100) 70.96
Payments (number per year) 34
Time (hours per year) 261
Total tax rate (% of profit) 36.5
Post filing index (0-100) 82.97

GNI per capita (USS) 4’290
Population 2’889’167

Trading across borders (rank) 24
DTF score for trading across borders (0-100) 96.29

Time to export
Documentary compliance (hours) 6
Border compliance (hours) 9

Cost to export
Documentary compliance (USS) 10
Border compliance (USS) 55

Time to import
Documentary compliance (hours) 8
Border compliance (hours) 10

Cost to import
Documentary compliance (USS) 10
Border compliance (USS) 77

Enforcing contracts (rank) 116
DTF score for enforcing contracts (0-100) 53.66
Time (days) 525
Cost (% of claim) 34.9
Quality of judicial processes index (0-18) 6.0
Resolving insolvency (rank) 43
DTF score for resolving insolvency 64.96
Time (years) 2.0
Cost (% of estate) 10.0
Recovery rate (cents on the dollar) 42.3
Strength of insolvency framework index (0-16) 13.5

Making it easier to deal with construction permits: Albania lifted the moratorium on issuing construction permits in June 2015.

Making it easier to get electricity: Albania improved process efficiency

Making it easier to pay taxes: Albania launched an upgraded online platform for filing corporate income tax, value added tax and labor contributions as of January 1, 2015. One consolidated online return for mandatory contributions and payroll taxes was integrated within the online system. Albania also significantly reduced the time spent in customs by adopting a digital risk-based border inspection process. Between 2007 and 2012, this process reduced the days goods spent in Albanian customs by 7% and boosted the value of imports also by 7%.

9. A GREAT ENVIRONMENT FOR START UPS

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

The Albanian Government is recognized at the World Business Angels Investment Forum 2016 as "The best Government in South East Europe for Support in Innovation".

This year the Forum was presented from The International Network of Innovative Entrepreneurs and was organized by EBAN, MBAN, ABAN and TBAA.

The Albanian government was appraised for its valuable commitment in supporting new innovative ideas and modeling the startups in order to turn them into profitable businesses.

During the International Network of Innovative Entrepreneurs, was highlighted the importance of creative opportunities in the technology field, which is believed to go through a gigantic boost in the following 10 years, considered to be the Fourth Industrial Revolution.

From the chart below, can be noticed the importance of the Small Business in the economy of Tirana.

Number of Business (August 2016 - Business National Center, INSTAT, DPTTV)
10. BOOSTING FOREIGN INVESTMENT – A STRATEGIC LAW

Albania is a great economic potential favored from its geographical location, demographics and natural resources.

Albania offers a favorable environment and suitable costs for doing business, schemes attractive to investors, online system on registration and tax payment as well as a one-stop shop process for business registration and licensing. By the end of 2015, there were around 10,560 foreign companies operating in Albania.

High priority has been given to potential foreign investors and investments through the liberalization of policies for attracting the latter. In accordance with these policies, a series of reforms and laws have been implemented, guaranteeing and supporting foreign investments. Through a liberal legislation, where domestic and foreign investors have the same rights and obligations, the Albanian government has attached great importance to sectors with high development potential, such as renewable energy, mining industry, tourism, manufacturing industry, agriculture, transportation, logistics as well as the information and communication technology sector. The inflow of FDI, compared to the previous year increased by 15.7%. Albania offers great investment opportunities in sectors with stable economic growth: energy & mining industry; transport & logistics; tourism; agriculture; manufacturing.

Cross-border trade, Albania ranked 37th. The government has facilitated export procedures by implementing an electronic inspection system oriented on risk assessment, which has reduced time spent on cross-border procedures.

Type of support to be granted

The new law aims to grant support to ‘strategic investors’ either through:

1. Assistance, in which the public administration coordinates, assists, supervises, and inter alia makes available to the investor state-owned property for the purpose of its investment and/or

2. Special procedures, in which support includes also expropriation and approval of investment agreements by the Albanian Parliament.
11. BUSINESS LICENSING

Based on Law no. 10081, dated February 23, 2009, which reforms the business licensing process in Albania, the National Licensing Center (NLC) has started its activity as a central public institution, which is subordinate to the minister responsible for economic issues, since June 2009. This law aims at improving the business climate, through reduction of administrative barriers regarding free initiatives to conduct economic, commercial, or professional activities, or regarding the use of public goods, guaranteeing at the same time the safeguard of public interests, while carrying out the above-mentioned activities and using public goods. With its one-stop-shop services and shortened, transparent and quick procedures, the NLC has reduced the administrative barriers to free enterprise, reduced the costs of business related to the licensing process and minimized the level of informality, thus improving considerably the business climate in Albania.

Licenses and permits, and/or respective subcategories, which fall under the competence of the NLC, are divided, into three groups:

The first group included those categories or subcategories that require only the applicant’s self-declarations, in order to evaluate whether criteria are properly fulfilled.

The second group included those categories or subcategories that besides the applicant’s self-declarations require also proof documents to be submitted by the applicant, at least for one of the criteria.

The third group included those categories or subcategories for which assessment of criteria (at least for one of them) must be based, not only in what is provided for in paragraphs 2 and 3 of this article, but also on a process of inspection, testing, competition, interview, or any other assessment method.

Depending on their nature and requirements to which they are subject, not all licenses and permits are subject to the examination by the National Licensing Center. As a general rule, applications for obtaining an authorization are examined directly by the competent public authorities without intervention of the National Licensing Center. Authorization process may become part of the licensing process in the case of the license belonging to Group III, as well as, only when the authorizations requirements coincide with one or more licensing requirements.

New administrative bodies in support of strategic investments

The law establishes the Committee of Strategic Investments (‘CSI’), a collegial body under the Council of Ministers that approves the status of ‘to-be-assisted’ or ‘special’ strategic investment. Further, it will monitor the functioning of the ‘one stop window’ system for services offered investors, the performance and the impact of strategic investments and it will approve the support programs and funds granted to strategic investments. A Fund of Real Estate is established by this law which can be used by the State to support serious investments in tourism and ensures development of the sector.

Legislation has been improved in a number of sectors, such as the:

- **Law on Public Private Partnership**, guided by the fundamental principles of transparency and non-discrimination;
- **Law on TEDA**, which is one of the most positive changes in the economic legal framework, aiming at making technological, economic areas and potential businesses available.
- **Law on Strategic Investments**, which provides maximum legal guarantee and offers facilities for domestic and foreign investors. The application for being granted the “Investor / Strategic Investment Assisted / Special procedure” status is implemented according to the one-stop shop model.
- The new **Law on Tourism**, which significantly improves conditions for serious investments in tourism and ensures development of the sector;
- Fundamental reforms were launched aiming at a new approach towards business. We established a whole new relationship between the government and the enterprise, with a view to build a constructive dialogue and cooperation as co-actors of the country’s economic futures.
- A series of measures were taken to provide relief for various sectors, such as inward processing and the agriculture package. Support packages are being developed for some other sectors as well, such as tourism, recycling and plastic materials, agro processing and mechanical industry.

**Support packages are being developed for some other sectors as well, such as tourism, recycling and plastic materials, agro processing and mechanical industry.**

Applications for obtaining the status “strategic investment” may be filled until 31 December 2018.
The law regulates 12 licensing areas, where licenses/permits are processed by/through the NLC or without the involvement of NLC. As regards to the areas where the licenses/permits are processed without the involvement of NLC, the licensing system is regulated by the sector related legislation. Such licensing legislation exist in the following sectors:

- Banking financial service;
- Non-banking financial services (insurance, securities, bonds of joint stock companies and local governance, collective investment enterprises, retirement funds etc.);
- Broadcasting services;
- Services in energy sector (production, transmission, distribution, supplying and trading the electrical power; transmission, distribution, supplying and trading of natural gas; operation in the depositing premises of natural gas and operation in the NLG plants);
- Air, maritime and road transport services;
- Gambling;
- Postal services;

Concessions (law on concessions provides that certain economic activities are subject to a concession agreement).

Licensing through NLC

Requests for licenses/permits or respective subcategories may be done at the service window at NLC's office in Tirana, or in any other NLC service window located in a municipality office a cost of 100 ALL. An application may be done at any NLC service window, regardless of the applicant's seat or location of activity. Requests shall comprise filled out standard application forms and required enclosed documents. The applicant himself/herself or a person duly authorized may submit the request for application at the NLC service window. The NLC it’s not be entitled to require from applicants further documents or information, which are not included in the standard form.

The NLC review applications and take a decision within two working days from the request submission for group one and four working days for group two. The NLC makes a preliminary examination of the requests for the third group and when there is no ground for rejection publish in the Register preliminary decisions for transition to the second phase of review process, and notified by electronic means, the other institutions that are involved in the criteria examination process, for their part of criteria, falling under their competence.

The assessment of fulfillment of licensing or permitting criteria is based accordingly on: applicant's self-declarations, documents issued by other public bodies or private institutions, assessments made, preliminary inspections taken place, tests, contests, interviews, hearings or other adequate methods that have been employed.

Legal Forms of Companies

The Law No.9901 dated 14.4.2008 “For the traders and trade companies” stipulates 4 forms of the trade companies, listed below:

1. General Partnership
2. Limited Partnership
3. Limited Liability Companies (SHPK)
4. Joint Stock Companies (SHA)

(The joint stock company with private offer may not have a capital lower than 2.000.000 lek. The joint stock company with public offer may not have a capital lower than 10.000.000 lek.)
12. REAL ESTATE IN TIRANA

Tirana covers around 80% of the residential market in Albania.

To buy (Numbeo, 2016)
- Apartments in the city center: 204,666 ALL/m²
- Apartments outside the city center: 89,519 ALL/m²

To rent (Numbeo, 2016)
- Apartment in the city center: 53,211 ALL
- Apartment outside the city center: 25,562 ALL

Office Estates – To rent (Colliers International 2014)
- City center: 25 EUR/m²/monthly
- The average in the city: 17 EUR/m²/monthly
  - 63,400 m² available
  - 59,113 m² in use

Estates for business in Shopping Malls – To rent (Colliers International 2014)
- Shopping Malls: 50 EUR/m²/monthly
  - Main locations: 38 EUR/m²/monthly
  - 158,000 m² available

Rent for business environments (ALL/monthly)

Apartment Prices in different Areas (EUR/m²)
13. TIRANA AT A GLANCE

Tirana is one of the bounciest capital cities in Europe, and it is becoming very attractive for expats who are pursuing new opportunities. Tirana is the capital and the largest city of Albania (777,678 inhabitants/2016). It is the administrative, cultural, economic, and industrial center of the Republic of Albania, projected to have more than 1 million inhabitants by 2027.

Life in Tirana
As a typical Mediterranean town, Tirana is full of small café-s, and petite restaurants. The cuisine is one of a kind; not only you could try delicious specific Albanian dishes, but since a lot of former emigrants have moved back home and have invested in small family restaurants, they have brought all their gained skills from abroad, so you can easily taste all the great influences from the Italian or Greek cuisine. As in the middle of east and west, north and south, located in between two beautiful seas and covered by mountains, Tirana is finding itself very easy to adapt to the good taste in eating and drinking, however still, at very good prices.

Between communism and cocktails, stands the nightlife of Tirana. Most of the clubs and pubs of the city are located in the Bllok area, which during the communist regime used to be the residence of all the main figures of the dictatorship and the citizens of Tirana weren’t allowed even to pass through. Nevertheless, after the 90s, Bllok turned into the coolest area of the city and all the bars and pubs are nowadays concentrated there.

Touristic Typologies in Tirana

Cultural Tourism
Tirana has in its territory a considerable number of cultural monuments, such as; the Castle of Tirana, The Mosaic of Tirana, Caste of Dajti, Castle of Tujan, Brani Bridge, Castle of Ndroqi, Castle of Dorzi, Castle of Petrela, Castle of Perskopit, Castle of Lalmi, Pellumbasi Cave, The Bride’s tomb. Meanwhile, in Tirana can be found other historical monuments and buildings to be visited, such as The Clock Tower, Ethem Beu Mosque, University of Tirana, University of Arts, the Ministries, National Historic Museum, Archeological Museum, the Tanner’s Bridge, National Gallery of Arts, the Pyramid, etc.

Adventure Tourism
This kind of tourism is developing in Tirana. The creation of tourist trails and infrastructure for hiking and biking is focusing mainly on natural and cultural assets of the territory of the Municipality of Tirana. Trails for hiking in most cases will follow old roads in rural areas, which lead to natural and cultural attractions. There are popular bike tours in Prisë, Farka, climbing in Brar, in Mount Gamitit, in Dajti Mountain, climbing in Bovilla, hiking to the waterfall Askoli (Baldushk), etc.

Conference Tourism
Tirana is the perfect place for conferences, seminars, symposia, fairs, workshops, etc. The Congress Palace is the largest structure in Tirana and in the country, located in the city center close to the three largest hotels, government institutions and other cultural institutions, shopping and sports. The city offers a great number of conference halls of different sizes. Numerous services offered have positioned Tirana main conference center in Albania.
Agro – tourism and Culinary Tourism

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

Dental Tourism

This kind of tourism has been flourishing recently in Tirana, due to its low costs of dental services compared to other countries, such as USA, Canada, Australia etc. Therefore, there are foreigners coming to Albania apropos.

Main sectors invested:
Trade, Hotel, Communication and Transport

Tirana and its hinterland can play the role of a regional Western Balkan (international) center in terms of:
- Financial services
  - Not excluding the possibility of a stock exchange
- Modern medical services
  - With internationally recognized hospitals
- Education services
  - Esp. in higher education with universities serving Albanian speaking populations from neighboring countries and not only.

Some sectors with potential:
Tourism
- Including night life
Services
- E.g. business process outsourcing, shared services centers.

Tirana has some advantages for the development of its agriculture, although its share is much lower compared to the national share:

- A favorable geographic location relative to the European Union, particularly Italy and Greece
- Comparably low wage levels
- A relatively educated rural population, many of whom have worked in other European countries for some period of time
- Creativeness among Albanian farmers in adapting rapidly to changing circumstances
- Fertile soils and favorable climate