

## Business and Investment Climate in Albania. The role of the Albanian Investment Development Agency

# AIDA

# Why Albania?

- Fast reforming country focusing on the ease of doing business
- Improving infrastructure
- Improving legal framework
- FTAs with countries of the region giving access to a bigger market
- Dynamic and educated workforce

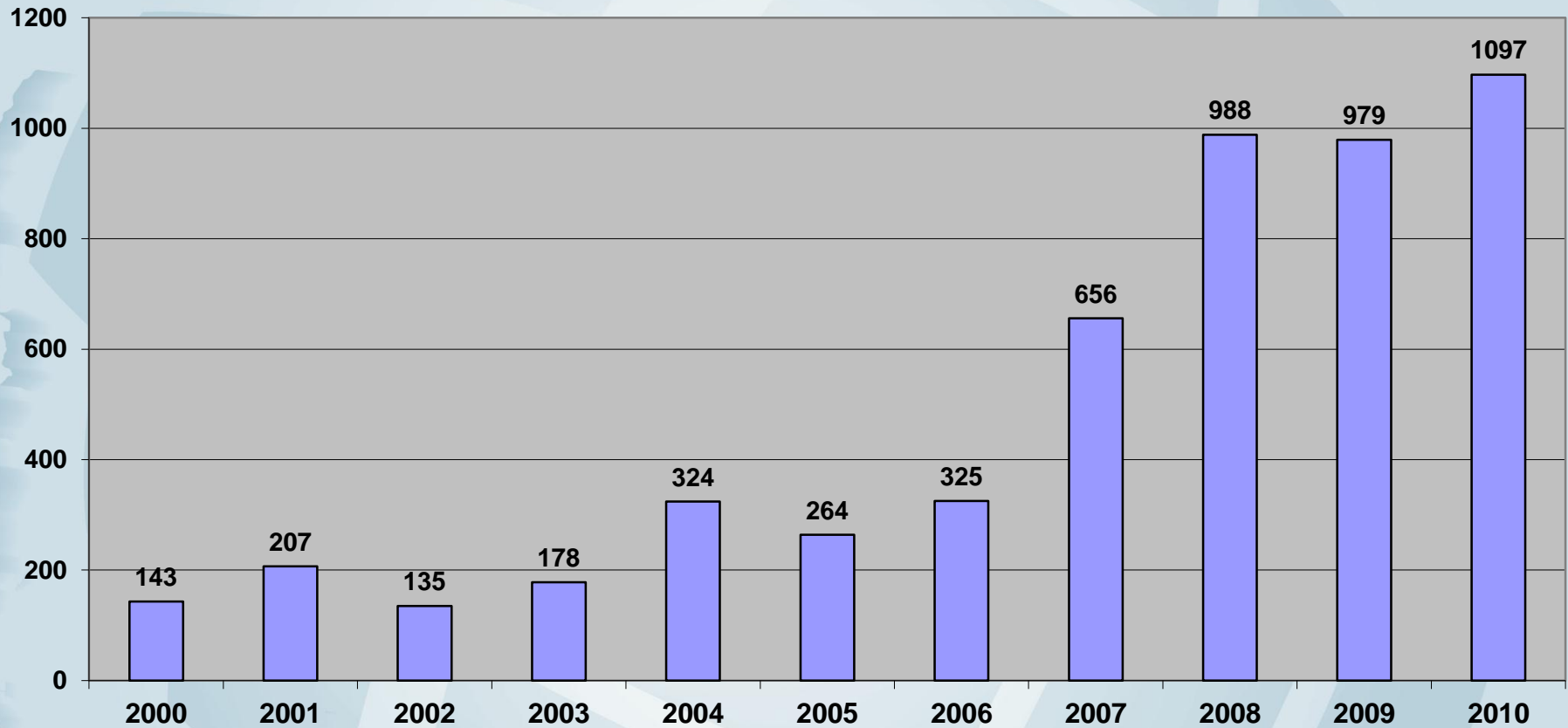
# Why Albania?

- IPR
- One-Stop-Shops for registration and licensing of companies.
- Online system for tax filing and payments.
- Low tax burden (flat rate of 10% on corporate and personal income)

# Albania in numbers

- An average annual GDP growth of 6% in the 2000 – 2009 period. Positive GDP growth of 3.3 % even during the financial crisis
- Foreign Direct Investment (FDI) flows in Albania in 2010 rose to more than \$1 billion making it the second largest FDI recipient in South-East Europe after Serbia

## Albania has attracted rising net FDI inflows over the past decade (US\$mn)



Source: UNCTAD Data for FDI

# Albania in numbers

- On “starting a business”, Albania ranked 68th in 2009, moved to 46<sup>th</sup> in 2010 and 45<sup>th</sup> in 2011 in the global ranking. (Doing Business Report by WB)
- On “getting credit” and “protecting investors” Albania ranks 15th out of 183 countries in 2011 putting Albania among the top reformer countries (Doing Business 2011 by WB)

# Legal Framework

- Albania has signed the New York Convention of 1958 on the recognition and enforcement of foreign arbitration awards;
- Albania has signed the Geneva Convention on the execution of the foreign arbitration awards;
- Albania is a member of important world organizations such as IMF since 1991, WTO since 2000 and CEFTA (Central European Free Trade Agreement) since 2009;
- In 2006, Albania signed the Stabilization and Association Agreement (SAA) with the European Union;
- Albania is a member of the Convention on Multilateral Investment Guarantee Agency (MIGA) since 15/10/1999. MIGA provides investment guarantees against certain non commercial risks;



# Liberal FDI Legal Framework

Law Nr. 7764, Nov. 2, 1994 “On Foreign Investment”

- No prior government authorization is needed and no sector is closed to foreign investment
- No limitation on the percentage share of foreign participation in companies - 100 percent foreign ownership is possible
- Foreign investment may not be expropriated or nationalized directly or indirectly



# Liberal FDI Legal Framework

Law Nr. 7764, Nov. 2, 1994 “On Foreign Investment”

- Foreign investors may expatriate profits of their investments (to this end there are no limitations on the exchange rates or volumes)
- No distinction is made between foreign and domestic investors in terms of state/governmental support; however, the state grants protection on legal disputes for investments over 10 Million Euro to foreign investors

# Registering a business in Albania

- Registration through the National Registration Center:
  - 1 day
  - 100 Lekë (ALL) (1 USD)
  - In Tirana headquarters of NRC or at 31 service windows located in all municipalities, and at Tirana and Durres Chambers of Commerce
  - Fast and transparent procedures easily verifiable online ([www.qkr.gov.al](http://www.qkr.gov.al))

# Does your business in Albania need a license?

- Licensing through the One stop shop model by the National Licensing Center
- Only a limited number of business activities need a license or permit before starting its commercial operations (46 categories)
- 100 Lekë (ALL) (1 USD)
  - Fast transparent procedures easily verifiable online ([www.qkl.gov.al](http://www.qkl.gov.al))
- The applications can be done at Tirana headquarters of NLC, as well as in 9 regional services windows in the major municipalities

# Investment potential - Attractive economic sectors

- Energy Sector
- Tourism
- Agriculture and Food Processing Industry
- Construction and Infrastructure
- Mining Industry

# The Albanian Investment Development Agency

## AIDA

- A National Agency recently (2011) established, focusing on the investment promotion and proactive support to businesses, foreign or domestic
- The Management Board is chaired by the Prime Minister
- A further step in a long track of successful governmental reforms aimed at improving the business climate in the country

# What we do?

- Facilitate and support direct investment in Albania, through the identification and promotion of investment opportunities, offering services and support to existing or potential investors;
- Increase the competitiveness of small and medium-sized enterprises, enabling the improvement of products and services and the technology they use, offering mechanisms to increase their technical capacity and skills' renovation;
- Promote and support exports of goods and services by providing support services as well as financial assistance to exporting companies, and export promotion, by governmental or donors' programs.



# What we will do?

- Serve as a one-stop-shop for inward investors to ensure faster and efficient services
- The agency will conduct all activities and will take all necessary initiatives to support private sector development and improve the business climate
- Intermediate between investors and state authorities
- Investors' servicing and support at all stages of the investment cycle



# How we can help?

- Conducting studies and research on the business climate
- Providing information on the business conditions and opportunities in Albania
- Intermediating with the national and regional government agencies – providing know-how on the potential partners
- Identification of sites and buildings
- Project management support throughout the investment cycle

# Let AIDA help you make Albania your next Investment destination

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