

2 Investment policy and promotion

Creating an attractive environment for investors is essential to stimulate economic activity and to foster sustainable economic growth. This chapter assesses the scope and effectiveness of existing policies and strategies that aim to enhance investment volume and quality. The first sub-dimension, investment policy framework, assesses the robustness of legal framework for investment, the efficiency of dispute settlement mechanisms, as well as intellectual property rights enforcement and awareness-raising capacity. The second sub-dimension, investment promotion and facilitation, focuses on investment promotion agency structures, investment promotion strategies and investor incentives, all geared towards attracting foreign direct investment. The third sub-dimension, mobilising sustainable investment, explores the strategic framework for a sustainable investment governance, while also reflecting on the scope of financial and technical support allocated to sustainable investment.

Key findings

Albania has registered an improvement in its performance in investment policy and promotion. The economy's score has increased from 3.1 in the previous *Competitiveness Outlook (CO)* (compared to 2.6 in 2018) to 3.6 in the 2024 assessment. Albania is one of the best-performing economies in the Western Balkans for investment policy and promotion, scoring above the regional average for its investment policy framework (Table 2.1).

Table 2.1. Albania's scores for investment policy and promotion

Dimension	Sub-dimension	2018 score	2021 score	2024 score	2024 WB6 average
Investment policy and promotion	1.1: Investment policy framework	2.6	3.1	4.3	3.9
	1.2: Investment promotion and facilitation			3.7	3.3
	1.3: Mobilising sustainable investment			2.5	2.8
Albania's overall score		2.6	3.1	3.6	3.4

The **key findings** are as follows:

- The overhaul of Albania's legal framework for investment is still pending, lacking a clear timeline for adoption. The law on strategic investments, which was expected to expire in 2023, has been extended until 2027.
- The implementation of judicial reforms and prompt appointments to the Constitutional Court have enhanced dispute settlement mechanisms in Albania. Nevertheless, a backlog of commercial disputes persists, primarily attributed to the suboptimal performance of the case management system.
- Following the approval of the new arbitration law in July 2023, featuring provisions for virtual hearings, there has been a noticeable absence of practical applications as of early 2024. The potential benefits of alternative dispute mechanisms remain untapped, leaving the burden on the judiciary system unchanged.
- A recent study reviewed 122 sectoral and horizontal laws, identifying 27 as potential entry restrictions for foreign direct investment (FDI). Nevertheless, Albania maintains its status as an open economy, with on average fewer restrictions on FDI compared to OECD member countries.
- In the absence of a dedicated strategic framework for sustainable investment, the Business and Investment Development Strategy 2021-27 articulates an economic approach aimed at fostering sustainable growth through strategic investment initiatives.

State of play and key developments

Having dipped slightly in 2020 and 2021 during the COVID-19 pandemic, FDI inflows to Albania fully recovered in 2022 to reach 7.6% of GDP (UNCTAD, 2023^[1]). Notwithstanding the slight decrease in average annual net FDI inflows, from 8.6% of GDP during 2017-19 to 7.2% during 2020-22, Albania was second only to Montenegro by this measure during the latter period (UNCTAD, 2023^[1]). Since 2015, Albania's stock of FDI has increased by 14.7 percentage points, reaching 63.2% of GDP by 2022 (WTO, 2023^[2]). In 2022, the FDI stock remained concentrated in the energy sector (26.5%), extractive industry (15.3%) and financial services (12%). The main source of FDI inflows in 2022 came from the tourism-driven real estate sector, accounting for 21.2% of the total (AIDA, 2023^[3]). FDI inflows from the EU surged from 30% of GDP in 2015-18 to 51% in 2019-22. During the same period, the contributions from Switzerland and Türkiye, previously the second and third-largest sources, declined from 33.7% to 11.4% and from 8% to 7.6%, respectively. The EU maintained a robust share of FDI stock at 54.4% (European Commission, 2023^[4]).

Sub-dimension 1.1: Investment policy framework

Albania is currently revising its investment framework,¹ aiming to merge and update the existing 1993 Law on Foreign Investment and the 2015 Law on Strategic Investment. The goal is to create a unified and competitive legal structure aligned with international standards, encouraging both domestic and foreign investments. The proposed legislation emphasises non-discrimination, transparency, and accessibility, with amendments planned for strategic sectors and the associated designation process. The revision of the framework is partially motivated by the Law on Strategic Investments not yielding a considerable impact, attracting primarily domestic investment mostly in the tourism sector (US State Department, 2023^[5]). Nevertheless, the revision of the investment framework was postponed without a clear adoption timeline and the current Law on Strategic Investment was extended until 2027.

Legislation, including information related to investments, is accessible on the National Publication Centre's website and the Albanian Investment Development Agency (AIDA), but it lacks systematic availability in English.

Public-private partnerships are a long-standing feature of the Albanian economy, governed by the 2013 Law for Concessions and Public-Private Partnership. However, the law still needs further alignment with EU standards to ensure transparency for investors. Six PPP infrastructure projects had, by mid-2023, been initiated since January 2021. Irregularities in government procurement are a pervasive challenge. The continued reliance on PPP contracts has restricted competitive opportunities, particularly for foreign investors, across various sectors, including infrastructure (US State Department, 2023^[5]).

Albania's market is open with limited **exceptions to national treatment**. According to the OECD foreign direct investment (FDI) Regulatory Restrictiveness Index, which evaluates market access and exceptions to national treatment, the economy scored 0.057 in 2019, below the OECD area average of 0.064. A lower score suggests a less restrictive regime (OECD, 2020^[6]). While the economy maintains some minimal investment restrictions, particularly in areas such as arms production, inland maritime transport, fishery, notary services, and judicial enforcement services, these restrictions do not pose impediments to foreign direct investment. As part of the Regional Investment Reform Agenda within the Western Balkans Regional Economic Agenda, Albania's Ministry of Finance and Economy (MFE), in collaboration with the International Finance Corporation (IFC), identified potential entry barriers for investors. By analysing 88 sectoral laws and legal instruments, 18 were identified as potential restrictions for FDI, with most of them infringing on the non-discrimination principle. Additionally, out of 34 horizontal laws examined, 9 were recognised as potential FDI restrictions.

Progress in implementing justice reform has been positive overall. However, despite advances, significant challenges remain in the legal and judicial system and in respect of effective **dispute settlement**

(European Commission, 2023^[4]). The clearance rate² of civil and commercial litigious cases remained at 89% in 2022, below the EU median of 100%. Similarly, the time to process such cases³ increased from 279 days in 2021 to 377 days in 2022, also exceeding the EU average of 234 (CEPEJ, 2022^[7]) – spotlighting the growing backlog of cases in Albania’s courts.

In February 2022, Albania’s Parliament extended the EU-backed judicial reform, involving vetting of prosecutors and judges. Constitutional amendments defined the tenure of Independent Qualification Commission (KPK) and Special Appeals College (KPA) members. Originally set to end in 2022, KPK members’ mandate was extended⁴ until 2024 due to delays in vetting 800 magistrates. Amendments also detailed revaluation case procedures post-commission dissolution, involving the Supreme Judicial Council, High Prosecution Council, and the Head of Special Prosecution.

In July 2023, Albania adopted a new Law on Arbitration based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law. The new Law (Article 30) makes explicit provisions for virtual and hybrid hearings. This should facilitate the uptake of arbitration while removing any doubt as to the legal validity of hearings held in such a manner. It is hoped that the new Law will help develop an arbitration culture among Albanian business entities and encourage them to resolve disputes through arbitration. However, as of February 2024, there have been no applications of the new Law.

Despite having mediation legislation in place since 2011, its use has been limited. The business community favours mediation mechanisms to resolve disputes and reduce the backlog of commercial cases. However, there is a need for increased awareness and promotion of mediation’s advantages to alleviate the strain on the judiciary system.

Albania’s **legal framework for intellectual property rights** is generally sound, although **enforcement and awareness raising** require strengthening. The General Directorate of Industrial Property (GDIP), overseen by the MFE, serves as the public authority responsible for the registration, protection, and enforcement of intellectual property (IP) rights. In line with its National Strategy for Intellectual Property 2022-25 (NSIP), and the National Plan for European Integration 2022-24, GDIP has undertaken legal reforms in the field of industrial property, drafting separate laws for each of its object categories. Amendments to the 2008 Law on Industrial Property⁵ have included i) protections against the misuse or disclosure of or unfair gains from trade secrets; ii) definition of the competencies of the State Inspectorate for Market Surveillance (SIMS); and iii) regulation of the Industrial Property Objects Administration System. As of mid-2023, GDIP was continuing its work on reforms to the Laws on “Patents, Utility Models, Certificates of Supplementary Certificates” and on “Trademarks”. These new draft laws will aim to address those deficiencies identified in respect of their alignment with directives and regulations of the EU *acquis*, with the exception of those provisions for which implementation is only relevant to existing EU Member States. Likewise, work was expected on a new draft industrial design law to further align it with EU Directive 98/71/EC⁶ on the legal protections of designs. The law is expected to be drafted in 2025. In 2021, further amendments were also made to the Criminal Code and Code of Criminal Procedures on enforcement of intellectual property laws (US State Department, 2023^[5]). From May 2022, all 164 services provided by the General Directorate of Industrial Property are accessible on line through the government’s singular platform, e-Albania.

Sub-dimension 1.2: Investment promotion facilitation

Albania continues to reinforce its **investment promotion agency structure and strategy**. The Business Investment and Development Strategy 2021-27 (BIDS) (Box 2.1), and its Action Plan provide overarching direction for medium-term economic development, focusing mainly on the development of micro, small and medium-sized enterprises, as well as on attracting investments. AIDA has a broad mandate, covering export promotion and SME development, as well as investment promotion, facilitation, and retention. Following a 39% increase in staffing levels in 2019, the agency’s headcount has since remained stable at 39, of which 14 are dedicated to investment promotion, facilitation and aftercare activities (i.e. excluding

e.g. export promotion). It has also received an increase in financial resources, albeit modest, its annual budget having more than doubled to ALL 19 million (EUR 182 400) in 2019 and reaching ALL 26.8 million (EUR 257 300) in 2022. However, the amount of investment promotion/ matchmaking had not yet by 2022 recovered post-pandemic to levels seen during the 2013-19 period, when human and financial resources at the agency's disposal were more limited. AIDA is reinforcing its investor-targeting actions, by adopting a proactive approach involving outreach campaigns⁷ for foreign investors in certain sectors, with the aim of generating new investments in Albania.

Box 2.1. Business Investment and Development Strategy 2021-27 (BIDS)

Adopted in 2021, BIDS and its action plan provide an overarching direction for Albania's medium-term economic development, focusing mainly on the development of micro, small and medium-sized enterprises as well as investments. The strategy sets out the vision of a competitive Albanian economy, driven by innovation and based on knowledge, which creates new and better jobs, taking advantage of the opportunities offered by the digital transition and the transformation of the international value chain, with emphasis on sustainable development and European and regional integration.

With particular relevance to investment, BIDS focuses among other things on the intensification of measures for the promotion and facilitation of specific investments, according to target groups, reflecting international good practice and sustainable development objectives. One component of the strategy is a supplier development programme that aims to increase the level of sophistication of local SMEs, to help them compete more effectively and integrate into the global and regional supply chains of foreign investors.

Recognising the important contribution of start-ups to a more innovation- and knowledge-driven economy, BIDS also focuses on the development of a favourable business environment, closely related to the 2022 Law "On support and development of startups" as well as the EU for Innovation programme. Special emphasis is given to women entrepreneurs and start-ups that offer digital solutions or products/services that contribute to the development of the green and circular economy.

BIDS is monitored by an inter-institutional group under the direction of the Ministry of Finance and Economy. Within the BIDS framework, AIDA conducts an annual investor outreach campaign. Depending on economic potential and the sector's importance, AIDA may also target investments in the ICT and business process outsourcing (BPO) sectors.

For its part, during the course of the preparation and adoption of BIDS, the Albania Investment Council made a number of pertinent suggestions. Notably, these included a focus on "stimulation of investments that are in line with nature protection or social cohesion" while noting "transparency, sustainability and coordination of public investment plans as important factors in attracting private investment". The Council also suggested "identifying models for internationalisation of business in the international value chain", an objective ultimately reflected (as mentioned above) in the final draft of BIDS.

The strategy lays out a comprehensive framework for investment attraction and company internalisation, with a special focus on SMEs, underscoring the importance of its effective implementation in achieving strategic objectives. By directing increased attention towards sustainable investment, particularly in areas such as decarbonisation and gender equality, the economy stands to enhance its attractiveness to sustainable investors. Embracing sustainable practices can not only bolster the economy's appeal to investors seeking to align their portfolios with environmental and social objectives, but also drive long-term resilience.

Sources: Council of Ministers (2021^[8]); Ministry of Finance and Economy (2021^[9]); Secretariat of Albania Investment Council (2021^[10]).

Investment facilitation services and aftercare activities are important elements of AIDA's mandate. The agency serves as a link between investors and the government, aiming to encourage investment and reinvestment. In 2022, AIDA's co-operation network was expanded to reach 11 municipalities,⁸ further strengthening the co-operation between local governments and foreign investors. In line with BIDS, there is a dedicated department that promotes and enables linkages between foreign investors and local companies besides the Directorate of Investment. The agency also provides information and accompanying services both to local firms and to international companies through the SME help desk, and facilitates contacts by organising training courses, workshops, and business-to-business (B2B) meetings. Other measures aimed at creating and deepening linkages include assistance in finding new local suppliers, technology transfer, and information exchange on the agency's website (B2B online platform), as well as financial support through funds under its management. In addition, AIDA actively contributes to addressing skills shortages and mismatches, recognising this as a significant area for intervention. AIDA's aftercare department also frequently visits companies' premises to discuss workforce issues with a view to ensuring business continuity. Recent aftercare outreach campaigns have also included several vocational schools. Suggestions are channelled to the relevant vocational schools while proposals outside the remit of existing programmes may be channelled, in turn, to decision-making institutions such as National Employment and Skills Agency (AKPA) and the MFE. AIDA may also conduct dedicated campaigns with the vocational institutions where there are insufficient numbers of available students to fulfil firms' needs.

Albania continues to provide a wide range of **investor incentives**, with special considerations for strategic investments⁹ (please refer to the tax policy chapter for a complete overview of incentives). Despite the broad array of investor incentives available, little progress has been made in their streamlining and simplification, or in assessing their fiscal viability.

The government offers fiscal and administrative incentives to companies establishing businesses in a Technical and Economic Development Area (TEDA). As of early 2024, there are three areas that have been granted TEDA status (Spitalle, Koplik and Kashar); however, they remain in development. A new such Special Economic Zone (SEZ) was established in November 2022 and designed for potential investments from industries that use advanced technology and have large product knowledge in the areas of automobiles, information and communications technology (ICT), and electronics. As of early 2024, the project is still in its initial phase of development with no progress made on its implementation.

Sub-dimension 1.3: Mobilising sustainable investment

While BIDS is not directly focused on sustainable investments *per se*, several of its objectives and key performance indicators (KPIs) are well aligned with this approach, such that one can consider Albania to have an emergent **strategic framework and governance for sustainable investment**. The strategy addresses in particular two of the four objectives linked to Sustainable Development Goals (SDG) relevant to sustainable investment – namely i) productivity and innovation, and ii) job quality and skills – whereas decarbonisation and gender equality aspects are less fully developed, particularly in relation to attracting investment. Some sectoral strategies take account of sustainable investment aspects,¹⁰ but there is a need to ensure this occurs on a systematic basis.¹¹ Although Albania has not implemented a mandatory environmental, social and governance (ESG) disclosure regime, the Law on Accounting and Financial Statements, introduced in 2018, stipulates that firms with an average number of 500 employees during the relevant reporting period must include in their non-financial report information relating to the environment, employment, human rights, anti-corruption and bribery (Ministry of Finance and Economy, 2018_[11]).

Albania provides **financial and technical supports for sustainable investment** relevant to three of the four SDG-linked objectives, namely i) productivity and innovation, ii) job quality and skills, and iii) gender equality. In terms of financial supports, tax incentives, subsidies, grants and credit guarantees are provided on a non-differentiated basis between foreign and domestic firms. Technical supports meanwhile consist of supplier development programmes, training and skills programmes, internationalisation programmes, and digitalisation programmes. The latter aims to address market failures such as weak skills gaps, information asymmetries and weak knowledge spillovers. While the majority of Albania's financial and technical supports for sustainable investment are donor-funded, domestic fiscal resources also make a contribution.

Box 2.2. Achieving resilient growth through sustainable investment in Albania

In May 2023, the World Bank approved a new five-year Country Partnership Framework for Albania (2023-27) and four associated operations, with a dedicated budget of EUR 829 million (USD 900 million).

The framework aims to support Albania's swift recovery and transformation into a more resilient, equitable, and greener economy by attracting sustainable investment. The focus areas include generating more and better jobs, optimising human capital, and enhancing resilience to natural disasters. Joint efforts with the International Finance Corporation are poised to improve the business environment, strengthen regulations, and attract private investment for sustainable growth.

The Multilateral Investment Guarantee Agency (MIGA) will continue supporting and facilitating foreign investment through risk insurance products. The four recently approved projects address key areas such as infrastructure, promoting climate-resilient agriculture, advancing digitalisation of public services, and strengthening the economy's resilience and environmental sustainability.

These projects align with Albania's development priorities and demonstrate its commitment to fostering greener and more inclusive growth. Despite experiencing a robust post-pandemic recovery, Albania continues to grapple with structural setbacks, including a deficiency in climate-resilient infrastructure and inadequate investment in human capital. In this context, the World Bank's Partnership framework is aptly tailored to tackle the enduring challenges that persist.

Source: World Bank (2023_[12]).

Work is under way on a draft **Smart Specialisation Strategy (S3)**, although the process has been ongoing since 2016. S3 is envisaged as a new tool for enhancing innovation and boosting region-wide development. Supported by the EU, the Smart Specialisation Platform has been adopted by each of the WB6 economies, as well as by Türkiye. The S3 approach is designed to contribute to the international agenda on sustainable development and aims to identify priority areas where the impact of public investments in research, development and innovation can be most pronounced.¹² The draft strategy is expected to be presented by June 2024.

Overview of implementation of Competitiveness Outlook 2021 recommendations

Albania's progress on implementing the CO 2021 recommendations has been mixed, with advances in improving the performance of judicial institutions, reinforcing the IPR legal framework and boosting AIDA's investment facilitation role. Nevertheless, progress was nonexistent in increasing public awareness and the use of mediation mechanisms. Similarly, only limited progress was achieved in streamlining the regulatory framework for investment, as the draft investment law has not yet been adopted. Moreover,

there was limited advancement in streamlining investment incentives and their monitoring and evaluation (Table 2.2).

Table 2.2. Albania's progress on past recommendations for investment policy and promotion

CO 2021 Recommendations	Progress status	Level of progress
Reduce the complexity of the legislative and regulatory framework for investment and increase its transparency	The revision of Albania's investment legal framework remains pending, with no definitive timeline for its adoption established. The expected update to the law concerning strategic investments has been postponed until 2027.	Limited
Reinforce further the independence, resources and capacity of the court system, especially for commercial disputes	Good progress is being made with the comprehensive EU-backed justice reform programme, with improved performance of judicial institutions in clear evidence. A new arbitration law was adopted in July 2023.	Strong
Increase public awareness and implementation of mediation mechanisms	There is no evidence of progress in this area.	None
Align Albanian IP legislation further with international standards and reinforce the co-ordination, resources and capacity of IPR implementation and enforcement bodies	In line with its National Strategy of Intellectual Property 2022-25, Albania is reforming its legal framework governing industrial property and industrial design, including on patents, utility models, certificates of supplementary certificates, and trademarks.	Strong
Streamline the multiple investment incentives and reinforce mechanisms for evaluating their cost and benefits, appropriate duration, and transparency	No action has been taken to streamline investment incentives.	Limited
Reinforce AIDA's investment facilitation role, notably through better co-ordination with other government bodies and agencies	Implementation of the Business Investment and Development Strategy 2021-27 (BIDS) is monitored by an inter-institutional group under the direction of the MFE, which should improve the degree of co-ordination on investment promotion and facilitation issues.	Strong

The way forward for investment promotion

As Albania has made modest progress in some areas since the last CO assessment, the recommendations from the last cycle remain pertinent. Improving the attractiveness of Albania as an FDI destination requires the adoption of several significant pending investment policy reforms as well as policy adjustments in the following areas:

- **Simplify the legislative and regulatory framework for investment while enhancing transparency.** Reform of the legal framework for investment should be made a priority. This effort should involve not only streamlining investment regulations but also harmonising and stabilising various sectoral regulations and laws related to investment. By doing so, a more stable and favourable environment for investors can be created.
- **Simplify the numerous investment incentives and strengthen mechanisms for assessing their cost-effectiveness, suitable duration, and transparency.** Implementing straightforward and consolidated tax incentive frameworks can facilitate governments in evaluating the advantages and drawbacks of these measures, enhancing resource allocation and providing investors with a clearer system.
- **Enhance public awareness and utilisation of alternative dispute settlement mechanisms, encompassing both the existing mediation arrangements since 2011 and the newly introduced arbitration regime.** Similarly, increased awareness and adoption of the new domestic arbitration regime could have positive effects. It is crucial to view the new arbitration regime as a complement to and not a replacement of the international arbitration regime. Albania's ongoing participation in international arbitration remains vital for sustaining investor confidence.
- **Strengthen the resources and capabilities of the court system, particularly concerning commercial disputes.** Despite notable progress in judiciary reform in recent years, the economy

has only moderately progressed in addressing the backlog of commercial disputes in courts. To enhance the economy's appeal, there should be heightened emphasis on improving the efficiency of handling commercial disputes to diminish case backlogs. Additionally, efforts should be directed towards enhancing judges' expertise in commercial matters (See Box 2.3 on improving efficiency in the judicial system in Bulgaria).

Box 2.3. Streamlining the judicial system in Bulgaria

Bulgaria has an established Inspectorate to the Supreme Judicial Council, comprising an Inspector General and ten inspectors; they are elected by a two-thirds majority of the Members of Parliament in the National Assembly. The Inspector General serves a five-year term, while the inspectors' term is four years. The Inspector General and inspectors function independently under the law. The Inspectorate acts on its own or in response to citizens, entities, or state bodies, including judges, prosecutors, and investigators. It communicates signals, proposals, and reports to state and judicial bodies. Additionally, the Inspectorate shares public information about its activities.

The Inspectorate is the main body through which the Ministry of Justice can reform the justice system with the goal of improving its efficiency and reducing the duration of legal proceedings. In February 2021, the Judges' College of the SJC adopted a roadmap for the restructuring of district and appellate-level courts. The plan aims to bolster the judiciary by expanding the number of judges, enabling specialisation, implementing mandatory court-ordered mediation in specific cases, and enhancing overall efficiency. This involves optimising judicial workload distribution across courts and judges, which will entail:

- Consolidating of regional courts with a view to reducing the caseload.
- Restructuring of judicial staff's contractual status, with personnel categorised into permanent and non-permanent roles. The former will be assigned to regional courts, while the latter will be integrated into higher court staff.
- Increasing the number of judges in district and appellate courts.
- Implementing a workload rate for judges in regional, district, and appellate courts, enhancing the ability to anticipate the specific requirements of judges in each region. The rate will be annually revised using actual workload data to facilitate systematic planning for the judiciary's regional needs.

The concept provides a remedy for current challenges such as uneven workload among courts at a similar level, judge specialisation, the efficiency and quality of justice administration, personnel planning, optimisation of judicial budget costs, and predictability in judges' career development.

Albania shares institutional shortcomings with Bulgaria, notably concerning a mounting backlog of cases, the expertise of judges, and prolonged court case processing times, which surpass the EU median in Albania's instance. Drawing inspiration from Bulgaria's roadmap for reorganising and consolidating its judicial system could offer valuable insights into addressing Albania's challenges in dispute settlement.

Sources: OECD (2022^[13]); Inspectorate to the Supreme Judicial Council (2007^[14]); European Commission for the Efficiency of Justice (2022^[15]).

- **Complement BIDS with a dedicated sustainable investment component.** This would both inform the development of an updated BIDS implementation action plan for the period after the strategy's interim evaluation, due in 2024, and provide an overarching framework for systematically

integrating sustainable investment objectives' aspects into sectoral strategies. In parallel, the mandate of the thematic group on foreign investment under the auspices of the “competitiveness and investment” Integrated Policy Management Group, chaired by the Minister of Finance and Economy, could be amended to incorporate sustainable investment objectives more explicitly. While productivity, innovation, job quality and skills have featured as investment priorities in BIDS and some sectoral strategies, there is scope for more fully integrating decarbonisation and gender equality objectives going forward. This is particularly relevant given that foreign firms are known, on average, to offer women greater opportunities for career advancement and are playing an increasingly important role in financing renewable energy infrastructure.

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Notes

¹ In January 2024, the Ministry of Finance and Economy was split into the Ministry of Finance and the Ministry of Economy, Culture and Innovation, the latter overseeing the legal framework for investment.

² The clearance rate is calculated by dividing the number of resolved cases by the number of incoming cases.

³ The Calculated Disposition Time sheds light on the efficiency of the judicial system by comparing resolved cases with unresolved ones over a reporting period, indicating how quickly cases are processed and providing insight into overall proceedings length.

⁴ Law No. 16/2022

⁵ The existing legislation concerning "Industrial Property" in Albania partially conforms with Directive 98/71/EC and Council Regulation (EC) No. 06\2002. Notably, there are gaps in alignment within Albanian law concerning aspects such as the exhaustion of rights, the publication of industrial designs, the invalidation of a design, and the rights arising from registration, as there is no equivalent provision.

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31998L0071>.

⁷ Outreach campaigns were implemented in the agriculture sector (2019 and 2022) and manufacturing with a special focus on automobiles (2020-23) to diversify the sectors promoted to foreign investors.

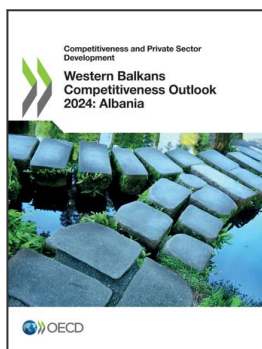
⁸ Shkodër, Vlorë, Tirana, Durrës, Berat, Lezhë, Elbasan, Kavajë, Vorë and Kamëz and Kamza.

⁹ Energy and mining, transport, electronic communications infrastructure, urban waste, tourism, agriculture and fisheries are considered areas of strategic investments.

¹⁰ Notably the Agriculture, Rural Development and Fishing Strategy 2021-27 and the Albania Digital Agenda 2022-26: DCM No. 460, dated 29 June 2022 "For the Approval of the Agriculture, Rural Development and Fisheries Strategy", 2021–27, <https://qbz.gov.al/eli/vendim/2022/06/29/460/a49807d6-28cb-4973-94ea-60d89bf8d41c> and DCM No. 370, dated 1 June 2022 "For the Approval of the Intersectoral Strategy 'Digital Agenda Of Albania' and the 2022-26 Action Plan", <https://qbz.gov.al/eli/vendim/2022/06/01/370/8fd7b0cf-6848-431f-8bcb-5d08d16deaa7>.

¹¹ For example, aspects related to FDI are only tangentially addressed in the National Adaptation Planning (NAP) to Climate Change, while female entrepreneurship is addressed in the National Strategy for Gender Equality 2021-30, but not FDI. Both strategies were published in 2021.

¹² S3 Beyond EU, <https://s3platform.jrc.ec.europa.eu/s3-beyond-eu>.



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