

Voluntary Report – Voluntary - Public Distribution

Date: January 02, 2023

Report Number: AL2022-0002

Report Name: Exporter Guide

Country: Albania

Post: Rome

Report Category: Exporter Guide

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Report Highlights:

This report is written for U.S. companies interested in doing business in Albania. It contains information on the economic situation, consumer buying patterns, and strategies for market entry.

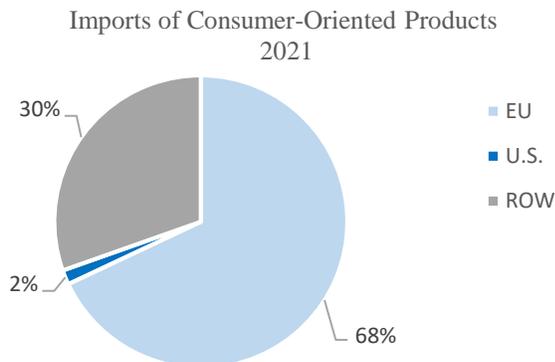
Market Fact Sheet: Albania

Executive Summary

Albania, a formerly closed, centrally planned state, is a developing country with a modern open-market economy. Albania managed to weather the first waves of the global financial crisis but the negative effects of the crisis caused a significant economic slowdown. Albania's economy has steadily improved and economic growth reached 2.2 percent in 2021. Albania was hit by a devastating earthquake on November 26, 2019. In the midst of post-earthquake reconstruction efforts, the COVID-19 crisis put more pressure on the Government of Albania's response efforts. Albania imports significantly more food and beverages than it exports and is reliant on imports to meet the demands of consumers for food products. Opportunities to expand U.S. food and beverage sales exist, but U.S. food processors should study the market well in advance.

Imports of Consumer-Oriented Products

Consumer-oriented food and beverage products remain the most important agricultural imports from the United States. In 2021, the consumer-oriented sector accounted for 96 percent of total agricultural, fish and forestry imports from the United States, valued at \$11.6 million. The EU countries hold the lion's share with 68 percent of the consumer-oriented food and beverage product imports.



Food Processing Industry

Food processing is an important sector in Albania, accounting for 10 percent of employment. The food industry accounts for approximately 25 percent of all manufacturing enterprises in the country.

Food Retail Industry

In 2021, value sales of grocery retailers in Albania increased by 4.2 percent to \$2.2 billion. The effects of the post-pandemic period were still evident, yet the economy seemed to march towards stability.

Quick Facts CY 2021

Imports of Consumer-Oriented Products from USA

(US \$million)

\$11.6 million

List of Top 10 Growth Products from USA exported to Albania

- | | |
|----------------------|---------------------|
| 1) Poultry meat | 2) Tree Nuts |
| 3) Distilled spirits | 4) Pork products |
| 5) Food preparations | 6) Beef |
| 7) Nursery products | 8) Whiting/Hake |
| 9) Planting Seeds | 10) Forest products |

Cooking Ingredients Retail Value (U.S. \$Million) 2021

Food Industry Revenues approx. \$165 million

Packaged Food Gross Sales (U.S. \$Million) 2021

Food Industry Revenues approx. \$5.7 million

Top 5 Albanian Food Retailers

- 1) Internationale Spar BV
- 2) Conad
- 3) Eco Market
- 4) Big Market
- 5) Carrefour

GDP/Population

Population (millions): 2.8

GDP (billions US\$): 18.3

GDP per capita (US\$): 6,494

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Albanian importers favor U.S. products because of good quality and wider variety.	Albania is a low income country, with GDP per capita lower than all countries in the EU.
Opportunities	Threats
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU member states is strong.

Data and Information Sources:

Trade Data Monitor, Albanian official statistics service (INSTAT)

Contact:

FAS Rome, covering Albania
AgRome@fas.usda.gov

Section I. – Market Overview

The Republic of Albania is a small former Communist nation situated on the Strait of Otranto which acts as a gateway between Western and Eastern Europe. According to the World Bank, Albania is an upper middle-income country with a gross domestic product per capita of \$6,494. Albania in April 2017 received a European Commission recommendation to open EU accession negotiations. Although Albania's economy continues to grow, it has slowed, and the country is still one of the poorest in Europe. A large informal economy and a weak energy and transportation infrastructure remain obstacles. Albania's population is 2.8 million and the official language is Albanian. Albania's President of the Republic Bajram Begaj was elected July 24, 2022, while Prime Minister Edi Rama was elected September 10, 2013.

The agricultural sector, which accounts for more than 40 percent of employment but less than one quarter of GDP, is limited primarily to small family operations and subsistence farming, because of a lack of modern equipment, unclear property rights, and the prevalence of small, inefficient plots of land. The GoA's focus has been on recovery from the pandemic and the devastating earthquake of November 2019. Following a strong rebound in 2021, the Albanian economy has maintained positive momentum in 2022 despite the shock to the global economy from Russia's war in Ukraine. The economy is projected to regain its 2019 growth level in 2022 on the back of robust activity in tourism, real estate, and services.

- **Population and Key Demographic Trends**

According to INSTAT, in 2021, Albania's population was estimated at 2.8 million, down 1.3 percent since 2020. Albania's population continues to age. The median age of population has increased from nearly 37.6 years in 2020 to 38.2 in 2021.

- **Overall Business Climate**

Albania can be a successful market for those companies willing to invest the time and resources to establish stable contacts. To enter the Albanian market, it is strongly recommended that companies find an agent and/or local distributor. The American Chamber of Commerce in Tirana, local chambers of commerce and industry, and the Albanian government agency for foreign investment promotion can provide assistance and guidance in finding an agent. Information and access to markets can be very difficult without local representatives who will have contacts and know-how to do business in this small-but-complex market. The Office of Agricultural Affairs in Rome covering Albania maintains lists of potential importers/distributors by sector.

According to the World Bank, Albania has begun implementing important structural reforms that will support equitable growth, raise productivity and competitiveness in the economy, create more jobs, and improve governance and public service delivery. The agricultural sector in Albania remains an important sector of economic activity and employment for Albania. Agricultural land cannot be purchased by foreigners and foreign entities but may be leased for up to 99 years. Investors can buy agricultural land if registered as a commercial entity in Albania. In addition, the GoA offers a wide range of incentives and subsidies for investments in the agriculture sector. The funds are a direct contribution from the state budget and the EU Instrument of Pre-Accession for Rural Development Fund (IPARD). IPARD funds allocated for the period 2018-2020 a total of €71 million. Agricultural inputs, agricultural machinery, and veterinary services are exempt from VAT. The government offers other subsidies to agricultural farms and wholesale trade companies that export agricultural products. According to the International Labor Organization, approximately 40 percent of the population is self-employed in the agriculture sector. COVID-19 has affected unemployment which registered 12 percent in 2021.

U.S. companies seeking to market and distribute their goods can easily find merchants, agents, middlemen, wholesalers and retailers. While distribution channels are in place, they are less sophisticated than in other European markets. Private companies dominate the retail industry and many of the shops carry Italian and Greek goods. Fruits and vegetables are typically sold at open-air, non-refrigerated public markets. Consumer-oriented trade shows are an important part of the retail scene.

Liquidity is presently a major problem within the Albanian economy. Therefore, with some exceptions, for advance payments confirmed letters of credit by foreign banks are highly recommended. Local consulting offices or law firms, local banks and other professional organizations may be helpful in determining the credibility of a potential business partner. Goods can enter Albania both via land and sea, with major seaports in Durres and Vlora. Foreign companies also use the seaports of Thessaloniki and Piraeus, Greece, and Bari and Brindisi, Italy.

Albania is strongly receptive to U.S. goods and services. In 2021, U.S. agricultural exports were valued at \$12.1 million and are forecasted to increase in 2022.

Advantages and Challenges for U.S. Suppliers on the Albanian Market

Advantages	Challenges
U.S. has good brand image in Albania. The quality of U.S. products is highly appreciated.	Labels, including nutritional panels need to be changed. Pack size and pallet sizing may also need changing.

Most importers speak English.	Need to develop relationships with Albanian trade contacts and invest in marketing the product.
Albania needs agricultural imports to sustain its food & feed processing industry.	The Albanian feed/livestock sectors are price competitive.
Tourism provides a seasonal boost to retail food and drink sales.	The tourism economy has been heavily hit by the COVID-19 pandemic in 2020.

Section II. – Exporter Business Tips

When looking at the Albanian market the following information should be reviewed:

- Basic market research to form a picture of what kinds of new products and services may prove profitable in the Albanian market.
- Albanian business partners and terms-local representation and personal contacts are required to successfully introduce a product into the Albanian market.
- Albanian Tourism adds almost 3 million visitors to the market and seasonally affects the total food consumption in the country.
- Although sales and marketing strategies in Albania are still evolving, it remains a price-sensitive market and discounts are common and often expected.

General Consumer Tastes and Preferences

Most consumers view price as the primary factor in their food purchasing decision. Preferences tend toward large packages at lower prices. Shopping centers are becoming an increasingly popular retail food sales point. Perishable foods, fruits, vegetables, bread, and fresh meat are usually bought at small grocery stores, specialized stores, or green markets.

Consumption of red meat is traditionally high. Meat per capita consumption in Albania (39 kg per capita/year) is still well below EU-27 average (80.4 kg per capita/year). Due to the low purchasing power, consumption of

beef and lamb have declined while consumption of poultry meat and pork has increased. This trend is likely to continue into 2022 due to the negative economic impact caused by the COVID-19 pandemic.

Section III. - Import Food Standards & Regulations

- **Customs Clearance**

Product imported into Albania must meet Albanian food safety and quality standards, as well as labeling and packaging regulations. It is important to work with experienced importers, and/or have an agent to work with Albanian regulatory authorities to ensure the acceptability of specific products. Personal relationships and language ability are of value when conducting business transactions. It is also advisable for the agent to contact the health authorities at the port of entry as interpretation of health directives may vary from port to port.

For more food import regulation information see (information available only in Albanian)

<https://bujqesia.gov.al/>

- **General Import and Inspection Procedures**

Exporters should use a locally registered local company/shipping agency registered for import activities. Collecting meaningful information and gaining access to markets can be difficult without local representatives, who have the contacts and expertise to do business in this small, but complex market. All food products must be accompanied with standard documents that follow each shipment and by health certificates issued by relevant authorities of exporting countries (e.g. veterinary certificate for meat and meat products, phytosanitary certificates for fruits, vegetables, seeds etc.) and are subject to veterinary and phytosanitary inspections at border crossings and sanitary/food and market inspections at customs points. The General Directorate of Customs can be reached here: <http://www.dogana.gov.al>

Albania is a World Trade Organization member and applies Albanian government-initiated technical requirements. Albania has free trade agreements with the European Union, Turkey and the Central European Free Trade Agreement countries. According to Albania's Statistical Office, the trade deficit for 2020 was \$3.3 billion or 4.9 percent lower than in 2019 (\$3.5 billion). The EU remained Albania's most important trading partner, accounting for over half of foreign trade, followed by CEFTA countries. Agriculture is the most important export sector, accounting for over 15 percent of all Albanian exports. Exports consist of plants used in perfumery, tomatoes, anchovies, olives, and fish products (fresh and frozen).

It is advisable that U.S. exporters to Albania seek advice from local importers regarding the sanitary and phytosanitary requirements and the tariffs/quotas for certain goods. Occasionally, non-tariff barriers are imposed by the Albanian government in the form of intensified sampling and laboratory testing for heavy metals, radioactivity, or mycotoxins.

Section IV. – Market Sector Structure and Trends

The severity and lasting impact of the recent recession will continue to disrupt trends in retailing, leading consumers to safe and cheap options, scanning for the best deals and seeking alternative stores and channels. However, retailing is believed to have reached its lowest point; thus, being ready to stabilize and even start rising again, should there be no further hits to Albania's economy. COVID-19 negatively affected Albania's tourism sector as foreign visitors decreased 41.5 percent in 2020 compared to 2019. International arrivals to Albania saw signs of recovery in 2021, yet still below pre-pandemic levels, according to INSTAT. Albania had 5.6 million international arrivals in 2021, or 114 percent more compared to 2020.

- **Top Five Sectors**

Wheat and Meslin

In 2021, Albania imported wheat, meslin, bread and pastry products valued at approximately \$100 million. Albania is a net importer of wheat and meslin, which represent the main ingredients in food and confectionary.

Poultry Products

The excellent reputation and reliability of U.S. chicken products help to boost exports. In Albania, seasonal consumption increased due to increased tourism in 2021. Poultry consumption is growing as consumers opted for a relatively inexpensive, nutritious food source. The United States was the number two supplier of poultry products (in value and quantity) to Albania, after Brazil. Total poultry imports in 2021 were valued at approximately \$40 million.

Fish and Seafood Products

In 2021, Albania imported fish and seafood products valued at approximately \$124 million, mainly from Spain (\$9 million), Croatia (\$17 million), and Italy (\$8 million).

Beer

Italy, Kosovo and Greece are the largest suppliers to Albania accounting for 70 percent of all imports. In 2021, Albania imported 50 million liters of beer valued at \$42 million.

Animal Feed

In 2021, Albania imported approximately \$33 million worth of animal feed. The main suppliers of animal feed are Italy (\$15 million), Serbia (\$4.6 million), and Greece (\$3.3 million).

Section V. – Agricultural and Food Imports

[BICO Table for last Five Years](#)

ALBANIA IMPORTS OF AGRICULTURAL, FISH & FORESTRY PRODUCTS FROM UNITED STATES CY 2017 – 2021 AND YEAR-TO-DATE COMPARISON					
PRODUCT	CALENDAR YEARS (JAN-DEC)				
	2017	2018	2019	2020	2021
CONSUMER-ORIENTED AGRICULTURAL TOTAL (in millions of dollars)	11.0	12.4	16.5	14.2	11.6
Beef & Beef Products	0.0	0.0	0.1	0.0	0.1
Pork & Pork Products	2.0	2.0	3.6	5.5	0.3
Poultry Meat	7.0	8.3	11.1	6.8	8.9
Tree Nuts	0.0	0.1	0.0	0.7	0.8
Food Preparations	0.0	0.1	0.4	0.4	0.6
Distilled Spirits	1.0	1.2	1.1	0.7	0.8
Nursery Products	0.0	0.3	0.1	0.1	0.1
AGRICULTURAL RELATED PRODUCTS TOTAL (in millions of dollars)	1.0	0.7	0.6	0.5	0.3
Forest Products	1.0	0.4	0.3	0.3	0.2
Seafood Products	1.0	0.4	0.3	0.3	0.1
AGRICULTURAL PRODUCTS TOTAL (\$ million)	11.0	12.8	16.8	14.5	11.8
AGRICULTURAL & RELATED PRODUCTS (\$ million)	12.0	13.5	17.3	15.1	12.1

Source: Global Agricultural Trade System, Trade Data Monitor

- **Best High-Value, Consumer-Oriented Product Prospects Categories**

Market opportunities for U.S. products include poultry meat products, pork products, distilled spirits, fish and seafood products, tree nuts, high quality beef, and food preparations.

Section VI. – Key Contacts and Further Information

FAS Rome, Italy covers Albania

Office of Agricultural Affairs, American Embassy

Via Veneto 119a, Rome, 00187, Italy

Tel: +39 06 4674 2396

Web: <https://gr.usembassy.gov/business/foreign-agricultural-service/>

Ministry of Agriculture and Rural Development

Blv. “Deshmoret e Kombit”, Nr.2 ,

kp.1001, Tirana, Albania

Tel: + 355 4 2226551/75157

E-mail: info@bujqesia.gov.al

Website: <http://www.bujqesia.gov.al>

General Directorate of Customs

autostrada Tiranë-Durrës, km 1, Qendra "Pajtoni Bussines Center", kati 5,

Tirana, Kashar Mëzez, Lagjia Fushë Mëzez, Albania

Tel: +355 42 232 988

E-mail: helpdesk.dpd@dogana.gov.al

Website: <http://www.dogana.gov.al>

National Food Authority

Rruga "Hamdi Pepa", Selitë, Tirana, Albania

Tel: +355 042 255 932

E-mail: info@aku.gov.al

Website: <http://www.aku.gov.al>

American Chamber of Commerce Albania

Rr. Ibrahim Rugova, Sky Tower, Suite 11-3, Tirana, Albania

Tel: +355 (0)4 2259779

E-mail: info@amcham.com.al

Website: <https://amcham.com.al/>

Attachments:

No Attachments.