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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

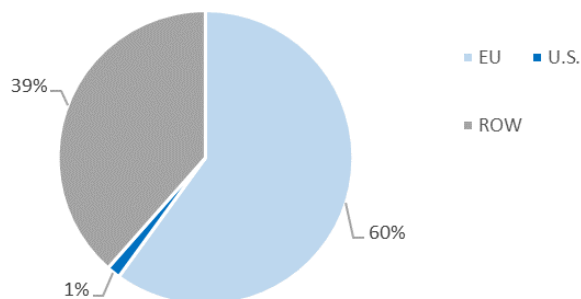
## Executive Summary

Albania, a formerly closed, centrally planned state, is a developing country with a modern open-market economy. Albania's economy has steadily improved and economic growth reached 2.2 percent in 2019. Albania was hit by a devastating earthquake on November 26, 2019. In the midst of post-earthquake reconstruction efforts, the COVID-19 crisis is putting more pressure on the Government of Albania's (GoA) 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.

## Imports of Consumer-Oriented Products

Consumer-oriented food and beverage products remain the most important agricultural imports from the United States. In 2020, the consumer-oriented sector accounted for 96 percent of total agricultural, fish and forestry imports from the United States, valued at \$17 million. The EU countries hold the lion's share with 60 percent of the consumer-oriented food and beverage products imports.

Imports of Consumer-Oriented Products, 2020



## 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 2019, grocery sales retailers in Albania declined by 2.7 percent to \$2.1 billion. The effects of the post-earthquake period were still evident, yet the economy seemed to march towards stability.

## Quick Facts CY 2020

### Imports of Consumer-Oriented Products from USA

(US \$million)

\$17 million

### List of Top 10 Growth Products from USA exported to Albania

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

### Cooking Ingredients Retail Value (\$Million) 2020

Food Industry Revenues approx. \$163.1 million

### Packaged Food Gross Sales (\$Million) 2020

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): 2.9

GDP (billions US\$): 15.3

GDP per capita (US\$): 5,396

## Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
Albanian importers favor U.S. products because of good quality and wider variety.	Albania's GDP per capita is 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, LLC; 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. Albania's economy has steadily improved with a gross domestic product (GDP) per capita of \$5,373 (2019 IMF estimate). Albania in April 2017 received a European Commission recommendation to open EU accession negotiations following the passage of historic EU-mandated justice reforms in 2016. 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 its weak energy and transportation infrastructure remain obstacles. Albania's President of the Republic Ilir Meta was elected July 24, 2017, while Prime Minister Edi Rama was elected September 10, 2013. The total estimated population is 3 million and the official language is Albanian.

The agricultural sector accounts for more than 40 percent of employment but less than one quarter of GDP, consists primarily of 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. Public investment and net exports are expected to support a partial economic recovery in 2021, while uncertainty about international travel and the muted recovery in the EU should affect services exports and remittances. The economy is projected to regain its 2019 output level in 2022 but government finances are unlikely to reach pre-crisis debt and deficit levels.

- **Population and Key Demographic Trends**

According to the Albanian Institute of Statistics, in 2019, Albania's population was estimated at 2.9 million, down 0.1 percent since 2018. During the period 2011-2018 the number of births per year has decreased significantly, from 34,000 in 2011 to 29,000 in 2018, while the number of deaths per year has remained between 20 and 22,000. Albania's population continues to age; Albanian median age increased from nearly 33 in 2011 to 36 in 2018. The median age of the population also increased from 31.3 years for males and 33.9 years for females in 2011 to 35.0 and 37.2 in 2018, respectively.

- **Overall Business Climate**

Albania can be a good 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.

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 investment 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 allocated €71 million for the period 2018-2020. 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 will affect unemployment with the short-term spike probably reaching up to 12.8 percent.

Distribution channels are in place, however, 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 for the Albanian economy. Therefore, with some exceptions, advance payments should have confirmed letters of credit by foreign banks. 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 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 very receptive to U.S. goods and services. In 2020, U.S. agricultural exports were valued at \$14.9 million.

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

<b>Advantages</b>	<b>Challenges</b>
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 in the Albanian language. Pack size and pallet sizing may also need changing to the European standards.
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 local representation and personal contacts are required to successfully introduce a product into the Albanian market.
- Tourism adds almost 3 million visitors to the market and seasonally affects the total food consumption.

### **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. Due to the low purchase power, consumption of beef and lamb have declined while consumption of poultry meat and pork have increased. This trend is likely to continue into 2021 due to the negative economic impact caused by the COVID-19 pandemic.

## **Section III. - Import Food Standards & Regulations**

- **Customs Clearance**

Imported products 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 Albanian office or a local company/shipping agency registered for import activities. It is common for agents to help with food import regulations. All food products must be accompanied by standard documents that follow each shipment and by health certificates issued by regulatory authorities of the 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. It is advisable that U.S. exporters 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**

Albania has free trade agreements with the European Union, Turkey and is a member of the Central European Free Trade Agreement (CEFTA). According to Albanian 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 trade 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 mainly of plants used in perfumery, tomatoes, anchovies, olives, and fish products (fresh and frozen).

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 in order to achieve this. However, retailing is believed to have reached its lowest point; it is expected to stabilize and even start rising again, should there be no further hits to the Albanian economy. If there are obstacles to vaccinations and related COVID-19 measures, the economy will be in danger in 2021. COVID-19 negatively affected the Albanian tourism sector as visits in 2020 decreased 41.5 percent compared to 2019.

- **Top Five Sectors**

#### **Wheat and Meslin**

In 2020, Albania imported wheat, meslin, bread and pastry products valued at approximately \$90 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 U.S. exports. In Albania, seasonal consumption increased due to the uptrend tourism in 2019. 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 2020 valued approximately at \$30 million.

## Fish and Seafood Products

In 2020, Albania imported fish and seafood products valued at approximately \$55 million, mainly from Croatia (\$17 million), Spain (\$9 million), and Canada (\$8 million).

## Beer

Kosovo and Greece are the largest suppliers to Albania, that dominate the market with 56 percent of the market. In 2020, Albania imported 53 million liters of beer valued at \$35 million.

## Animal Feed

In 2020, Albania imported approximately \$25 million worth of animal feed. The main suppliers of the animal feed are Italy (\$13 million), Serbia (\$2.6 million), and Greece (\$2.5 million). Albania imported \$62 thousand worth of wood products from the United States in 2020.

## Section V. – Agricultural and Food Imports

- [BICO Table for last Five Years](#)

ALBANIA IMPORTS OF AGRICULTURAL, FISH & FORESTRY PRODUCTS FROM UNITED STATES CY 2016 – 2020 AND YEAR-TO-DATE COMPARISON					
PRODUCT	CALENDAR YEARS (JAN-DEC)				
	2016	2017	2018	2019	2020
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL (in millions of dollars)</b>	8.0	9.9	11.7	14.7	17.0
Beef & Beef Products	0.0	0.0	0.0	0.1	0.1
Pork & Pork Products	1.0	2.0	1.7	3.1	5.6
Poultry Meat	6.0	6.2	7.7	9.6	9.5
Tree Nuts	0.0	0.1	0.3	0.0	0.5
Food Preparations	0.0	0.0	0.1	0.3	0.3
Distilled Spirits	0.0	1.3	1.4	1.2	0.9
Nursery Products	0.0	0.3	0.3	0.1	0.1
<b>AGRICULTURAL RELATED PRODUCTS TOTAL (in millions of dollars)</b>	1.0	0.9	0.8	0.8	0.3

Forest Products	1.0	0.4	0.4	0.4	0.1
Seafood Products	0.0	0.4	0.3	0.3	0.2
<b>AGRICULTURAL PRODUCTS TOTAL (\$ million)</b>	9.0	10.6	12.0	14.9	17.4
<b>AGRICULTURAL &amp; RELATED PRODUCTS (\$ million)</b>	10.0	11.5	12.8	15.7	17.7

Source: Global Agricultural Trade System, Trade Data Monitor, LLC

- **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](mailto: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](mailto:helpdesk.dpd@dogana.gov.al)

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

### **National Food Authority (AKU)**

Rruga "Hamdi Pepa", Selitë, Tirana, Albania

Tel: +355 042 255 932

E-mail: [info@aku.gov.al](mailto:info@aku.gov.al)

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



**Attachments:**

No Attachments.