



TEDA

**TECHNOLOGY AND ECONOMIC
DEVELOPMENT AREAS**



ALBANIAN'S POTENTIAL

*Albania's location at the center of a natural crossroad of European transport corridors, places the country in a **unique geographical position**.*

It offers considerable potentials for the development of international trade with the EU members and beyond, and can also serve as communication linkage between two main commercial corridors, facilitating this way the free movement of goods and services amongst the Adriatic Sea and the Black Sea.

*The foreign trade is concentrated to some of the main EU economies; It mainly imports from Italy, Germany and Greece and exports notably to Italy by 57% (INSTAT, March 2016-2017). The operating foreign industries are concentrated in **Textile and footwear (46%), minerals and fuels (18%) and construction materials and metals (16%)**.*

*According the World Bank Report for 2015, Albania has experienced the highest economic growth in the region with a significantly **improved business climate**.*

IMPORTANCE OF TEDAS FOR THE ECONOMY

There have been three approved economic zones in Albania, which have the status of "Technical and Economic Development Areas (TEDAs)

TEDA KOPLIK

TEDA SPITALLA

TEDA VLORA

• Albania's ease of doing business has improved significantly and was ranked

58th among 190 economies.

• The overall process of paying taxes has become highly time-efficient, and has ascended by 71 positions in the ranking of Trading across borders, scoring

96.29/100.

• The national government has been stressing the importance on improving the business environment and has acted by developing

One Stop Shop for administrative costs and efficiency, fiscal incentives, competitiveness and more.

• Concerning trading across the borders of Albania, the latter was ranked

24th with a score of 96.29.

WHY A TEDA IN KASHAR

A GREAT LOCATION

- Kashar is an administrative unit of Tirana with 43353 inhabitants and 1591 operating businesses, and is located between the capital and Durres (second largest city in the country).

- The economic zone is located only 12 km from the national airport "Nene Teresa"
- TEDA Kashar gains access to the Durres Port (only 32 km away); the largest and most important port of Albania

GREENFIELD & CUSTOM-BUILT INFRASTRUCTURE

not only the chosen surface of the TEDA is a Greenfield (50 acre), but the unconstructed area overcomes 150 ha.

POTENTIAL LABOR FORCE

TEDA KASHAR TARGETED PRIORITY SECTORS

Based on the main objectives of this project and the actual situation of the Albanian production market (Table 1 & Table 2) there are three targeted priority sectors chosen to operate in TEDA Kashar:

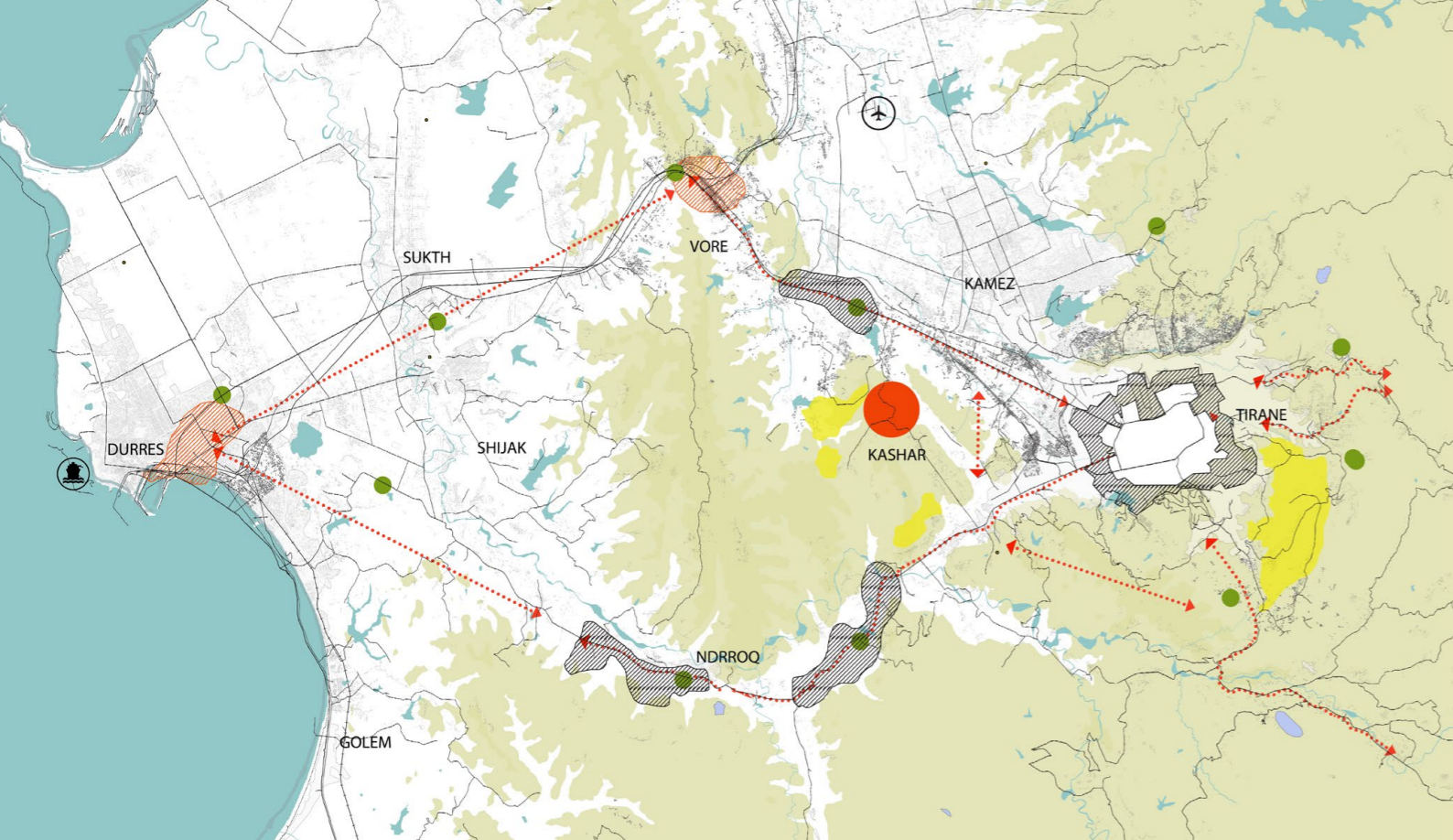
- 1 AUTOMOTIVE
- 2 ICT
- 3 ELECTRONICS



The Municipality of Tirana aims to establish a world-class technological and economic development area, named so deliberately to attract potential investments from industries that use advanced technology and have large product knowledge.

VISION

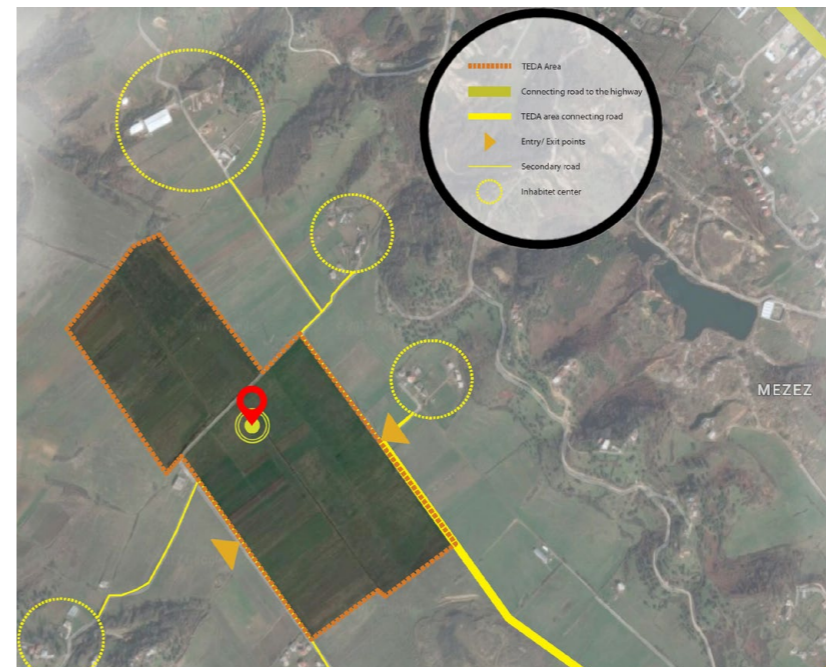
TEDA Kashar



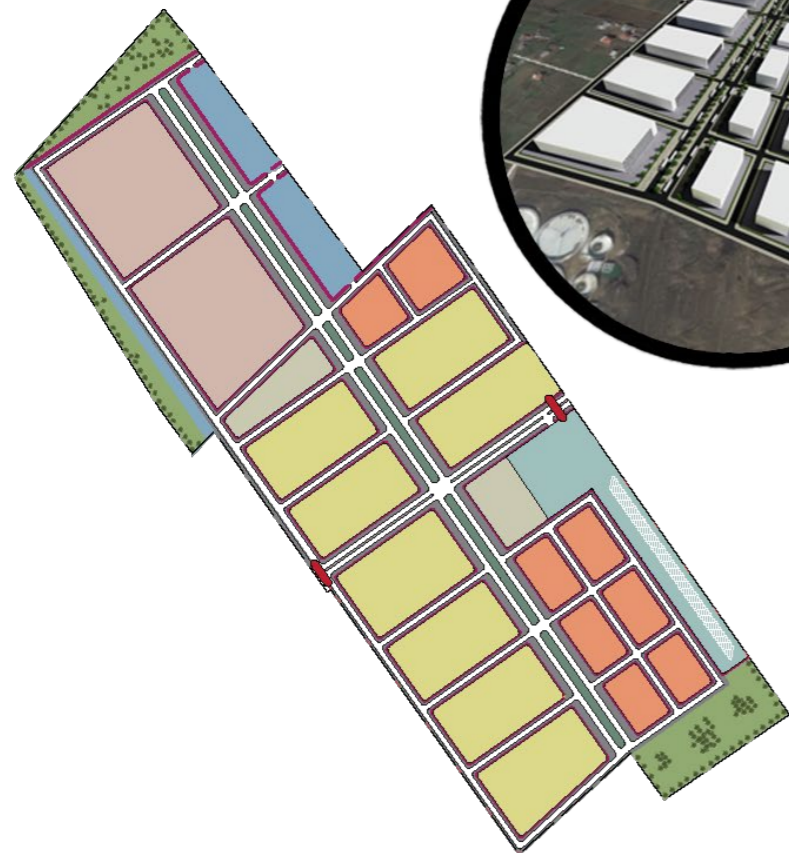
- Urban Density
- Economic Zones
- Recreational Development
- Economic Axis
- Farmers Market Centre
- Airport
- Port

TEDA KASHAR

LOCATION



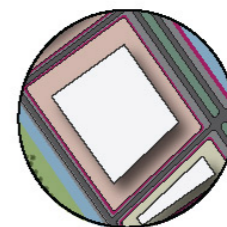
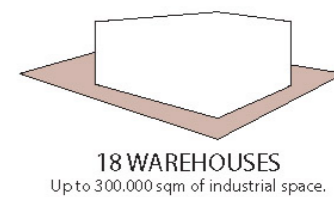
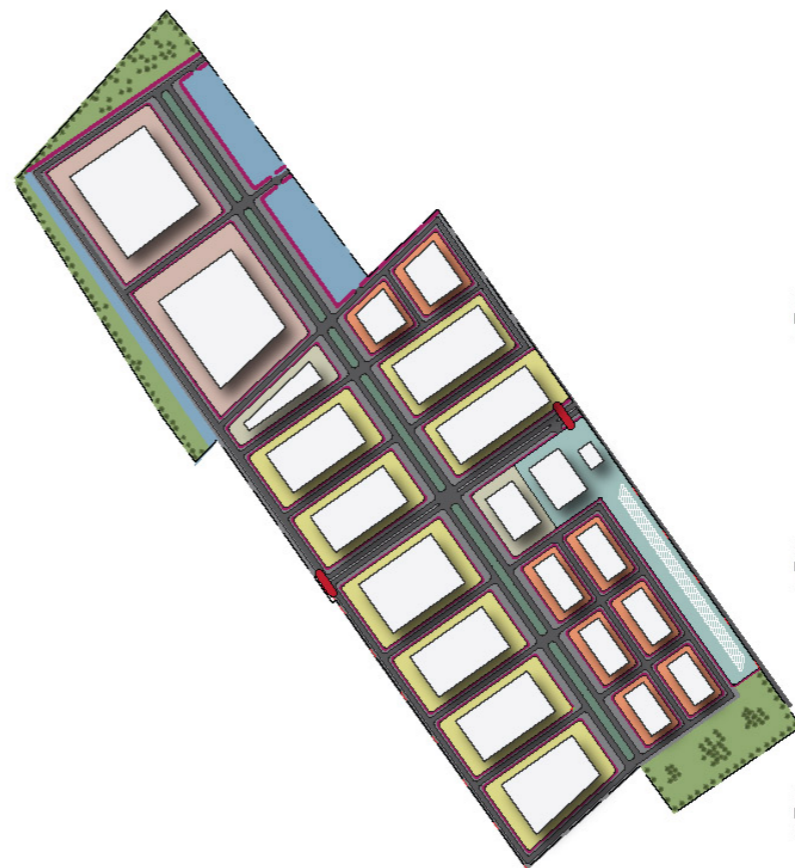
MASTERPLAN



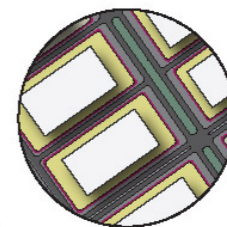
LEGEND

- TEDA Area
- Public administration area
- Services and commercial area
- Small size industrial area
- Medium size industrial area
- Large size industrial area
- Entry/ Exit points
- Green area
- Bicycle lane
- Green area
- Trucks parking lots

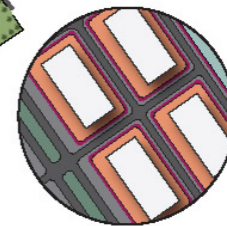
BUILDING TYPOLOGY



TYPE A
Large industrial warehouse
2 units of large warehouses, on a plot of 25.000 - 30.000 sqm. Up to 80.000 sqm of warehouse space.

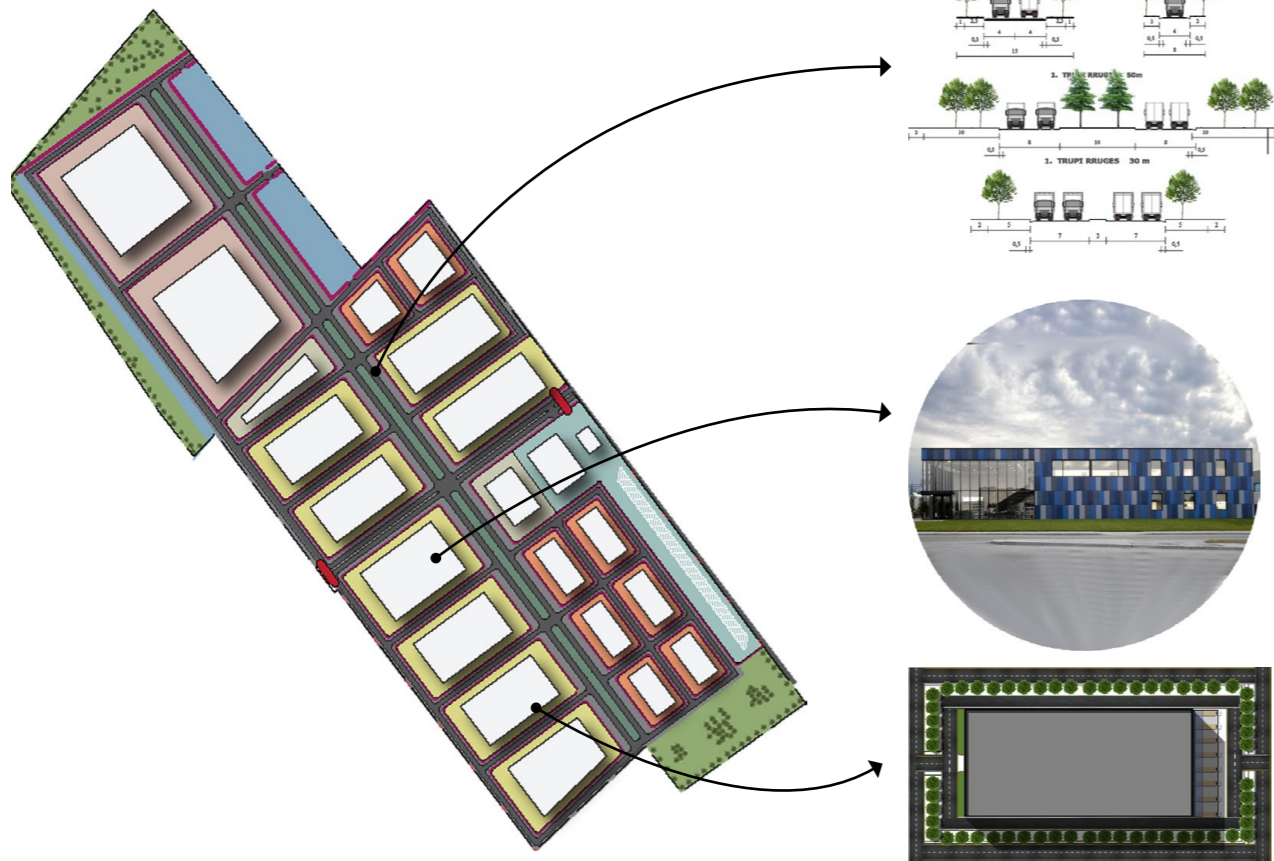


TYPE B
Medium industrial warehouse
8 units of medium warehouses, on a plot of 10.000 - 15.000 sqm. Up to 150.000 sqm of warehouse space.



TYPE C
Small industrial warehouse
8 units of large warehouses, on a plot of 3.500 - 5.000sqm. Up to a total of 60.000 sqm of warehouse space.

DETAILS

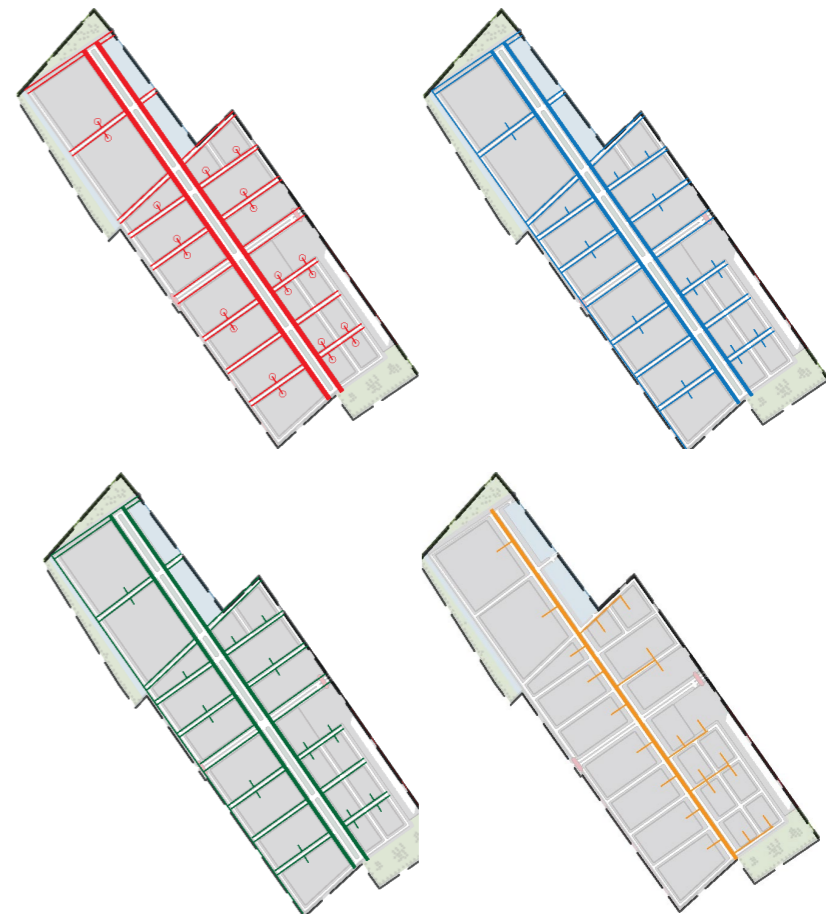


INFRASTRUCTURE

A specific factor determining the Investment Destination is **infrastructure**.

The developer of the zone, in this case the Municipality of Tirana, is responsible to establish the necessary infrastructure within the borders of the zone and additionally, while being a highly public beneficiary project, the national governance has to supply it up to the border of the zone.

While being one of the top priorities, TEDA Kasha has full support and attention from the Municipality.





MUNICIPALITY AS A DEVELOPER

Whereas the other TEDAs in Albania were planned to be developed by private entities, the Municipality of Tirana has decided to be part of the management. Considering all the advantages and authority the institution has, it can be an efficient and reliable supporting unit for the investors, creating balance and credibility in a developing country. Hence, at this point of the project, the Municipality has the open alternative of choosing between developing the zone alone, or working with a Co- Developer.

Managing Authority – TEDA Kashar

TEDA Kashar is to be managed by a special administrative authority, a One Stop Shop Model working under the supervision of the **Ministry of Economy, Tourism, Trade and Entrepreneurship, with and Executive Board reporting directly to the PM Office.**

Below are listed the responsibilities of both involved institutions:
Common Responsibilities

- 1/ DEFINE ENTRY/EXIT POINTS**
- 2/ SUPERVISE THE GOODS THAT ENTER AND EXIT THE ZONE**

Additional Services that can be offered by the Managing Authority
One Stop Shop

Aim:

- Facilitate access by investors to all required permits and licenses and other informational requirements in a timely manner;
- Eliminate steps in the approvals/ administrative process and allow parallel rather than sequential approvals; and
- Provide after-care to existing investors.

INCENTIVES ON TEDAS

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

