

FREE ECONOMIC ZONES

Free economic zones (FEZ) are a class of special economic zone (SEZ) designated by the trade and commerce administrations of various countries. The term is used to designate areas in which companies are taxed very lightly or not at all to encourage economic activity. The taxation rules are determined by each country.

The following regions in Albania have been identified as “Free Economic Zones”:

➤ **KOPLIK**

According to the Decision of the Council of Ministers No.463, date 22.6.2016, *"On the proclamation of the technology and economic development zone in Koplik, Malësi e Madhe"*, Koplik is now officially open to foreign investors. The Technological and Economic Development Zone of Koplik is located in Malesi e Madhe, northern Albania, consists of 15 cadastral units and about 61 hectares of agricultural fields and pastures. The area is apt for manufacturing, industrial, agro-processing activities, for trading and storing goods, and other services. According to the official decision, the free trade area will operate for a period of 99-years for a symbolical price of Euro 1. Koplik has a strategic position because it provides links between Kosovo, Montenegro and Serbia. It is located 45km away from the Port of Shengjin, 34 km from Bar Port in Montenegro and 127 km away from the Port of Dures.

The criteria for the evaluation of the projects will depend on the technical project proposal, environmental and social impact, the financial capacity of the company, etc.

➤ **SPITALLE**

According to the Decision of the Council of Ministers No. 666, date 29.07.2015 on *“Announcement of the Spitalla as Technological and Economic Development Zone, Durrës”*, Spitalle area has been official declared as a “Free Economic Zone”.

Spitalle free economic zone will be 213 hectares and the types of activities that can exercise in it are production, industrial and agro processing activities, trade activities and services.

According to the law, these free economic zones will be leased for a period of 99 years. The entering in force of the new law abolishes the previous law on free economic zones which predicted that Spitalle area would be leased for a period of only 35 years with a symbolic price of EUR 1. However, the new law does not define the rent for such zones. The businesses which will rent such zones will be selected based in a competitive procedure, according to the Ministry of Economy and the entire process and activities in these free economic zones will be under the responsibility of the Ministry of Economic Development, Trade, Entrepreneurship and Tourism, as predicted by the law.