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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

ALBANIA

The following communication, dated and received on 2 November 2021, is being circulated at the request of the delegation of Albania.

In accordance with Article 25.1 of the Agreement on Subsidies and Countervailing Measures and under Article XVI of the GATT 1994, the Government of Albania is notifying to the Committee on Subsidies and Countervailing Measures, the scheme of subsidies programs as follows:

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I) ON EXCISE DUTY EXEMPTIONS FOR FUEL OIL, UTILIZED ON ENERGY GENERATION BY THERMO POWER PLANTS WITH CAPACITY MORE THAN 5 MW

1. Title of the subsidy

The scheme "On excise duty exemptions for fuel oil, utilized on energy generation by thermo power plants with capacity more than 5 MW".

2. Period covered by notification

July 2020 - June 2021.

3. Policy objective and/or purpose of the subsidy

The scheme aims to create facilities for undertakings for electricity generation from power plants with a capacity not less than 5 MW, to ensure the fulfilment of energy demands in Albania.

4. Background authority for the subsidy

Ministry of Economy, Trade and Energy, the Department of Electricity and Energy Policies. Ministry of Finance and Economy.

The responsible authority for the implementations of the scheme has been the General Directorate of Taxation until October 2012. In October 2012, it entered into force the new law on excise (Law No.61/2012), according to which the responsible institution for excise was appointed the General Directorate of Customs.

- Law No. 8987 dated 24.12.2002 "On creating facilities for the establishment of new electrical energy generation resources".
- Law No. 9765 dated 09.07.2007 "On some amendment of Law No. 8976, dated 12.12.2002 "On excise" amended.
- Council of Minister Decision No.839, dated 05.12.2007 "On conditions and procedures defining for the paid excise reimbursement and custom duty exemption for machinery and equipment, used from electrical energy generation resources, with the installed capacity not less than 5 MW".
- Law No. 61/2012 "On Excise in the Republic of Albania".
- Council of Ministers Decision No. 612, dated 05.09.2012 "On implementing provisions for the law on excise".

5. Form of the subsidy

Excise duty reimbursement.

6. To whom and how the subsidy is provided

All juridical (legal) persons, local and foreign, building electrical energy generation resources, with installed capacity not less than 5 MW.

7. Subsidy per unit or the total amount or the annual amount budget for the subsidy

For the period June 2020-July 2021, the amount is ALL 0.

8. Duration of the subsidy

No deadline.

9. Statistical data permitting an assessment of the trade effects on the subsidy

Not available.

II) ON DEFINING THE CONDITIONS AND PROCEDURES FOR THE REIMBURSEMENT OF FUEL EXCISE, CONSUMED IN HEATING GREENHOUSES FOR INDUSTRIAL AND AGRO INDUSTRIAL PRODUCTIONS MANUFACTURING, USED FOR TECHNOLOGICAL NEEDS OF PRODUCTION

1. Title of the subsidy

The scheme "On defining the conditions and procedures for the reimbursement of fuel excise, consumed in heating greenhouses for industrial and agro industrial productions manufacturing, used for technological needs of production".

2. Period covered by notification

July 2020 - June 2021.

3. Policy objective and/or purpose of the subsidy

The objective is to facilitate the undertakings, which will use fuel for technological purposes in manufacturing industry.

4. Background authority for the subsidy

Ministry of Finance, the General Department of Macroeconomic and Fiscal Policies. The responsible authority for the implementations of the scheme has been the General Directorate of Taxation until October 2012. In October 2012, it entered into force the new law on excise (Law No.61/2012), according to which the responsible institution for excise was charged the General Directorate of Customs.

- Law No. 9765 dated 09.07.2007 "On some amendment of Law No. 8976, dated 12.12.2002 "On excise" amended.
- Council of Ministers Decision no. 1158, dated 13.08.2008 "On defining the conditions and procedures for the reimbursement of fuel excise, consumed in heating greenhouses for industrial and agro industrial productions manufacturing, used for technological needs of production".
- Law No. 61/2012 "On Excise in the Republic of Albania".
- Council of Ministers Decision No. 612, dated 05.09.2012 "On implementing provisions for the law on excise", article 43 "Reimbursement on heating greenhouses for industrial and agro industrial productions manufacturing".

5. Form of the subsidy

Excise duty reimbursement.

6. To whom and how the subsidy is provided

All juridical persons, local and foreign, which use fuel (mazut and solar) during the manufacturing process.

7. Subsidy per unit or the total amount or the annual amount budget for the subsidy

For the period July 2020- June 2021, the amount is ALL 272,280.

8. Duration of the subsidy

The reimbursement scheme has been proportional:

- Up to 31 December 2014, the reimbursement of excise was 100% of the excise paid for the fuel;
- From 1 January 2015, the reimbursement was done for 80% of the paid excise;
- From 1 January 2016 up to now, the reimbursement was done for 50% of the paid excise.

9. Statistical data permitting an assessment of the trade effects on the subsidy.

Not available.

III) AUTHORIZATION OF STATE AID "COVID-19: SUPPORT SCHEME IN THE FORM OF GRANT"

1. Title of the subsidy

Authorization of state aid "COVID-19: support scheme in the form of grant".

2. Period covered by notification

July 2020 - June 2021.

3. Policy objective and/or purpose of the subsidy

The scheme aims to provide aid in the form of direct grants, to cover the damage caused to enterprises affected by the spread of the COVID-19 virus and to maintain the continuity of economic activity during and after the spread of COVID-19 as well as individuals.

4. Background authority for the subsidy

Draft decision of the Council of Ministers "On determining the procedures, documentation and the amount of financial assistance for employees in business entities with annual income up to ALL 14 million, economic assistance and payment of unemployment income during the disaster period declared as a result of COVID-19".

The Commission reviewed this measure in order to assess the compliance of the aforementioned scheme with Law No. 9374, dated 21.04.2005 "On state aid", amended.

5. Form of the subsidy

Form of a grant approved in the state budget.

6. To whom and how the subsidy is provided

Beneficiaries are enterprises (any private natural or legal person), with an annual income of up to ALL 14 million, which carry out economic activities in all sectors of the economy as well as individuals, for whom assistance is provided to avoid the effects caused from natural disasters.

7. Subsidy per unit or the total amount or the annual amount budget for the subsidy

For the period April - December 2020, the amount is ALL 5,114.77 million.

8. Duration of the subsidy

1 April 2020 until the end of the epidemic by COVID-19, but not more than 3 (three) months.

9. Statistical data permitting an assessment of the trade effects on the subsidy

Not available.

IV) AUTHORIZATION OF STATE AID "COVID-19: STATE LOAN GUARANTEE SCHEME"

1. Title of the subsidy

Authorization of state aid "COVID-19: state loan guarantee scheme".

2. Period covered by notification

July 2020 - June 2021.

3. Policy objective and/or purpose of the subsidy

The scheme aims to stimulate lending to enable the payment of salaries to employees of companies whose activity has been affected by measures taken by the government in the management of the situation created by COVID-19.

4. Background authority for the subsidy

Draft decision of the Council of Ministers "On the approval of the state loan guarantee with commercial banks for the salaries of traders or companies, whose activity is affected by the decisions of the Council of Ministers, in the framework of managing the situation created by COVID-19, as well as for determining the terms and criteria of the guarantee agreement and the memorandum of understanding".

The Commission reviewed this measure in order to assess the compliance of the above scheme with Law No. 9374, dated 21.04.2005 "On state aid", amended.

5. Form of the subsidy

State loan guarantee.

6. To whom and how the subsidy is provided

The final beneficiaries of the scheme are enterprises established and operating in Albania, to alleviate the negative impact created by the spread of COVID-19.

7. Subsidy per unit or the total amount or the annual amount budget for the subsidy

Until December 2020 based on DCM no. 277, dated 06.04.2020 (Sovereign Guarantee 1) 492 Guarantee Agreements (in the amount of ALL 5,901.3 million) are concluded between commercial banks and traders and trade companies in the sectors of trade, processing industry, labor, services, construction, mining, tourism, education, media, etc.

Until December 2020 based on DCM no. 277, dated 06.04.2020 (Sovereign Guarantee 2) have been approved 318 Guarantee Agreements (in the amount of ALL 8,950.6 million) concluded between commercial banks and traders and trade companies in the sectors of trade, tourism, construction, services, transport, processing industry, etc.

8. Duration of the subsidy

The Minister of Finance and Economy has the right to, after 60 (sixty) days from the date of signing the relevant agreements, if necessary, according to the report of the special inter-institutional structure, propose to the Council of Ministers the reallocation of the guarantee amount, from the lender who has not exhausted the amount of the guarantee in his favour to the lender who has exhausted it completely.

9. Statistical data permitting an assessment of the trade effects on the subsidy

Not available.

V) AUTHORIZATION OF STATE AID "COVID-19: SUPPORT SCHEME IN THE FORM OF GRANT 2"

1. Title of the subsidy

Authorization of state aid "COVID-19: support scheme in the form of grant 2".

2. Period covered by notification

July 2020 - June 2021.

3. Policy objective and/or purpose of the subsidy

The scheme aims to provide assistance in the form of direct grants to employees of enterprises, to cover the damage caused by the spread of COVID-19 virus and to maintain the continuity of economic activity during and after the spread of COVID-19 as well as individuals.

4. Background authority for the subsidy

Decision of the Council of Ministers No. 305, dated 16.04.2020 "On determining the procedures, documentation and the amount of financial assistance for current employees and employees dismissed as a result of COVID-19".

The Commission reviewed this measure in order to assess the compliance of the aforementioned scheme with Law No. 9374, dated 21.04.2005 "On state aid", amended.

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided

- employees in entities with annual incomes over ALL 14,000,000 (fourteen million), who have closed activities according to the orders of the Minister of Health and Social Protection, who have been at work on the date of entry into force of these orders;
- employees in entities with annual incomes up to ALL 14,000,000 (fourteen million), who are allowed to carry out activities according to the orders of the Minister of Health and Social Protection, who have been at work until the date of entry into force of the orders of the Minister of Health and Social Protection;
- employees of entities, natural or legal persons, who exercise the activity as accommodation structures, who appear in the payroll until the date of the orders of the Minister of Health and Social Protection.

7. Subsidy per unit or the total amount or the annual amount budget for the subsidy

For the period April -December 2020, the amount is ALL 6,923.4 million.

8. Duration of the subsidy

The scheme will enter into force after its publication in the Official Gazette and will extend the effects during the epidemic situation from COVID-19, but not more than 3 (three) months.

9. Statistical data permitting an assessment of the trade effects on the subsidy

Not available.
