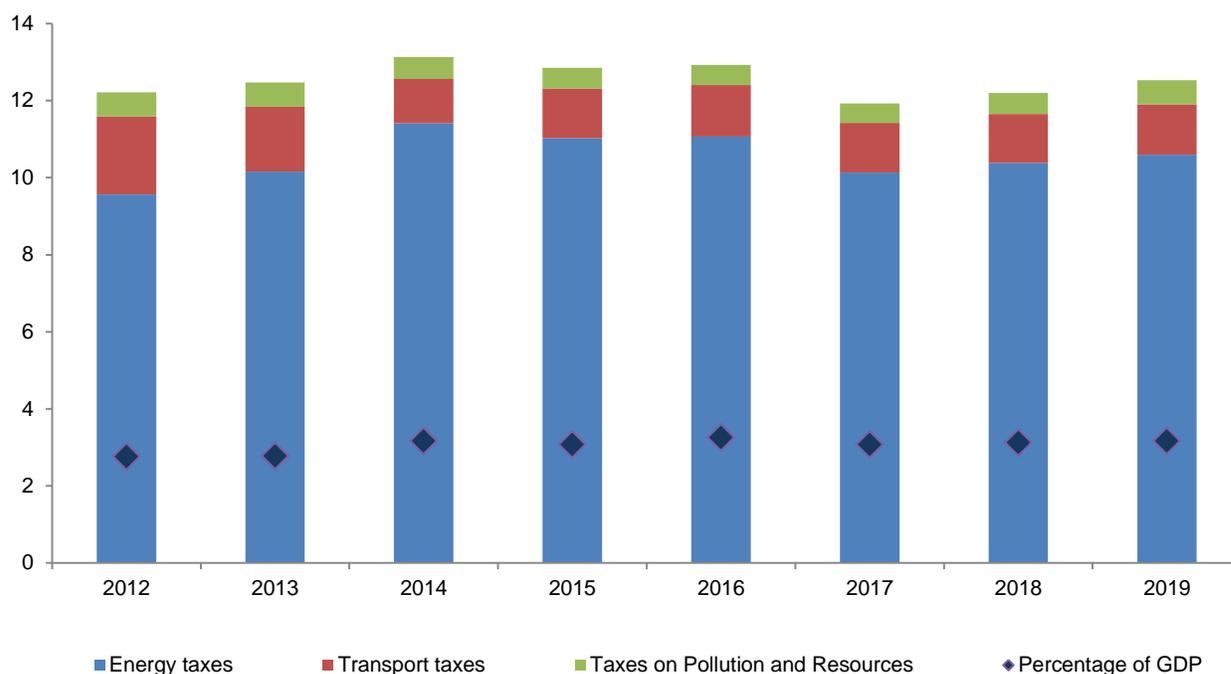


Environmental Taxes in Albania 2019

Tiranë, 16 July 2021: In 2019, revenues from environmental taxes reached approximately ALL 53 billion¹ increasing by 4.44 % compared to 2018. This increase comes mainly as a result to the increase in energy tax income (**Tab. 1**).

Fig. 1 Environmental tax revenue by category as % of Taxes and Social Contributions and GDP, 2015–2019



¹ As a result of reviews on the tax classification system, in this year's publication the entire time series of Environmental Taxes in Albania has been revised. All revisions are explained in the "Methodology" section of this publication and are consistent with statistical revision policies http://instat.gov.al/media/2829/politika_e_revizionimit.pdf.

Tab1. Environmental taxes revenues, by types of taxes (million ALL)

	2015	2016	2017	2018	2019
Energy Taxes	37,741	40,946	40,400	43,522	45,165
Transport Taxes	4,437	4,936	5,145	5,342	5,567
Pollution Taxes	1,782	1,880	1,941	2,226	2,625
Recourse Taxes	33	52	62	56	59
Total	43,993	47,813	47,549	51,146	53,416

As shown from the structure of environmental taxes in 2019, the greatest share of revenues comes from energy taxes, with 84.55 %, followed by the transport taxes with 10.42 %, pollution taxes 4.91 % and natural resource taxes 0.11 %.

During 2019, revenues from pollution taxes increased by 17.91 %, while those from natural resource taxes increased 4.94 %. In the same time revenues from transport taxes increased by 4.21 % and those from energy taxes increased by 3.78 % (**Tab. 2**).

Tab2. Structure of Environmental Taxes revenues, by type (%)

Year	2015	2016	2017	2018	2019
Energy Taxes	85.79	85.64	84.97	85.09	84.55
Transport Taxes	10.09	10.32	10.82	10.44	10.42
Pollution Taxes	4.05	3.93	4.08	4.35	4.91
Recourse Taxes	0.07	0.11	0.13	0.11	0.11

In 2019, the share of revenues from environmental taxes in gross domestic product (GDP) is 3.16 %, increasing by 0.03 % compared to 2018.

Income from environmental taxes in 2019 represent 12.53 % of total taxes and social contributions, increasing by 0.33 % compared to 2018 (**Tab. 3**).

Tab3. Environmental tax revenues (%)

	2015	2016	2017	2018	2019
The share of revenues from environmental taxes on GDP	3.07	3.25	3.07	3.12	3.16
The share of revenues from environmental taxes in total taxes and social contributions	12.85	12.93	11.93	12.20	12.53

2019* Semi-final GDP

Methodology

During 2020 INSTAT has conducted revisions on tax classifications and are in line with statistical revision policies (http://instat.gov.al/media/2940/revision_policy_2016.pdf). As a result it was necessary to review the entire Environmental Tax time series. Changes in Environmental Taxes, as a result of classification revisions, are listed below:

1- Classification of two of the taxes that affect the environment and their inclusion as part of the taxes on pollution and natural resources.

2- Reclassification of one of the taxes that has an impact on the environment, from Transport Tax to Energy Tax, used for transport purposes.

These changes are reflected throughout the environmental tax timeline published on the INSTAT website and statistical database and are explained in the “Methodology” section of this webpage.

Definitions

Environmental taxes

Environmental taxes are considered as an economic instrument to control pollution and management of natural resources and are designed to influence the behaviour of businesses, producers and consumers. Environmental taxes are part of the environmental economic accounts, a satellite system of national accounts.

The Environmental taxes data are provided by the Ministry of Finance. Data on energy taxes, transport taxes, pollution taxes, and resources taxes are subject of revision. For more information refer to: http://www.instat.gov.al/media/371722/revision_policy_2016.pdf

Below we present the definition of the four major environmental tax groups.

Energy taxes

Energy taxes (including car fuel) include taxes on energy products in the country, as well as on energy products that are also used for transport purposes. This also includes taxes on bio fuels and other forms of energy from renewable sources, as well as taxes on energy product reserves.

Transport taxes

Transportation taxes (excluding car fuel) refer mainly to taxes related to ownership and use of vehicles. These taxes also include taxes on other means of transport (such as aircraft, ships and trains, etc.) and their services.

Pollution taxes

Pollution taxes include emissions to air and water, solid waste management and noise etc. The tax on CO₂ emissions, which is covered by the energy tax category, is excluded.

Resource taxes

Resource taxes include taxes on the extraction or use of natural resources (water, forests, wildlife, etc.).

VAT and other taxes do not represent a tax that directly or indirectly affects the environment, and is not used in an exclusive way to protect the environment. As a result, these taxes are excluded from these estimates.

The national tax list is a starting point for the assessment of environmental tax revenues. The methodology used for their calculation is made in accordance with Regulation (EU) No 691/2011 and Eurostat guidelines: "Environmental taxes, a statistical guide". These data are harmonized with the European System of Economic Accounts (ESA 2010).