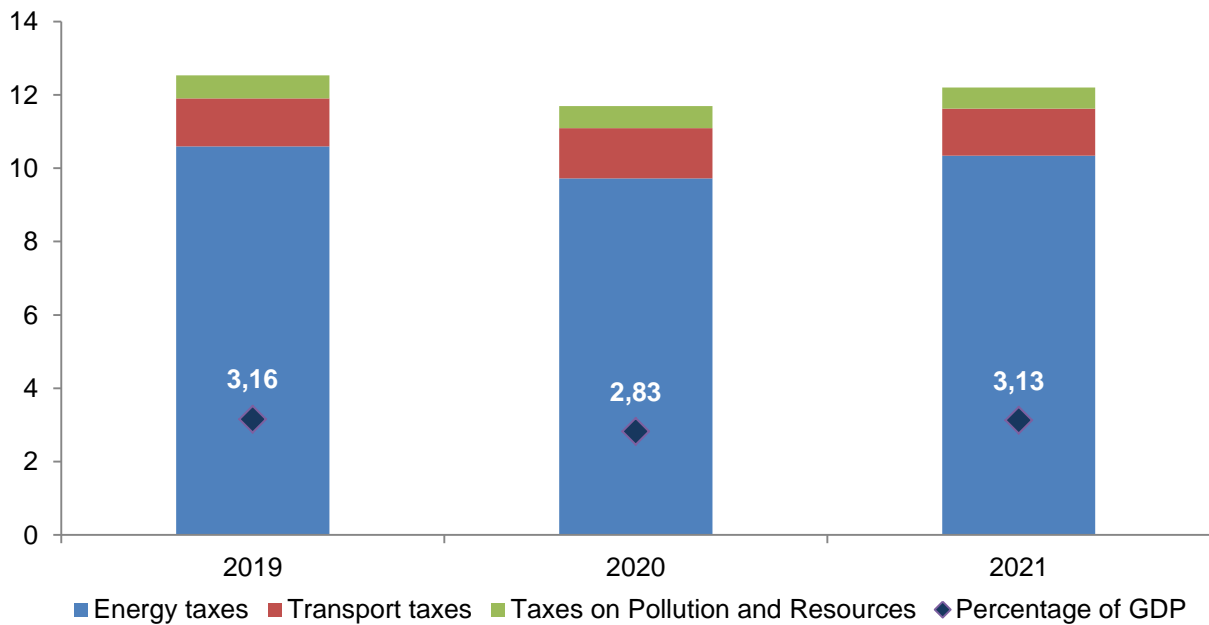


Environmental Taxes in Albania, 2021

Tiranë, 26 April 2023: In 2021, revenues from environmental taxes reached approximately ALL 58 billion increasing by 24.5 % compared to 2020.

As shown from the structure of environmental taxes in 2021, the greatest share of revenues comes from energy taxes, with 84.62 %, followed by the transport taxes with 10.55 %, pollution taxes 4.71 % and natural resource taxes 0.12 %.

Fig. 1 Environmental tax revenue by category as percentage of Taxes and Social Contributions and GDP, in %



Data source: Ministry of Finance and Economy, INSTAT calculation

In 2021, the share of revenues from environmental taxes in gross domestic product (GDP) is 2.83 %, increasing by 0.3 % compared to 2020. Income from environmental taxes in 2021 represent 12.22 % of total taxes and social contributions, increasing by 0.51 % compared to 2020 (Tab. 1).

Tab. 1 Environmental tax revenues (%)

Categories	2019	2020	2021*
The share of revenues from environmental taxes on GDP	3.16	2.83	3.13
The share of revenues from environmental taxes in total taxes and social contributions	12.53	11.71	12.22

2021* Semi-final GDP

Data source: INSTAT calculation

Tab. 2 Environmental taxes revenues, by types of taxes (million ALL)

Categories	2019	2020	2021
Energy Taxes	45,165	38,743	49,166
Transport Taxes	5,567	5,456	6,131
Pollution Taxes	2,625	2,413	2,734
Recourse Taxes	59	54	67
Total	53,416	46,666	58,099

Data source: Ministry of Finance and Economy, INSTAT calculation

During 2021, revenues from energy taxes increased by 26.90 %, while those from natural resource taxes increased 25.02 %. In the same time revenues from pollution taxes increased by 13.29 % and those from transport taxes increased by 12.38 % (Tab. 2).

Tab. 3 Structure of Environmental Taxes revenues, by type

Categories	Annual increase (%)			Structure (%)		
	2019	2020	2021	2019	2020	2021
Energy Taxes	3.78	-14.22	26.90	84.55	83.02	84.62
Transport Taxes	4.21	-1.99	12.38	10.42	11.69	10.55
Pollution Taxes	17.91	-8.06	13.29	4.91	5.17	4.71
Recourse Taxes	4.94	-8.32	25.02	0.11	0.12	0.12

Data source: Ministry of Finance and Economy, INSTAT calculation

Methodology

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 a module of Environmental Economic Accounts, part of National Accounts system.

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).

The Environmental taxes data are provided by the Ministry of Finance and Economy. 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

Definitions

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.).