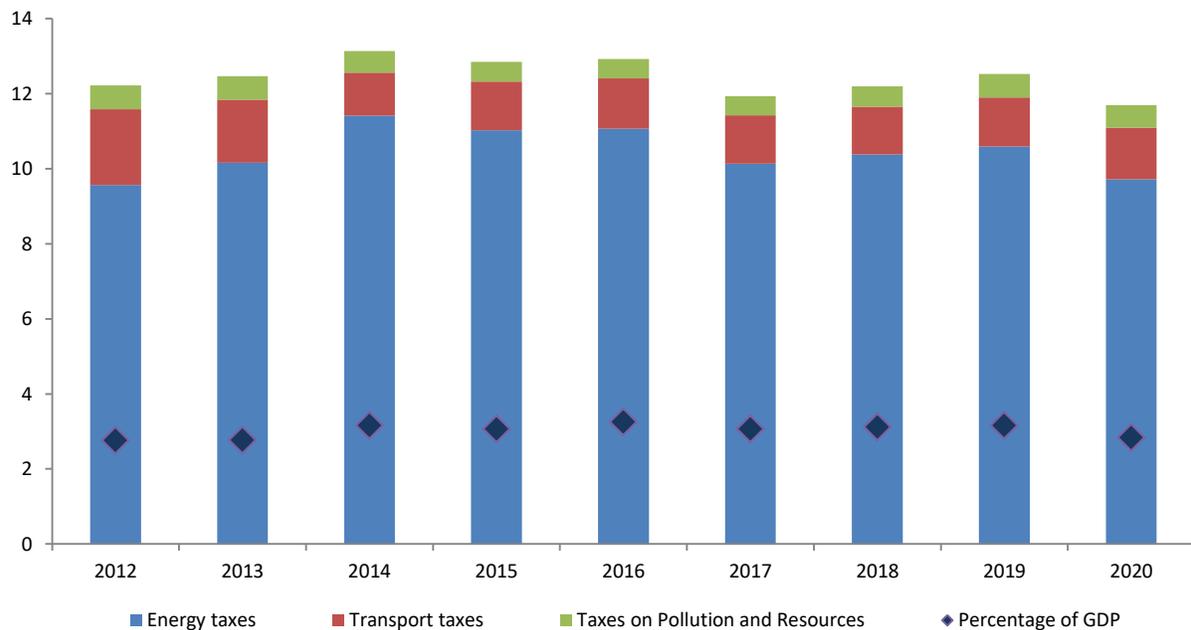


# Environmental Taxes in Albania 2020

**Tiranë, 15 July 2022:** In 2020<sup>1</sup>, revenues from environmental taxes reached approximately ALL 47 billion decreasing by 12.64 % compared to 2019.

As shown from the structure of environmental taxes in 2020, the greatest share of revenues comes from energy taxes, with 83.02 %, followed by the transport taxes with 11.69 %, pollution taxes 5.17 % and natural resource taxes 0.12 %.

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



Data source: Ministry of Finance and Economy, INSTAT calculation

<sup>1</sup>The data published in this press release refers to the first year of the COVID-19 pandemic and as such should be read in this context.

**Tab. 1 Environmental taxes revenues, by types of taxes (million ALL)**

	2018	2019	2020
Energy Taxes	43,522	45,165	38,743
Transport Taxes	5,342	5,567	5,456
Pollution Taxes	2,226	2,625	2,413
Recourse Taxes	56	59	54
<b>Total</b>	<b>51,146</b>	<b>53,416</b>	<b>46,666</b>

Data source: Ministry of Finance and Economy, INSTAT calculation

During 2020, revenues from energy taxes decreased by 14.22 %, while those from natural resource taxes decreased 8.32 %. In the same time revenues from pollution taxes decreased by 8.06 % and those from transport taxes decreased by 1.99 % (Tab. 2).

**Tab. 2 Structure of Environmental Taxes revenues, by type**

	Annual increase (%)			Structure (%)		
	2018	2019	2020	2018	2019	2020
Energy Taxes	7.73	3.78	-14.22	85.09	84.55	83.02
Transport Taxes	3.81	4.21	-1.99	10.44	10.42	11.69
Pollution Taxes	14.68	17.91	-8.06	4.35	4.91	5.17
Recourse Taxes	-9.46	4.94	-8.32	0.11	0.11	0.12

Data source: Ministry of Finance and Economy, INSTAT calculation

In 2020, the share of revenues from environmental taxes in gross domestic product (GDP) is 2.84 %, decreasing by 0.32 % compared to 2019.

Income from environmental taxes in 2020 represent 11.71 % of total taxes and social contributions, decreasing by 0.83 % compared to 2019 (Tab. 3).

**Tab. 3 Environmental tax revenues (%)**

	2018	2019	2020*
The share of revenues from environmental taxes on GDP	3.12	3.16	2.84
The share of revenues from environmental taxes in total taxes and social contributions	12.20	12.53	11.71

2020\* Semi-final GDP

Data source: 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](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 CO<sub>2</sub> 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.).