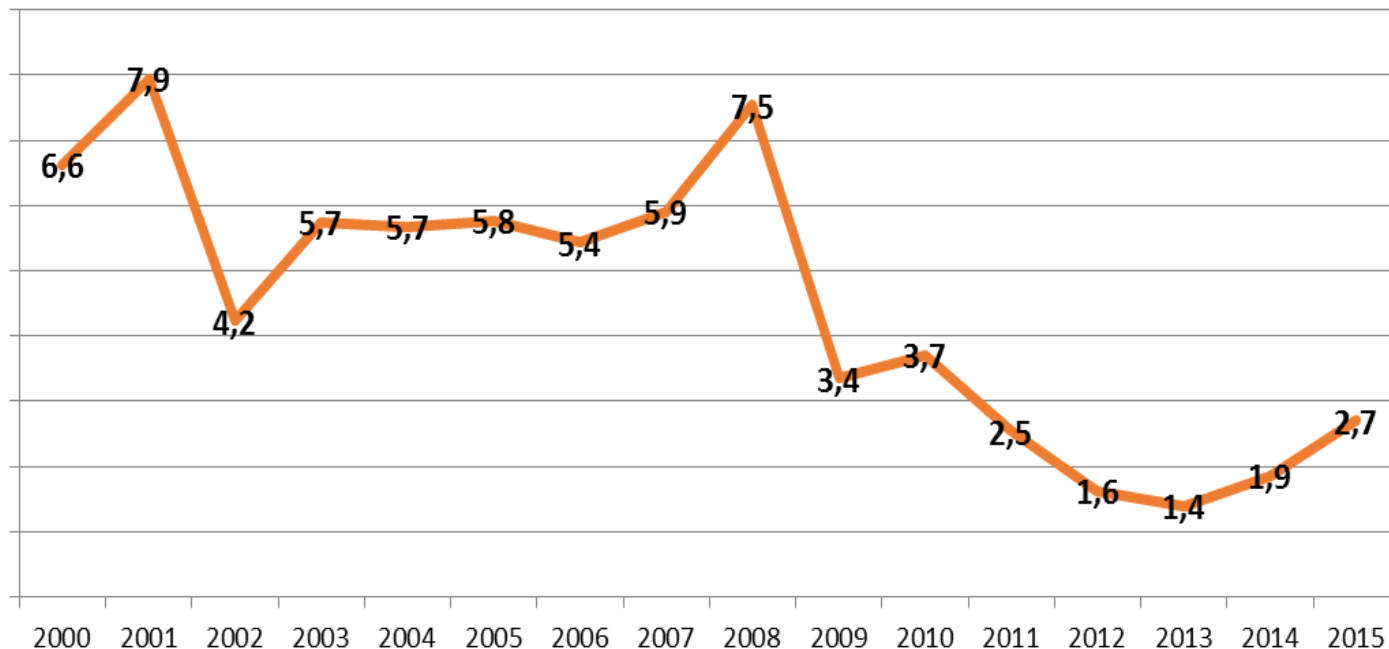


AN OVERVIEW ON ALBANIAN ECONOMIC DEVELOPMENT INDICATORS

*Secretariat of Albania Investment Council
January, 2016*

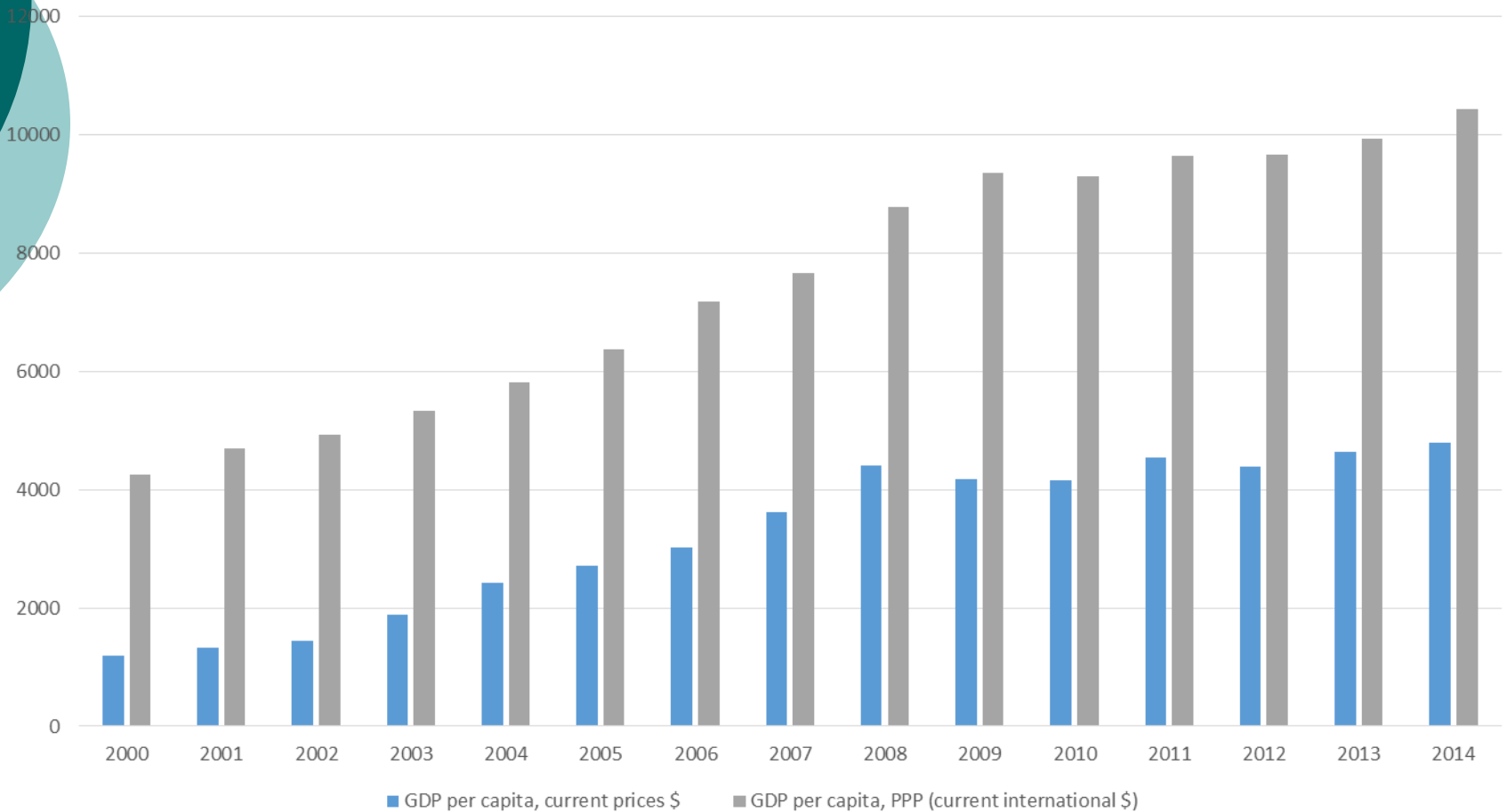
Economic Growth in Years



Source: IMF World Economic Outlook, October 2015

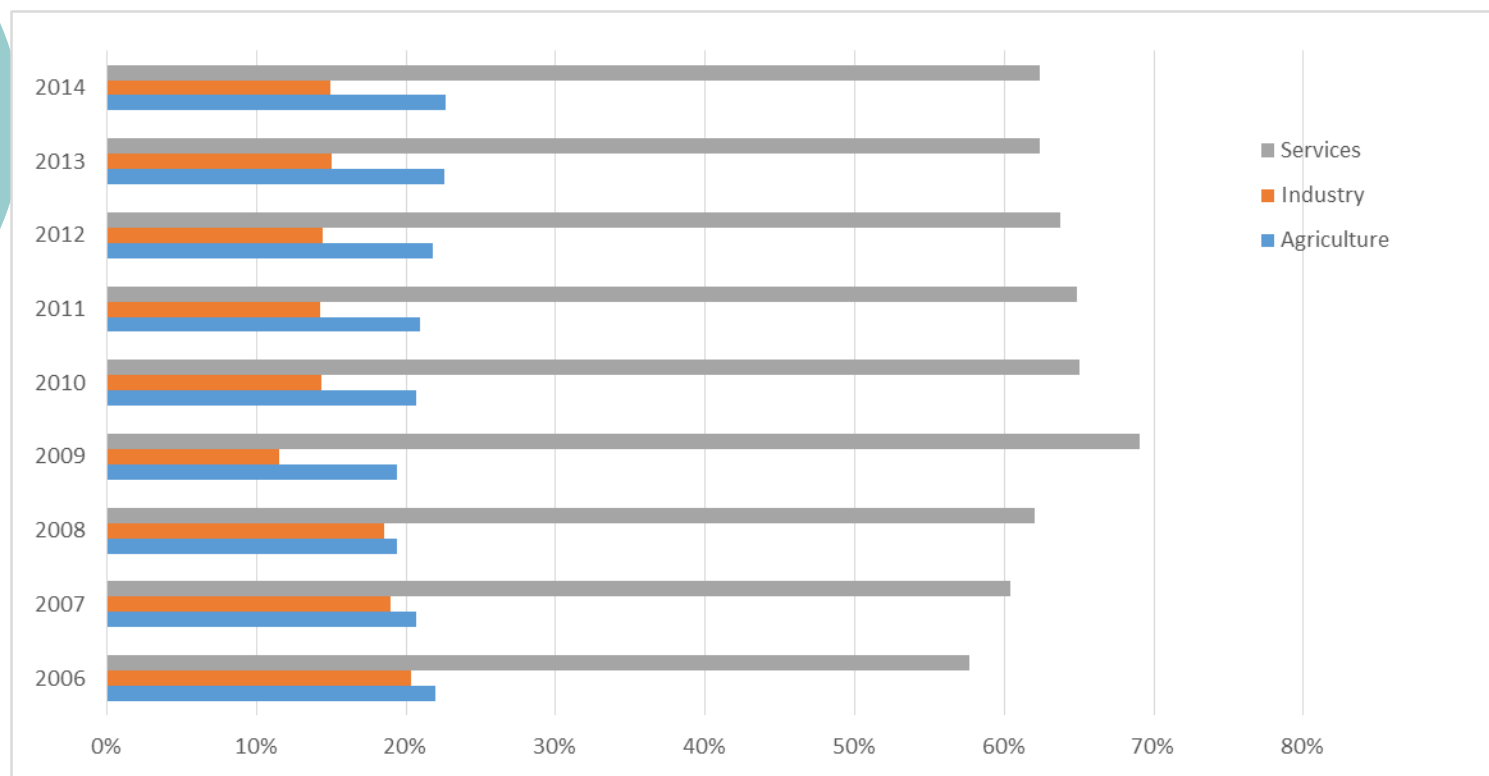
After a steady growth on a mean rate of 6% for 2000 – 2008, Albania felt the impact of the global financial crises with a declining growth rate, expected to recover by 2015 and on. Albanian Government (Macro-Economic Fiscal Framework 2015-2017) foresees an economic growth of 3.4% for 2015.

GDP per Capital in Years



Source: World Bank Data

Contribution of Sectors in Economic Growth

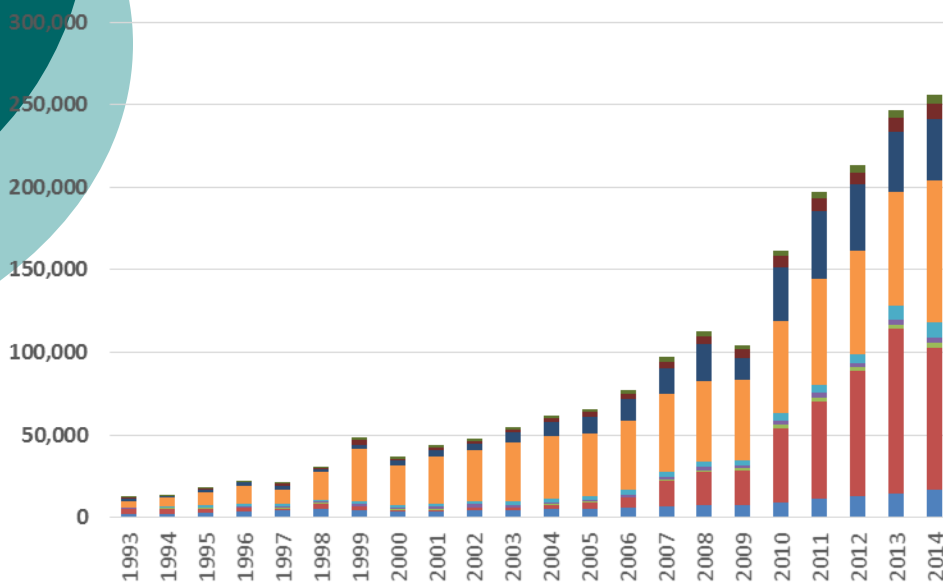


Burimi: World Bank Data

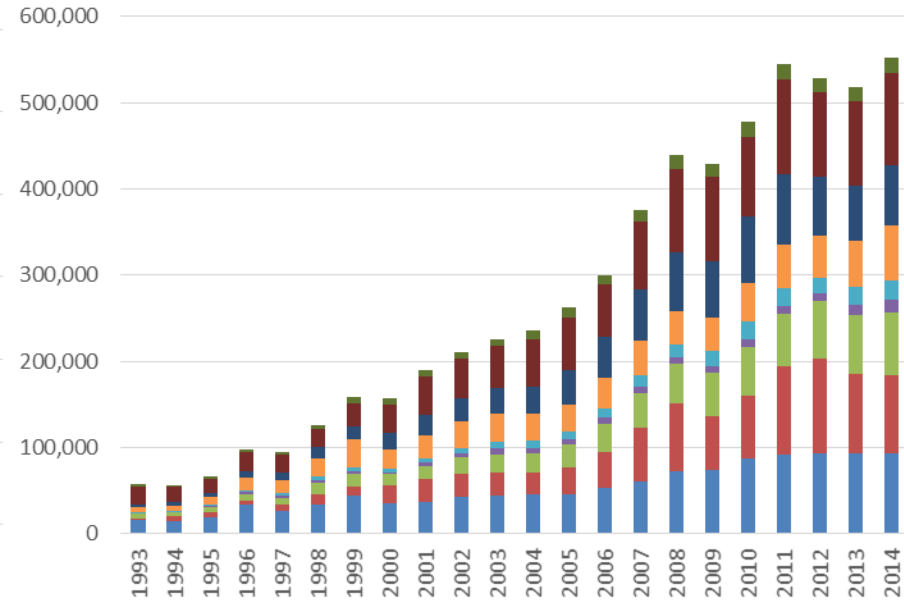
Albanian Economy is mainly driven by services and agriculture sectors with a low level of industrialisation and utilisation of its potential resources.

Albanian Exports - Imports in Years (Million ALL)

Exports



Imports

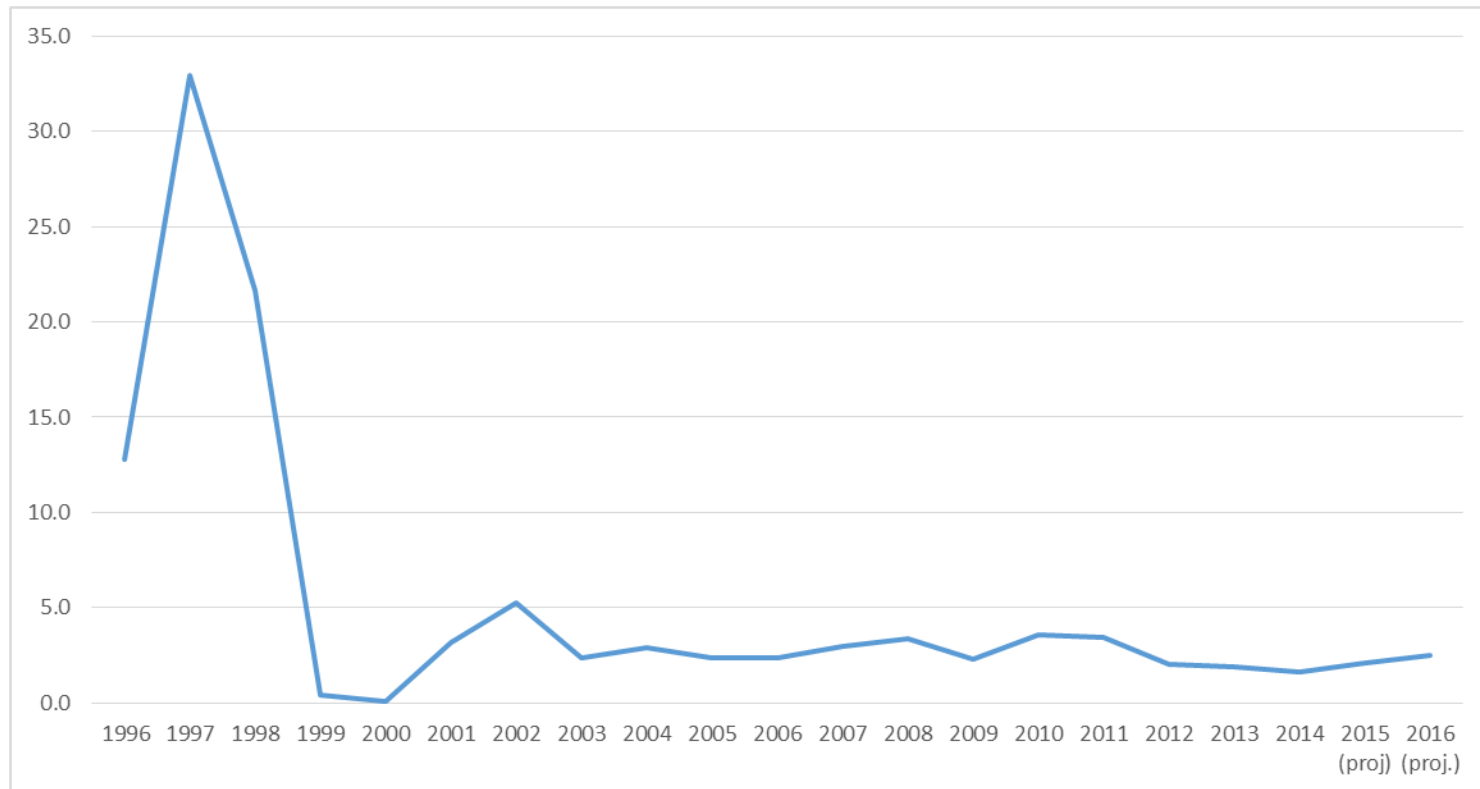


- Food, beverages, tobacco
- Minerals, fuels, electricity
- Chemical and plastic products
- Leather and leather manufactures
- Wood manufactures and articles of paper
- Textile and footwear
- Construction materials and metals
- Machineries, equipments and spare parts
- Others

- Others
- Machineries, equipments and spare parts
- Construction materials and metals
- Textile and footwear
- Wood manufactures and articles of paper
- Leather and leather manufactures
- Chemical and plastic products
- Minerals, fuels, electricity
- Food, beverages, tobacco

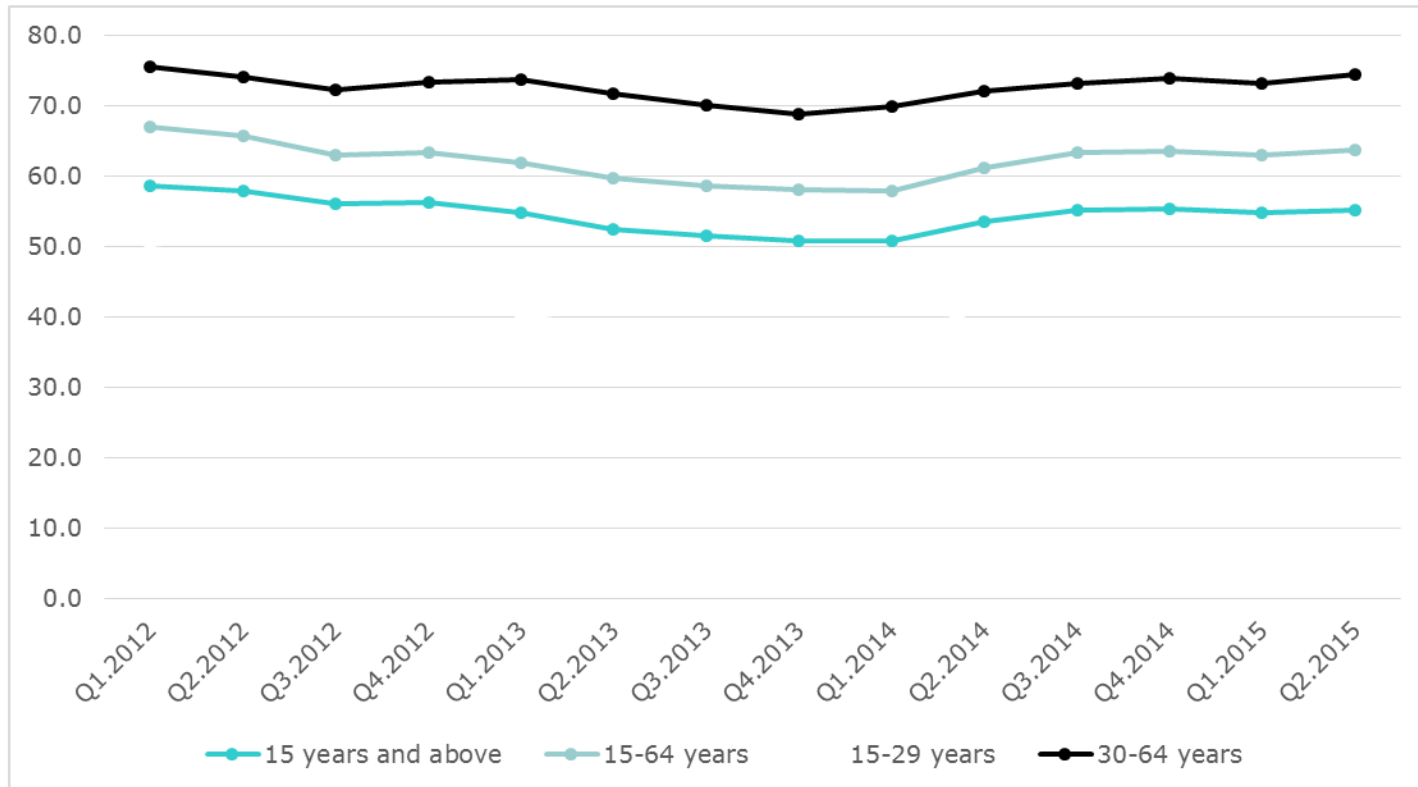
Source: Instat, November 2015

Inflation in Years (in percentage)



Source: Instat, November 2015

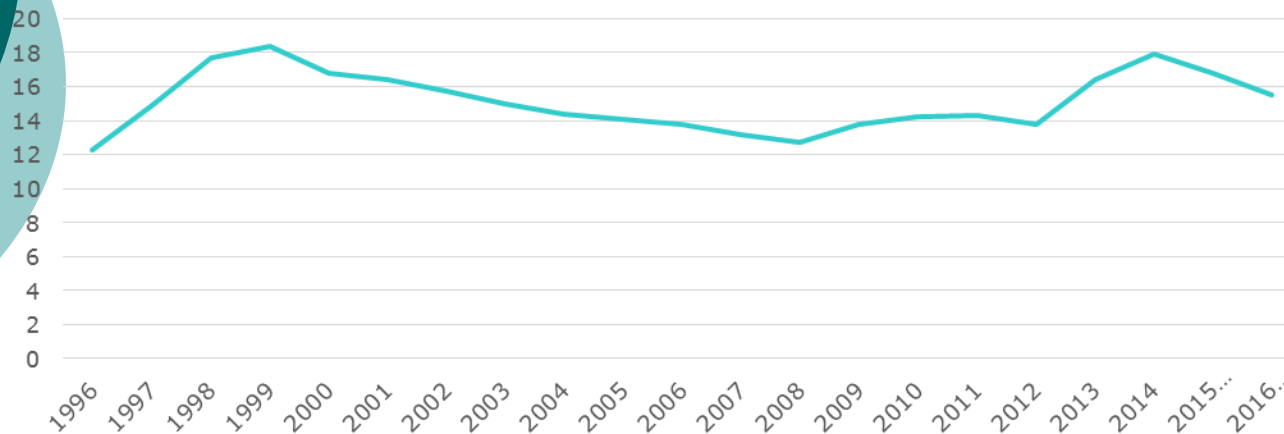
Labour Force Participation Rate



Source: Instat, November 2015

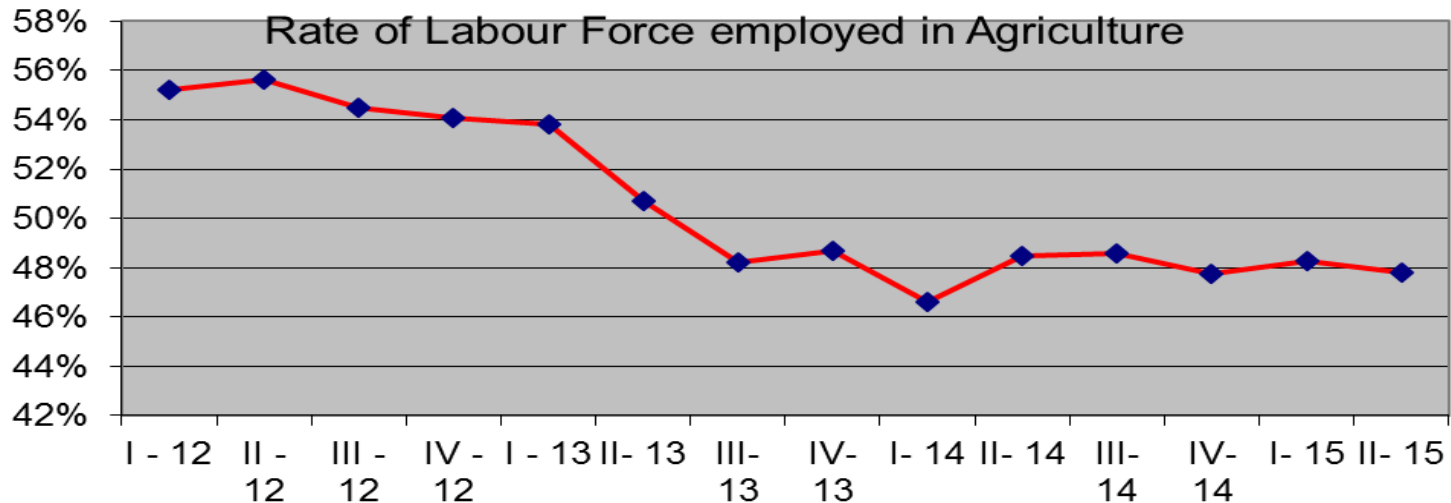
Labour Force

Unemployment Rate in percentage



For young generation of group age 15–29, unemployment rate is 34.2 %.

Rate of Labour Force employed in Agriculture



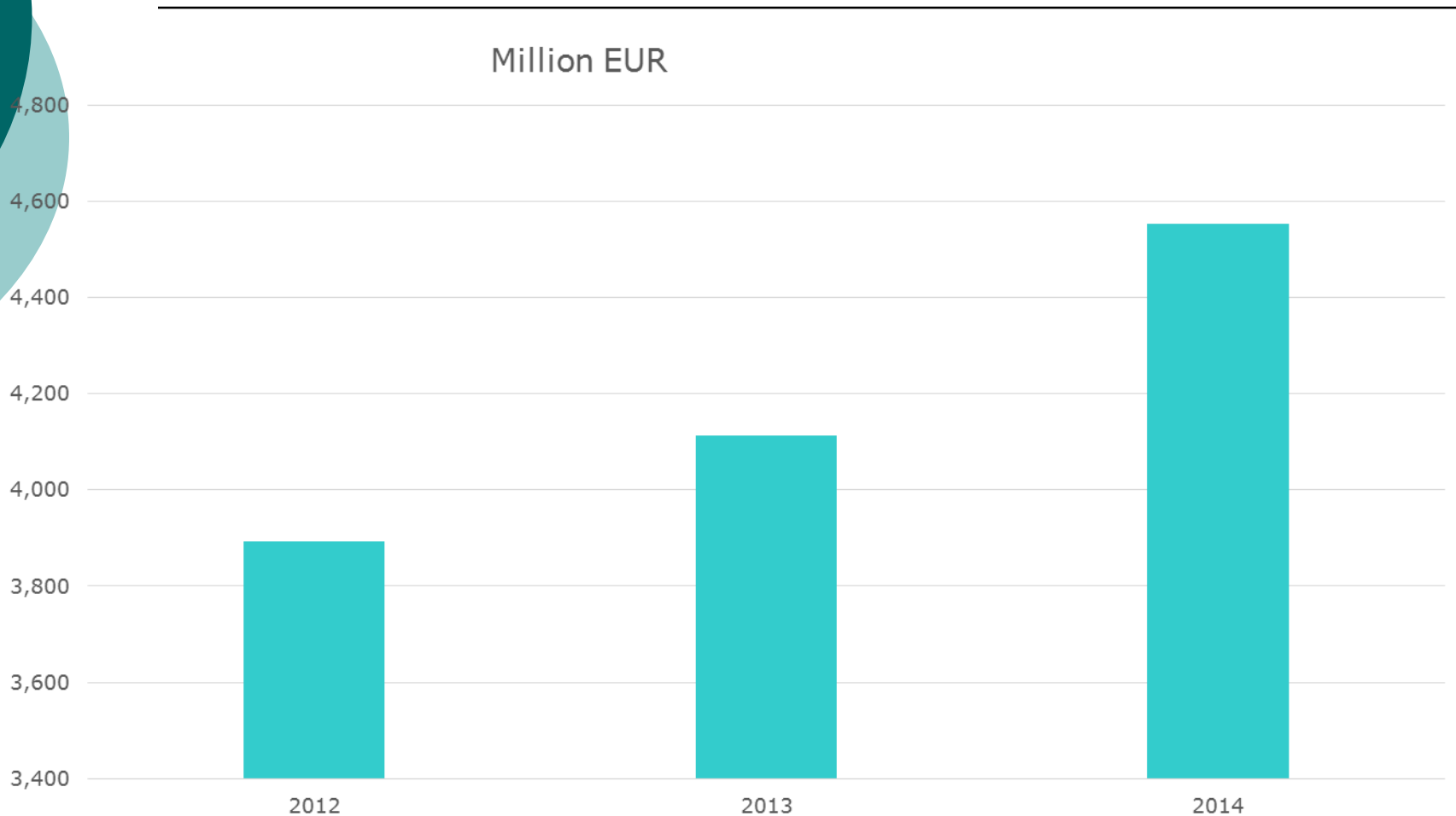
Average Salary per Sector

Albanian Lek

Economic Activity	2008	2009	2010	2011	2012	2013
Industry	32,214	32,837	33,273	35,746	37,071	37,646
Construction	42,424	42,706	37,652	35,458	36,558	35,113
Transport & Communication	38,106	47,709	52,263	55,476	54,108	51,638
Trade	32,217	34,959	31,179	32,962	33,698	31,734
Services	28,073	30,197	28,819	31,819	35,334	34,447
Total	34,277	36,075	34,767	36,482	37,534	36,332

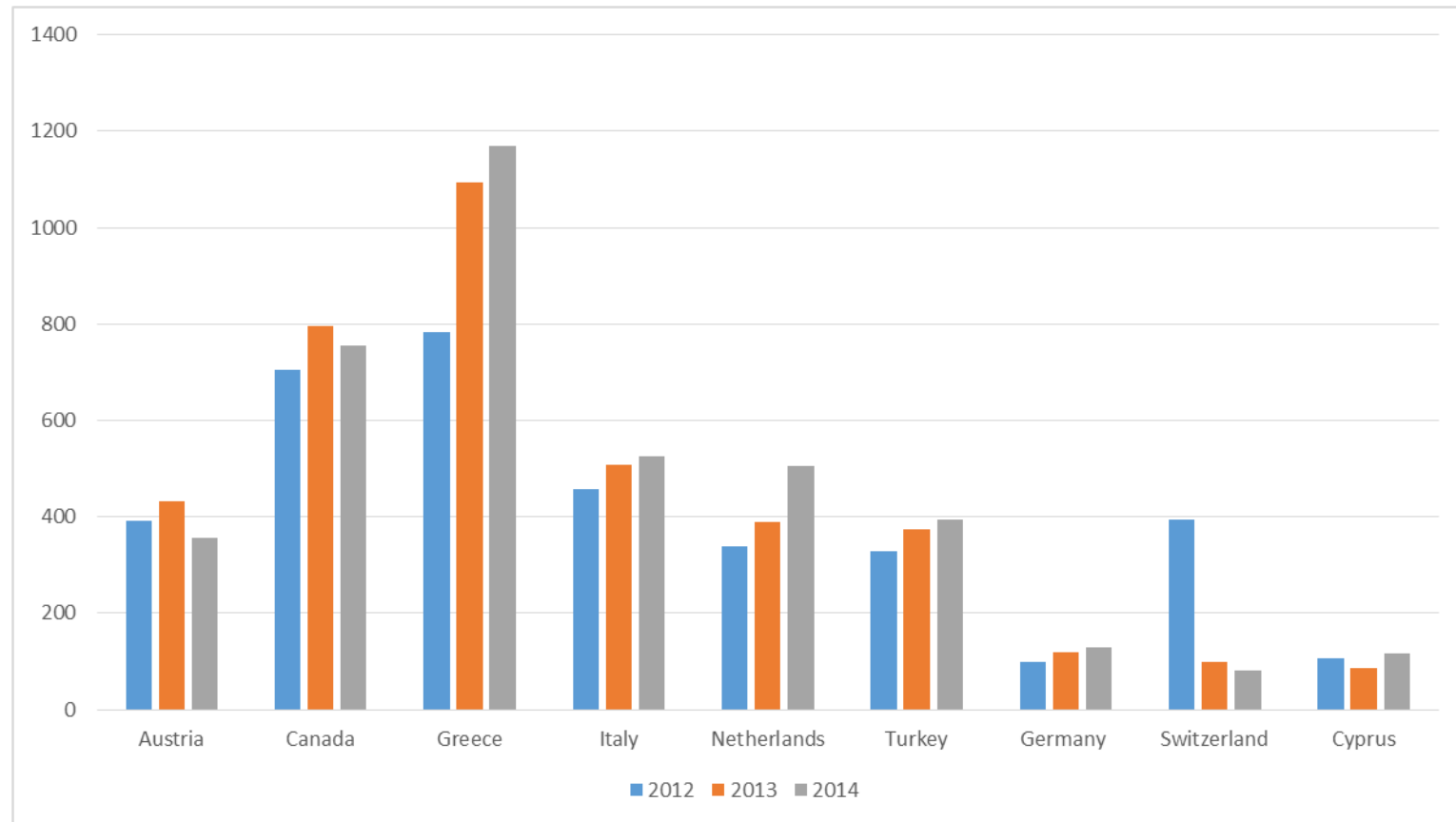
Source: INSTAT

Stock of Foreign Direct Investments



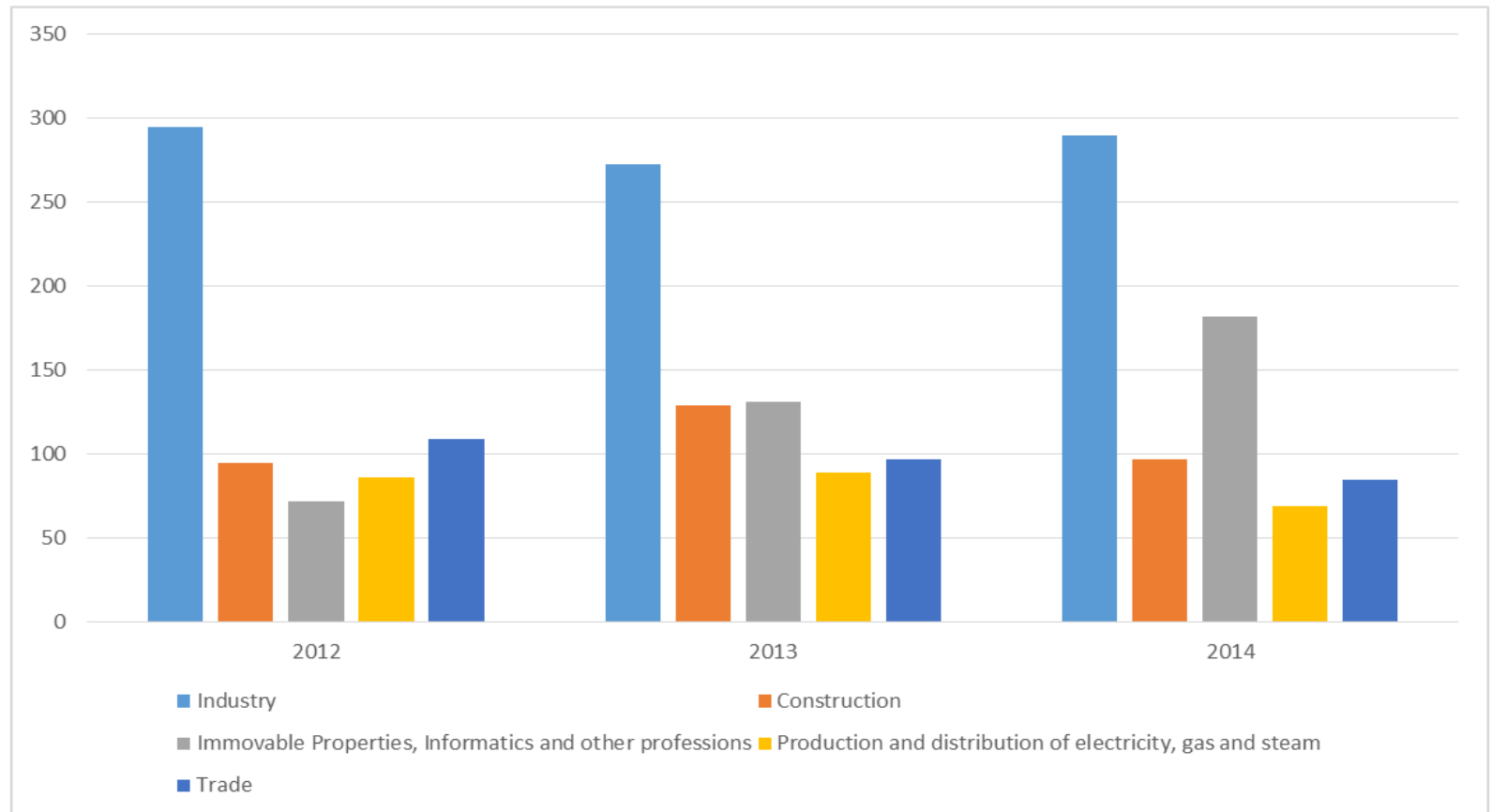
Source: Bank of Albania, September 2015

Stock of FDI according to the Countries of Origin (million EUR)



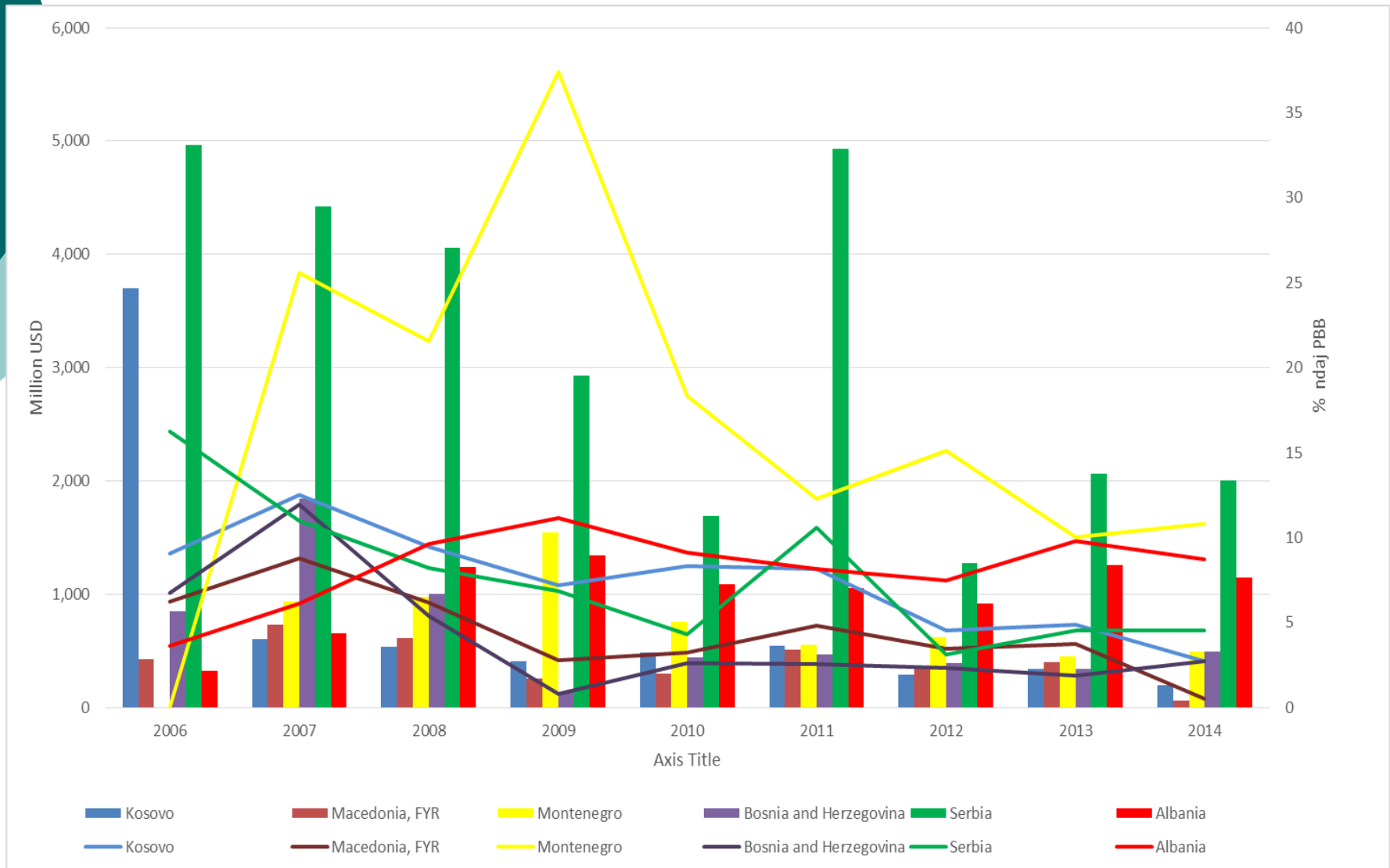
Source: Bank of Albania, September 2015

Stock of FDI per Economic Activity (million EUR)



Source: Bank of Albania, September 2015

FDI Flow to the Balkan Countries



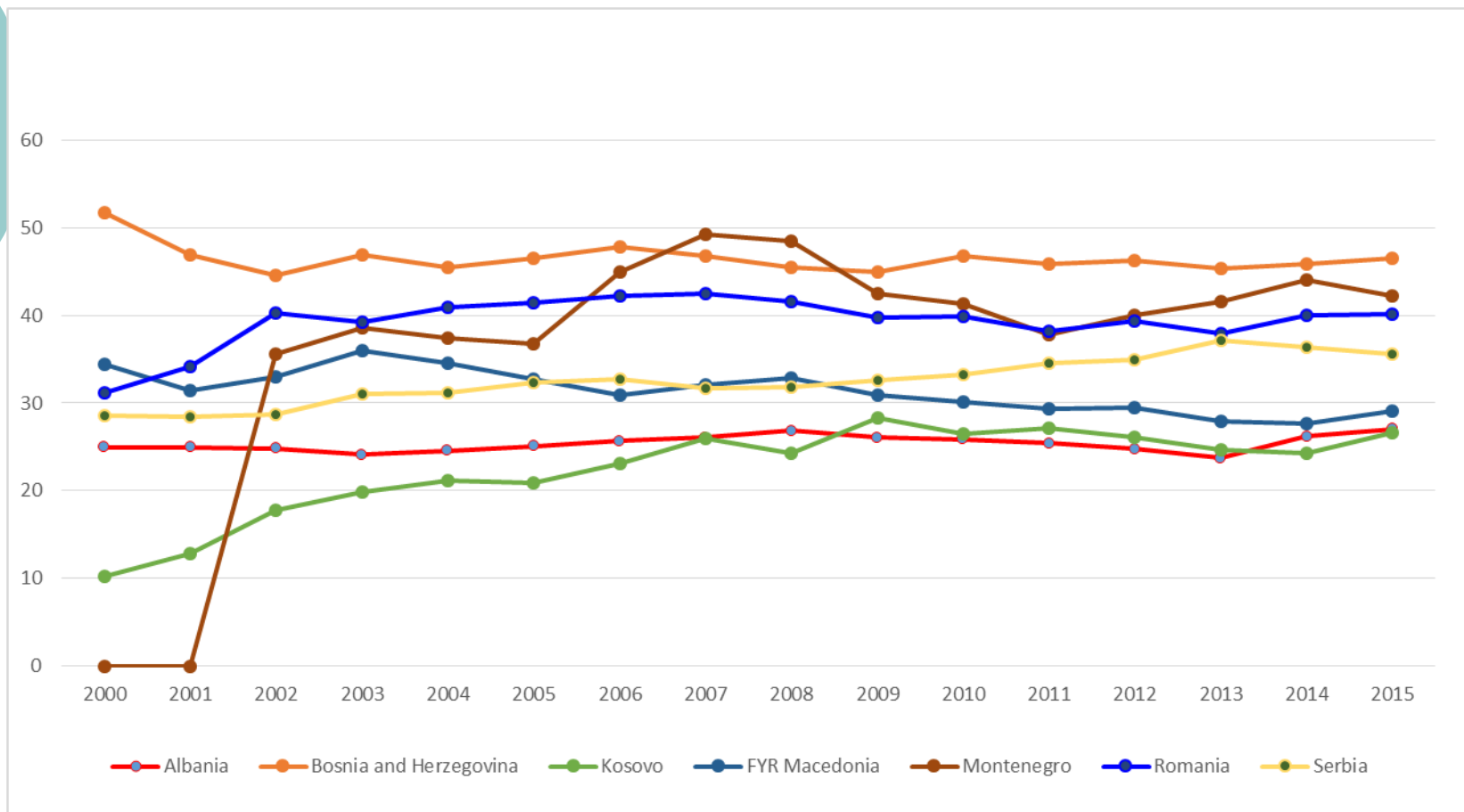
Source: World Bank Data

Stock and Profile of Enterprises in 2014

Economic Activity	Total/ Number /Percent	Group by the number of employees			
		1-4	5-9	10-49	50+
Enterprises	112.537	101.025	5.387	4.647	1.478
	100%	90%	5%	4%	1%
Producers of goods	16.989	13.273	1.603	1.562	551
	15%	13%	30%	34%	37%
Producers of services	95.548	87.752	3.784	3.085	927
	85%	87%	70%	66%	63%

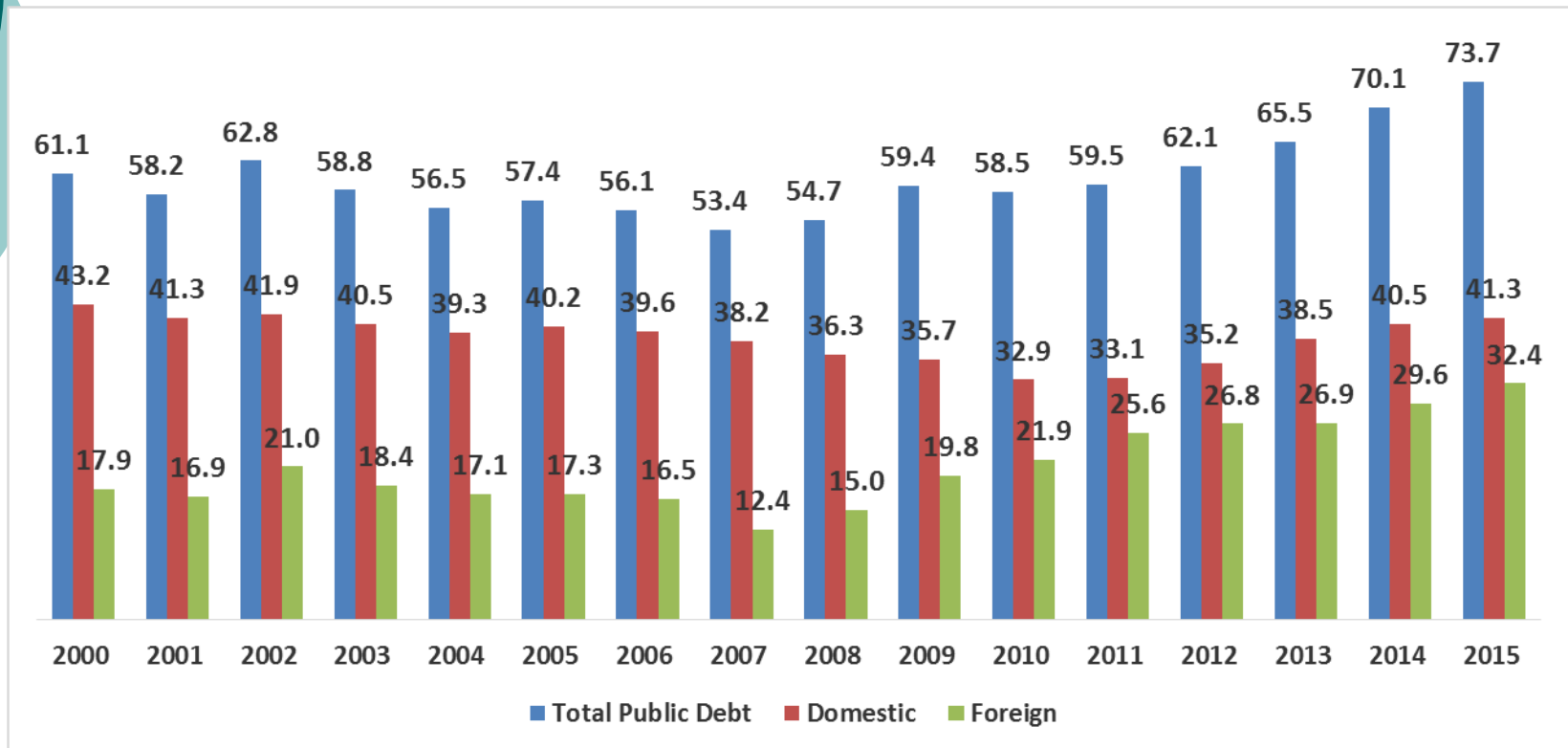
Source: Enterprises Survey, INSTAT

Ratio of Government Revenues to GDP in the Countries of Balkan Region



Source: World Bank Data 2015

Ratio of Public Debt to GDP in Albania

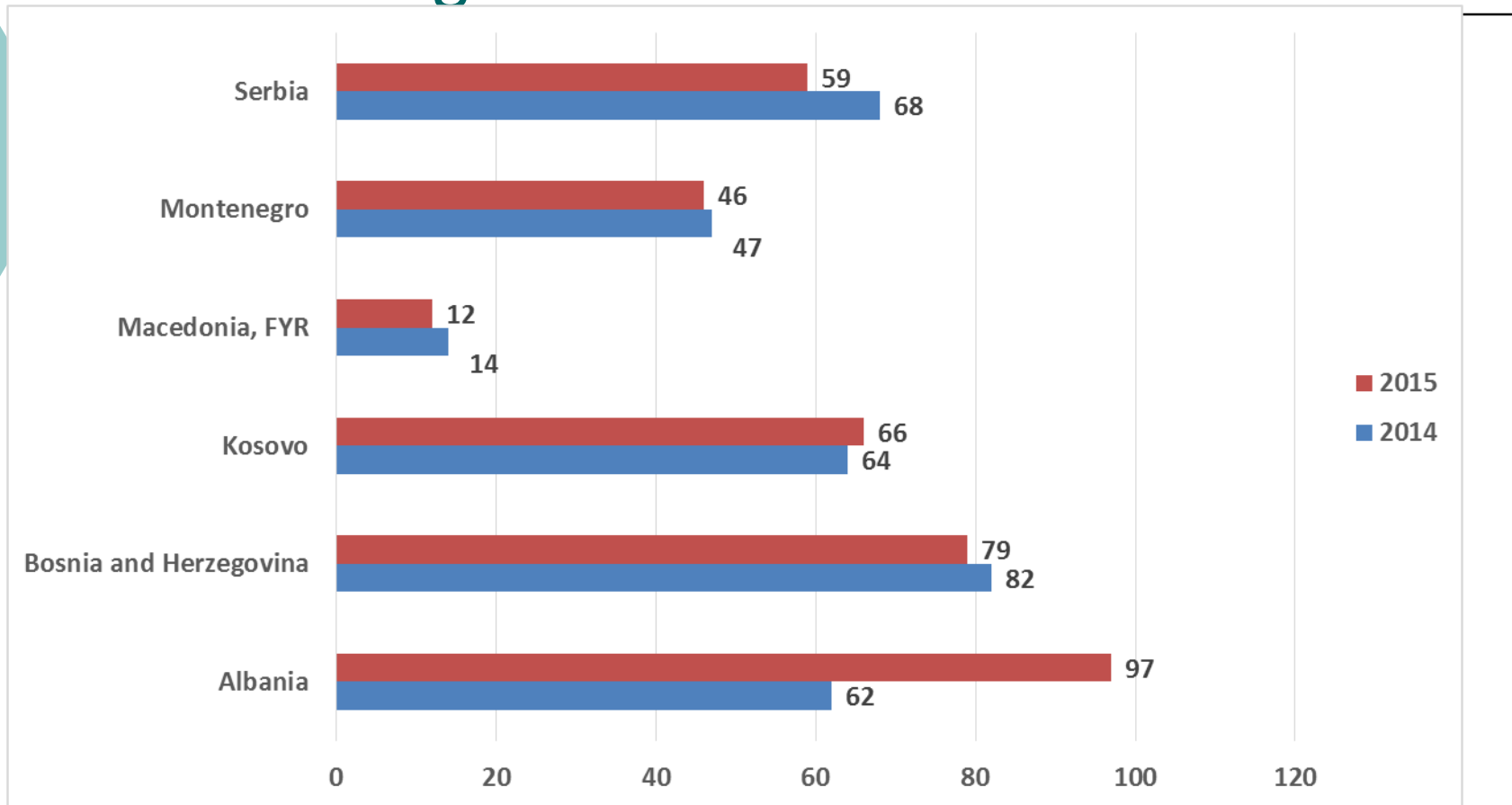


Source: Ministry of Finance

Main Taxes

- ❑ Value Added Tax - 20%
- ❑ Profit Tax on Annual Turnover:
 - a) 0-5 Million ALL (\approx 36,500 EUR) – 0%
 - b) From 5 Million ALL – 8 million Leke (\approx 58,400 EUR) – 5%
 - c) Over 8 Million ALL – 15%
- ❑ Dividend Tax – 15%

Ranking of Western Balkan Countries on Ease of Doing Business Indicator



Source: World Bank Data

1 = easiest to 185 = most difficult

Ranking of Albania in International Reports and Indexes

Index/ Report	Organisation	2014	2015	2016
Perception of Corruption	Transparency International	110	88	
Economic Freedom	The Heritage Foundation	54	63	59
Doing Business	World Bank	62	97	
World Competitiveness Index	World Economic Forum	95	97	
Best Countries to do Business	Forbes Magazine	-	69	

Doing Business Indicators

Indicator	2014	2015
Starting a Business	54	58
Dealing with Construction Permits	122	189
Getting Electricity	159	162
Registering Property	104	107
Getting Credit	36	42
Protecting Minority Investors	18	8
Paying Taxes	130	142
Trading across Borders	37	37
Enforcing Contracts	96	96
Resolving Insolvency	40	42

Competitiveness Indicators

Indicator	2014-2015
Institutions	103
Infrastructure	90
Macroeconomic Environment	122
Health and Primary Education	62
Higher Education and Training	60
Goods Market Efficiency	93
Labour Market Efficiency	93
Financial Market Development	114
Technological Readiness	91
Market Size	105
Business Sophistication	104
Innovation	120

Economic Freedom Indicators

Indicator	2016
Property Rights	86
Freedom from Corruption	113
Fiscal Freedom	34
Government Spending	72
Business Freedom	80
Labour Freedom	128
Monetary Freedom	49
Trade Freedom	37
Investment Freedom	50
Financial Freedom	19

Indicators from Forbes Magazine for Best Countries to Do Business

Indicator	2015
Trade Freedom	35
Monetary Freedom	38
Property Rights	114
Innovation	118
Technology	88
Red Tape	49
Investor Protection	8
Corruption	99
Personal Freedom	65
Tax Burden	109