

An Overview of Albania's Economic Development Indicators 2024

Secretariat of the Investment
Council

April 2025

This is a summary of the main macroeconomic indicators in Albania published by official sources or international organizations.

This document does not represent the views of the Secretariat or the Investment Council.



TABLE OF CONTENTS

- National Accounts
- International Trade
- Labour Market
- Investments
- Monetary Indicators
- International Rankings



MAIN MACROECONOMIC INDICATORS

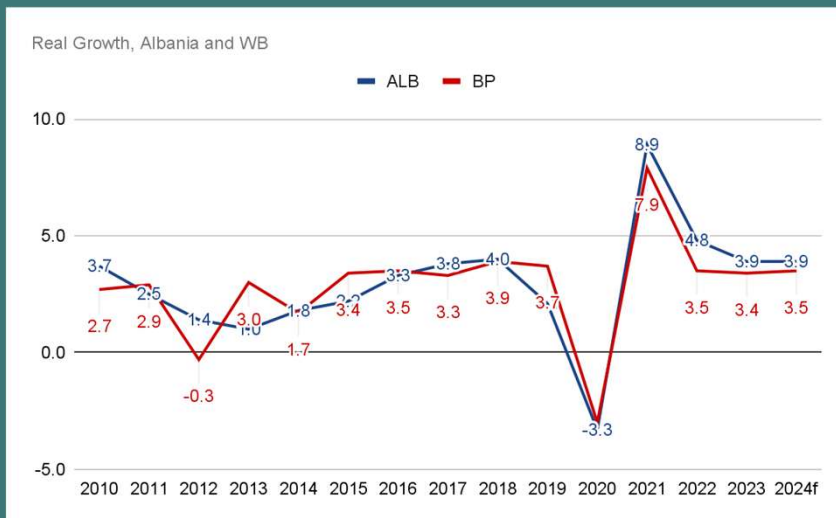
- ❖ *GDP Growth in 2024 is estimated at 3.96% (higher than forecasts by WB and the Albanian government). Quarterly growth (Q42024) was 3.63%, mainly driven by public services, trade, real estate, and construction, while Industry and agriculture contributed negatively. Albania's growth outlook is moderate compared to the region—expected to reach 3.5% by 2026.*
- ❖ *Foreign Direct Investment (FDI) reached 1.6 billion EUR in 2024, +5.6% YoY. The stock rose by 16%, now 62.1% of GDP. Main sources: Turkey, Italy, and the Netherlands. Real estate is the top sector for foreign investors; agriculture attracts the least.*
- ❖ *Average monthly salary increased by 18% in 2024, reaching 83,401 ALL. Public sector salaries grew faster than private. Minimum wage increased to 40,000 ALL.*
- ❖ *Inflation in 2024 averaged 2.2%, down from 4.8% in 2023. Inflation has returned below the Bank of Albania's target (3%) since Feb 2024.*
- ❖ *Unemployment in Q4 2024 was 8.8%, higher among women. Labour productivity remains low, especially in agriculture and services.*
- ❖ *Exports fell by -15.4% in 2024; mainly from declines in minerals, fuels, textiles, and metals. Imports increased by 2.5%, especially in machinery and food. The trade deficit widened by 20.7%, with exports covering only 41.7% of imports. Main trade partners: Italy, China, Turkey, and Greece.*



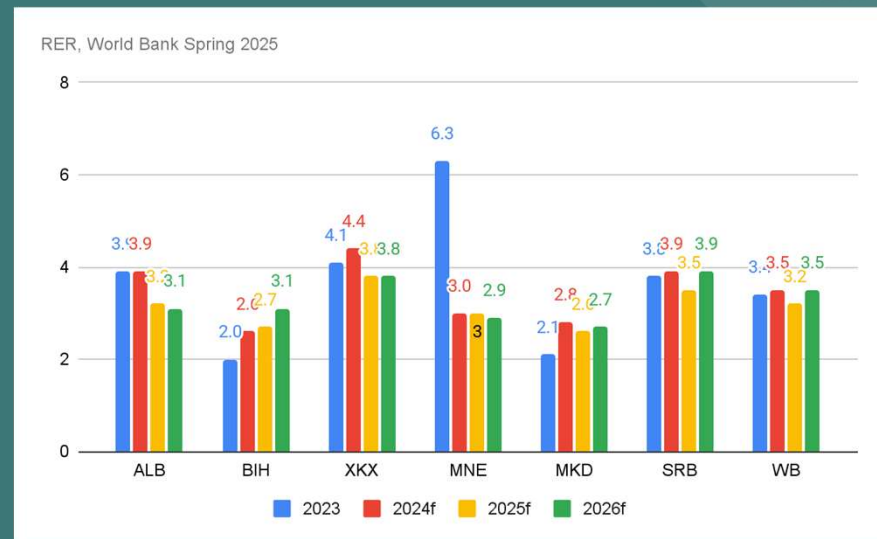
INTERNATIONAL RANKING

- ❖ *Corruption Perception Index: Rank 80/180, improved by 5 spots*
- ❖ *Economic Freedom Index: Score 66.6, ranked 50th globally*
- ❖ *Global Innovation Index: Rank 84/133, last in the region*
- ❖ *Economic Complexity: Rank 83rd, behind Bosnia & Herzegovina and Serbia*
- ❖ *Technology Readiness: Ranked below-average*
- ❖ *Quality Infrastructure Index: Rank 59/156*

ECONOMIC GROWTH PERFORMANCE

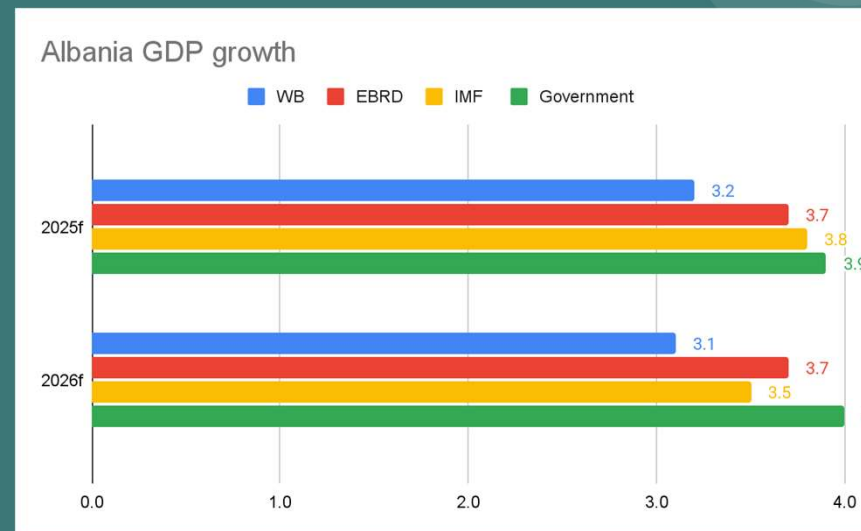
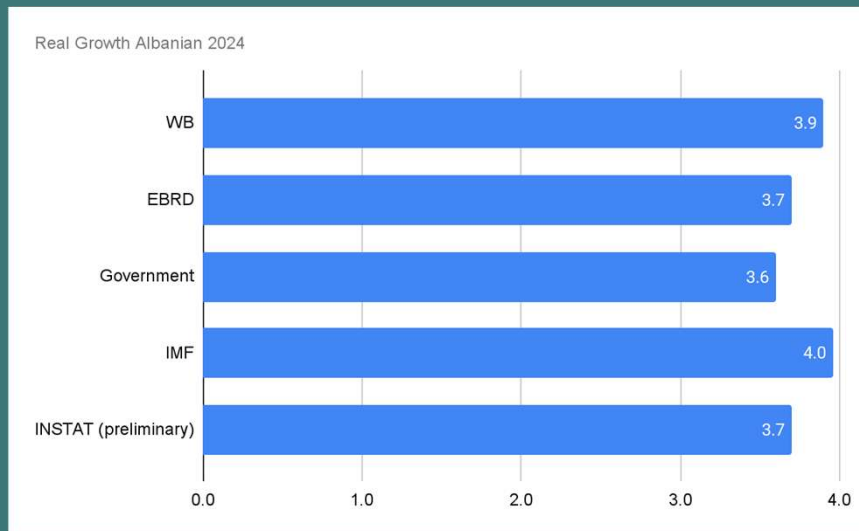


Albania's economic recovery, which started in 2015, slowed in 2019 and contracted by 3.3% in 2020, a smaller drop than initially predicted, due to the impact of the COVID-19 pandemic. For 2024, preliminary estimates from INSTAT suggest a growth rate of 3.96%.



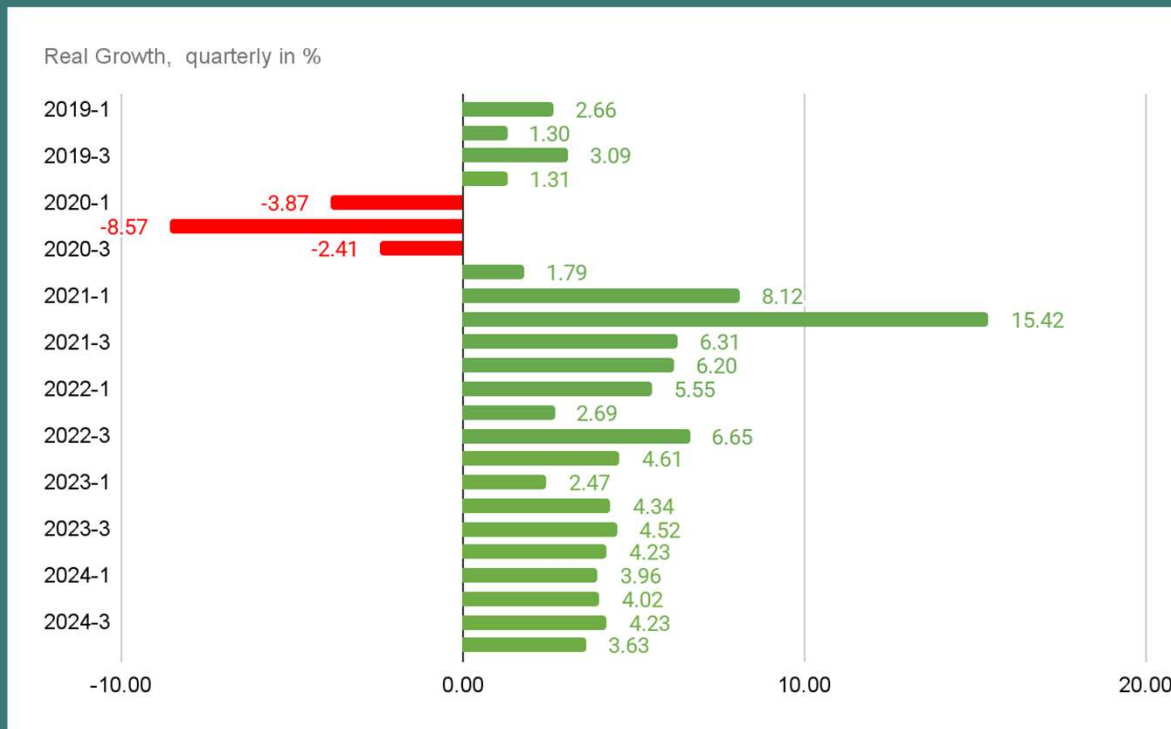
According to the World Bank estimates, Kosovo experienced the highest growth in 2024, with a rate of 4.4%. On the other hand, North Macedonia is projected to have the lowest growth, at just 2.8%. For the period between 2025 and 2026, the World Bank forecasts an average growth of 3.4%, with the highest growth primarily occurring in Serbia and Kosovo.

ECONOMIC GROWTH PERFORMANCE



According to preliminary INSTAT data, Albania's Gross Domestic Product is expected to grow by 3.96% in 2024, surpassing the growth forecasts of both international institutions and the Albanian government. For the period between 2025 and 2026, international institutions have provided lower economic growth projections compared to those of the Albanian government.

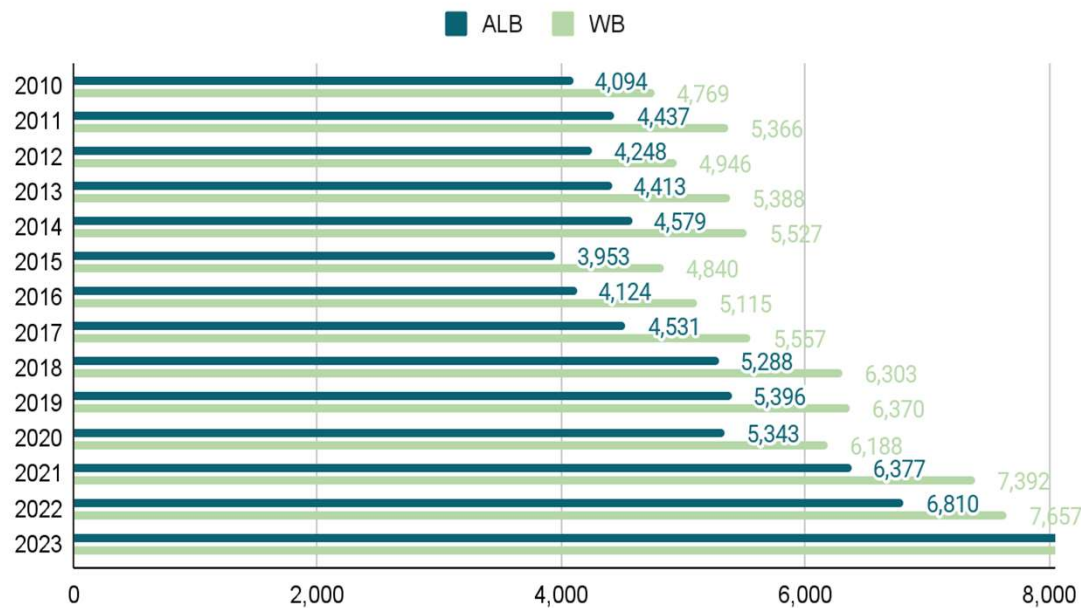
ECONOMIC GROWTH PERFORMANCE



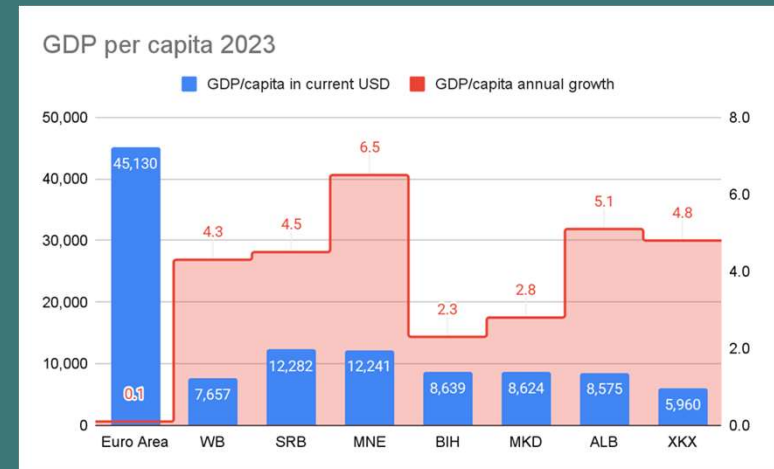
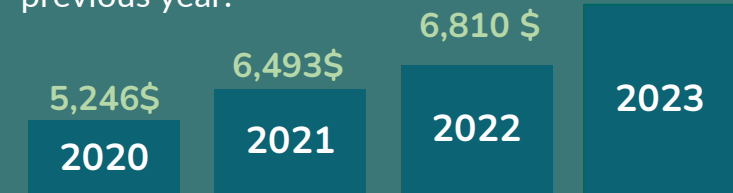
In the fourth quarter of 2024, Albania's Gross Domestic Product, in real terms, is estimated to have increased by 3.63% compared to the fourth quarter of 2023. Several sectors contributed positively to this growth, including "Public Administration, Education, and Health" (+1.44 p.p.), "Trade, Transport, Accommodation, and Food Services" (+0.81 p.p.), "Real Estate Activities" (+0.50 p.p.), "Construction" (+0.25 p.p.), "Arts, Entertainment, and Recreation; Other Service Activities" (+0.19 p.p.), "Financial and Insurance Activities" (+0.03 p.p.), and "Professional Activities and Administrative Services" (+0.01 p.p.). However, certain sectors had a negative impact, including "Industry, Energy, and Water" (-0.85 p.p.), "Agriculture, Forestry, and Fishing" (-0.35 p.p.), and "Information and Communication" (-0.01 p.p.).

INCOME PER CAPITA

Gross Domestic Product per capita (USD/capita)

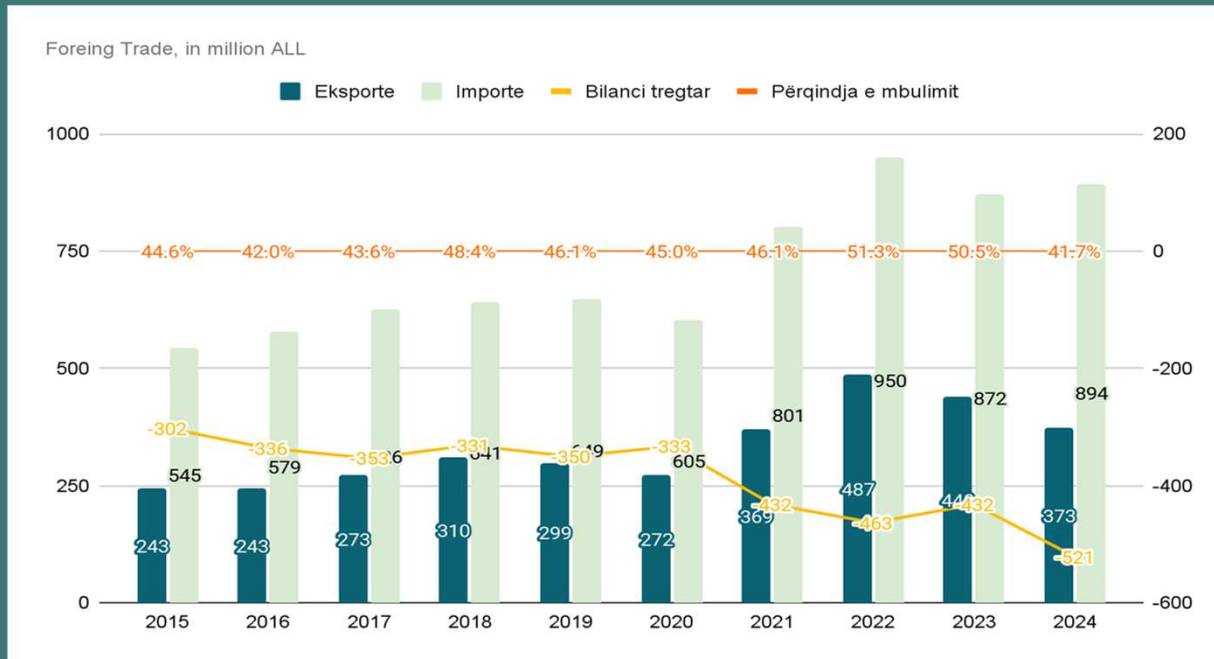


For 2023, Albania's per capita income is estimated to be USD 8,575 in current value, representing an increase compared to the previous year.



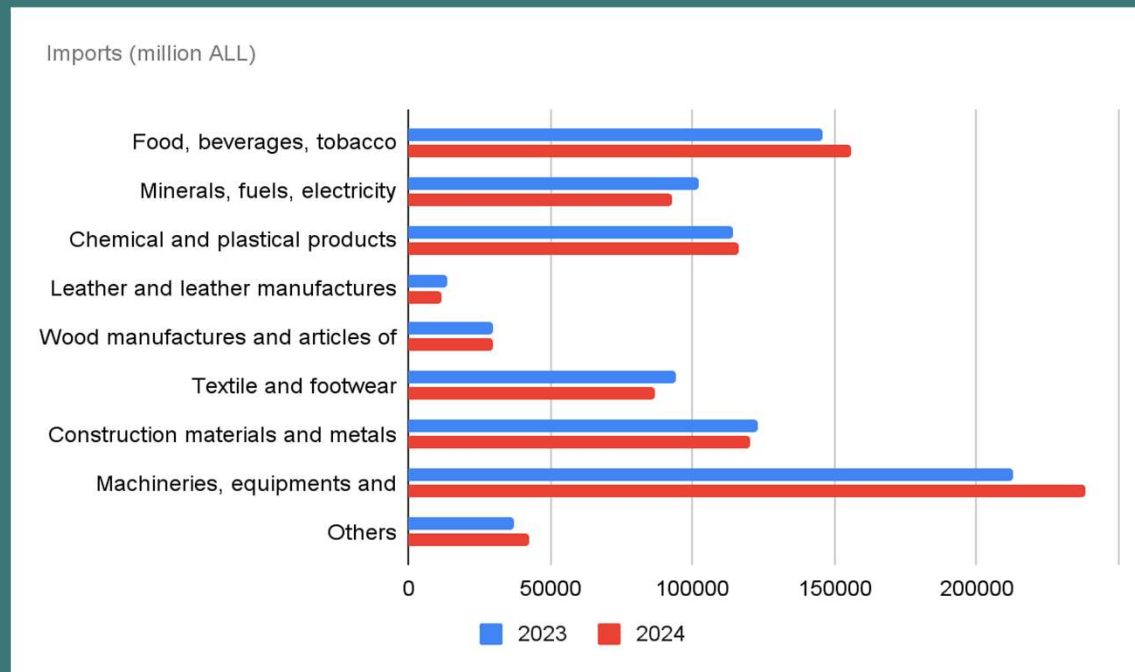
Source: World Development Indicators

CIRCULATION OF GOODS IN FOREIGN TRADE



In 2024, Albania's exports of goods amounted to 373 billion lek, marking a decrease of 15.4% compared to the previous year. Meanwhile, imports of goods reached 894 billion lek, increasing by 2.5% from the previous year. As a result, the trade deficit grew to 522 billion lek, rising by 20.7% compared to 2023. The export-to-import coverage ratio dropped to 41.7%, down from 50.4% in 2023.

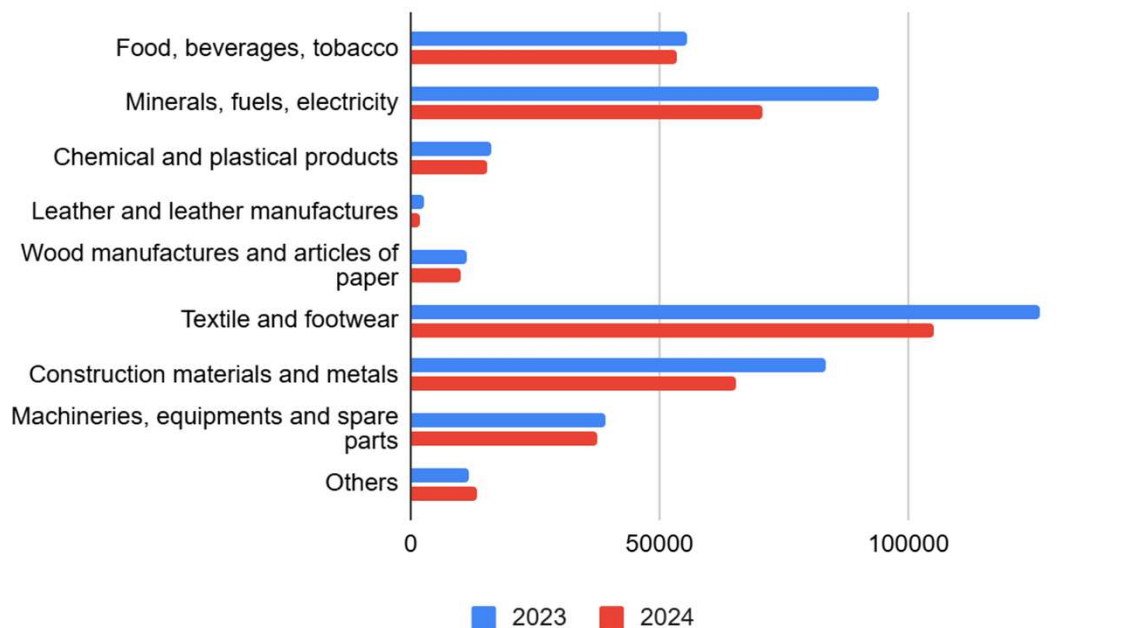
CIRCULATION OF GOODS IN FOREIGN TRADE



In 2024, imports in Albania increased by 2.5% compared to 2023. The groups that positively contributed to the annual growth of imports include: “Machinery, equipment, and spare parts” (+2.9 p.p.), “Food, beverages, and tobacco” (+1.2 p.p.), among others. Conversely, the groups that negatively impacted the growth of imports are: “Minerals, fuels, and electricity” (-1.0 p.p.), “Textiles and footwear” (-0.9 p.p.), and “Construction materials and metals” (-0.3 p.p.).

CIRCULATION OF GOODS IN FOREIGN TRADE

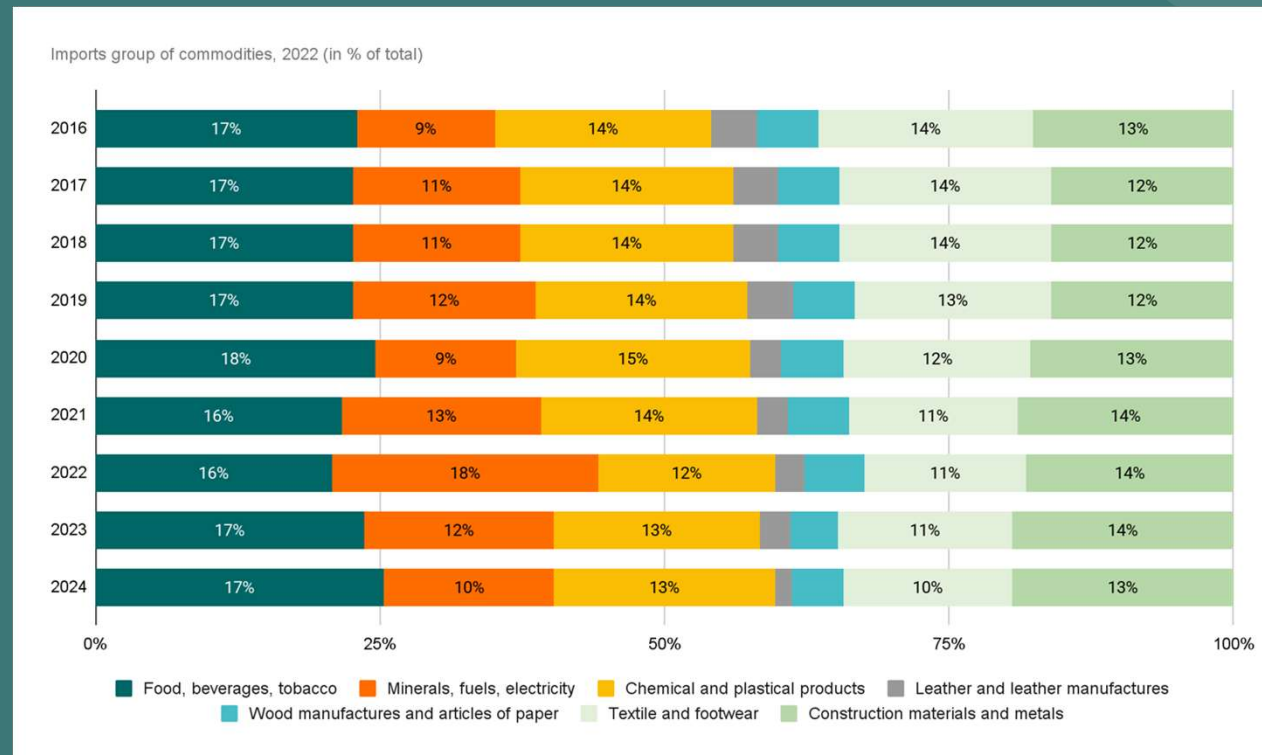
Exports, in million ALL



In 2024, exports in Albania decreased by 15.4% compared to the previous year. The groups that negatively impacted the annual decline in exports include: “Minerals, fuels, and electricity” (-5.3 percentage points), “Textiles and footwear” (-4.8 percentage points), and “Construction materials and metals” (-4.1 percentage points).

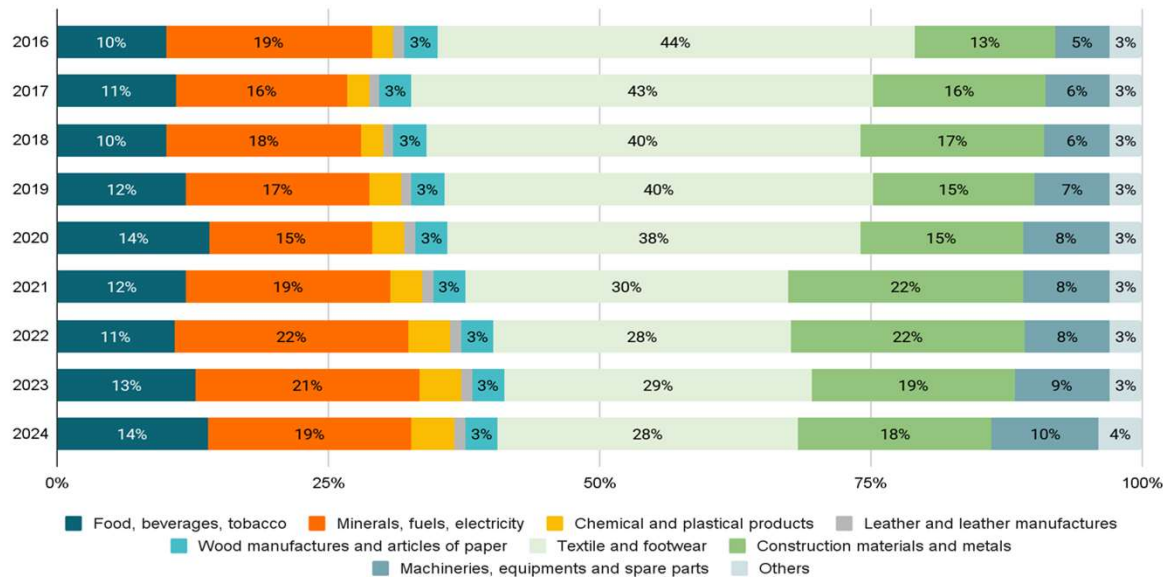
IMPORTS OF GOODS

In 2024, the structure of goods imports in Albania is primarily dominated by "Machinery, equipment, and spare parts," a category that has seen consistent growth over the years. Additionally, "Food, beverages, and tobacco" remains a stable category, with its share in imports remaining constant over time.



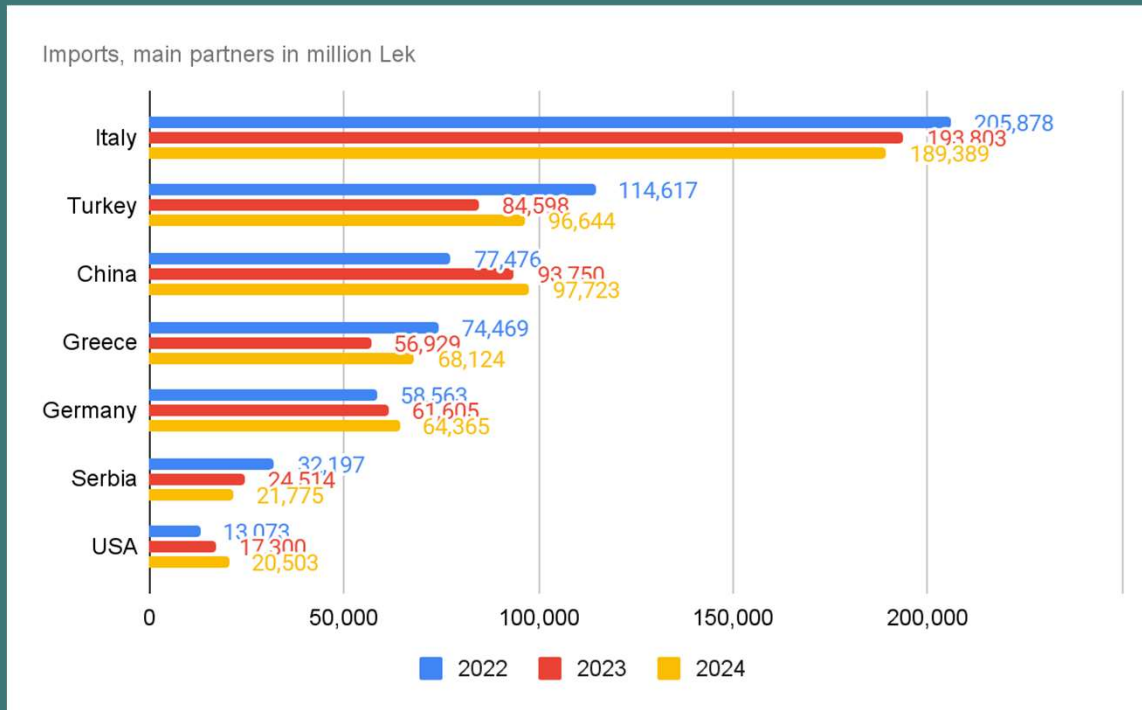
EXPORTS OF GOODS

Exports by group commodities, in % of total



Exports by product in 2024 continue to maintain a structure similar to that of the previous year. However, looking at the progress from 2016 to 2023, there has been a notable trend: a consistent decrease in the percentage share of "Textiles and Footwear" in total exports, alongside an increase in exports, particularly in the "Machinery, Equipment, and Spare Parts" group.

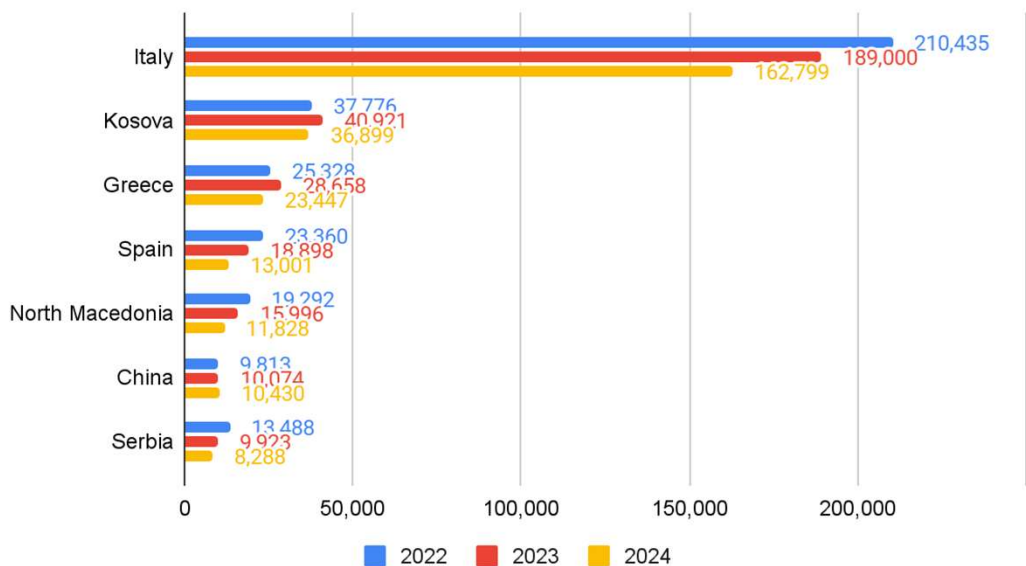
CIRCULATION OF GOODS IN FOREIGN TRADE



In 2024, trade exchanges with EU countries made up 57.4% of Albania's total trade. The main trading partners were: Italy (27.8%), China (8.5%), Turkey (8.0%), and Greece (7.2%). Exports to EU countries accounted for 71.7% of total exports in 2024. The countries with the largest decrease in exports compared to the previous year were: Italy (-13.9%), Kosovo (-9.8%), and Greece (-18.2%), among others. Conversely, China is the country where exports saw the largest increase (+3.5%).

CIRCULATION OF GOODS IN FOREIGN TRADE

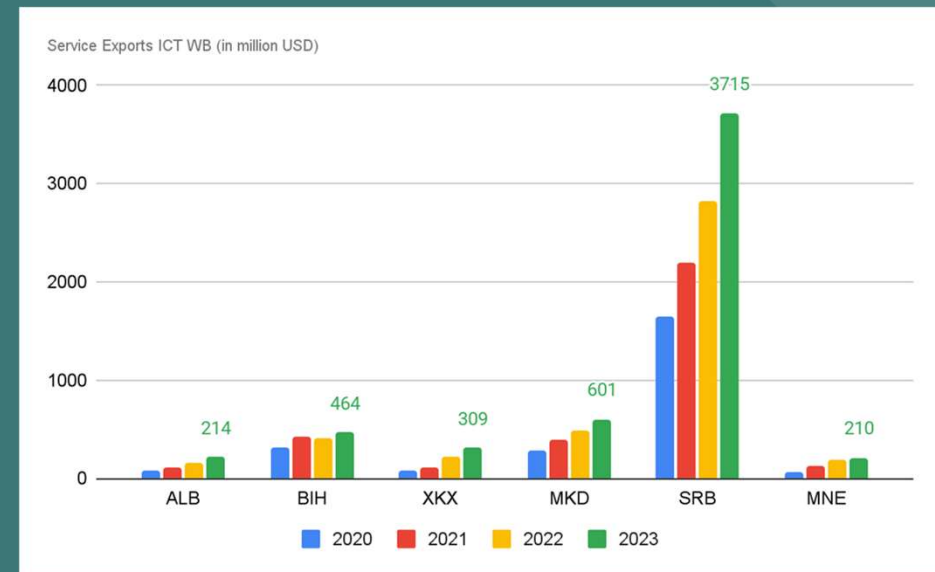
Eksports, main partners in million lek



In the period from January to December 2024, imports from EU countries accounted for 51.5% of Albania's total imports. The countries with the largest increase in imports compared to the previous year were: China (+4.2%), Turkey (+14.2%), Greece (+19.7%), among others. On the other hand, the countries where imports saw the largest decrease were: Italy (-2.3%), North Macedonia (-14.9%), Switzerland (-29.8%), and others.



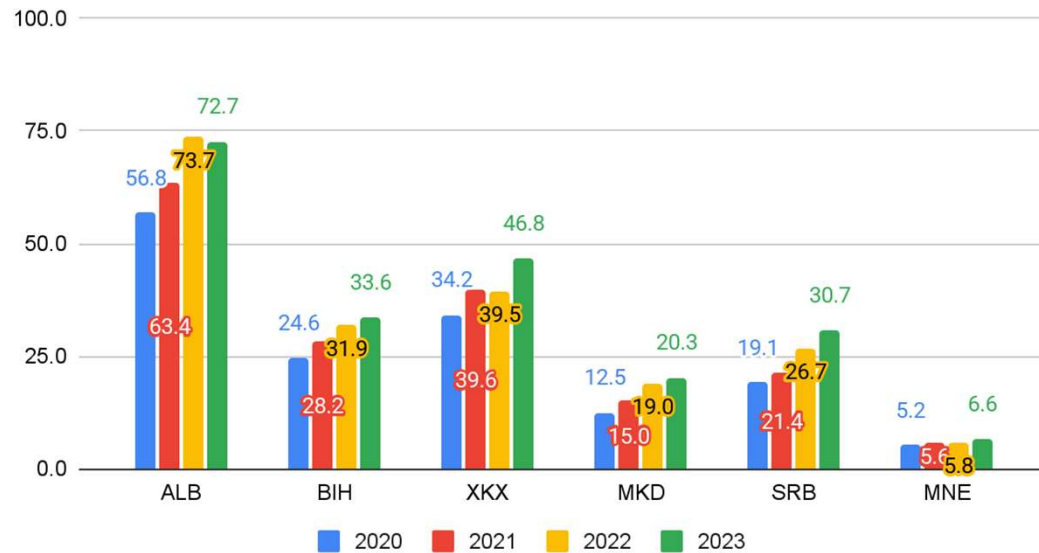
SERVICE EXPORTS REGIONAL CONTEXT



In 2023, Albania continued to rank second in the Western Balkans region for services exports, with Serbia holding the top spot. Additionally, Albania has made some improvements in its ranking within the region for exports in ICT services.

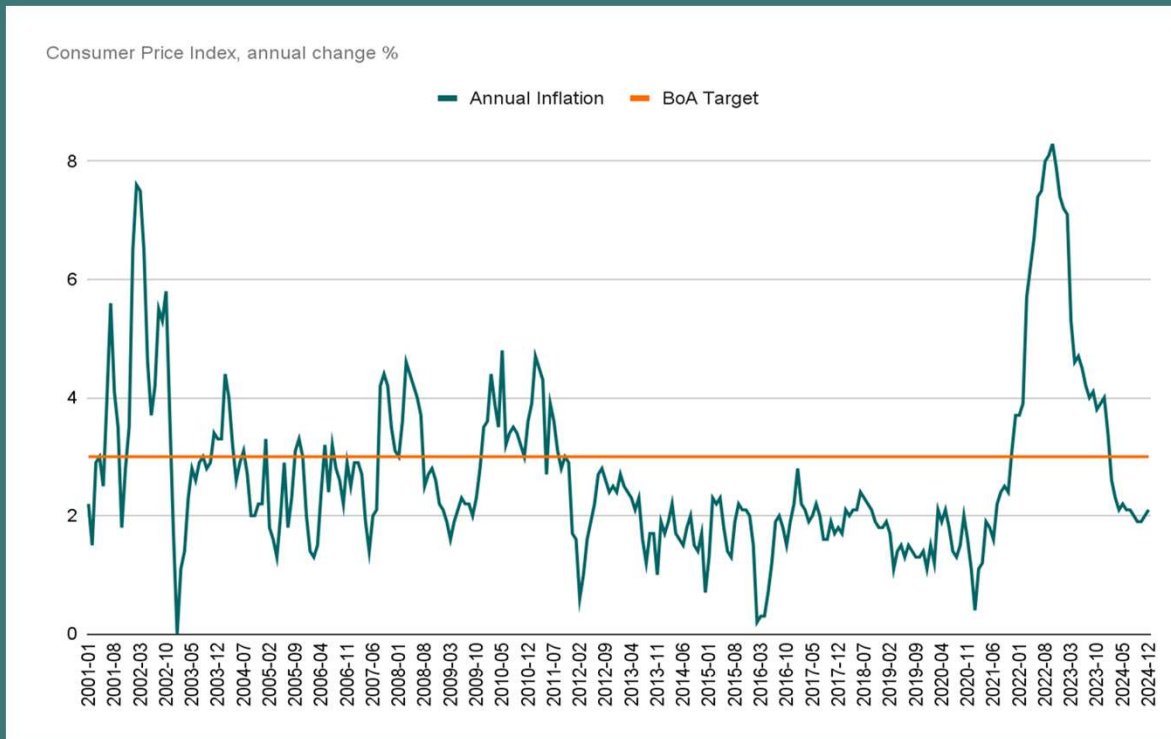
TRAVEL IMPORTS

Importet në udhëtime (% ndaj Importeve në Shërbime)



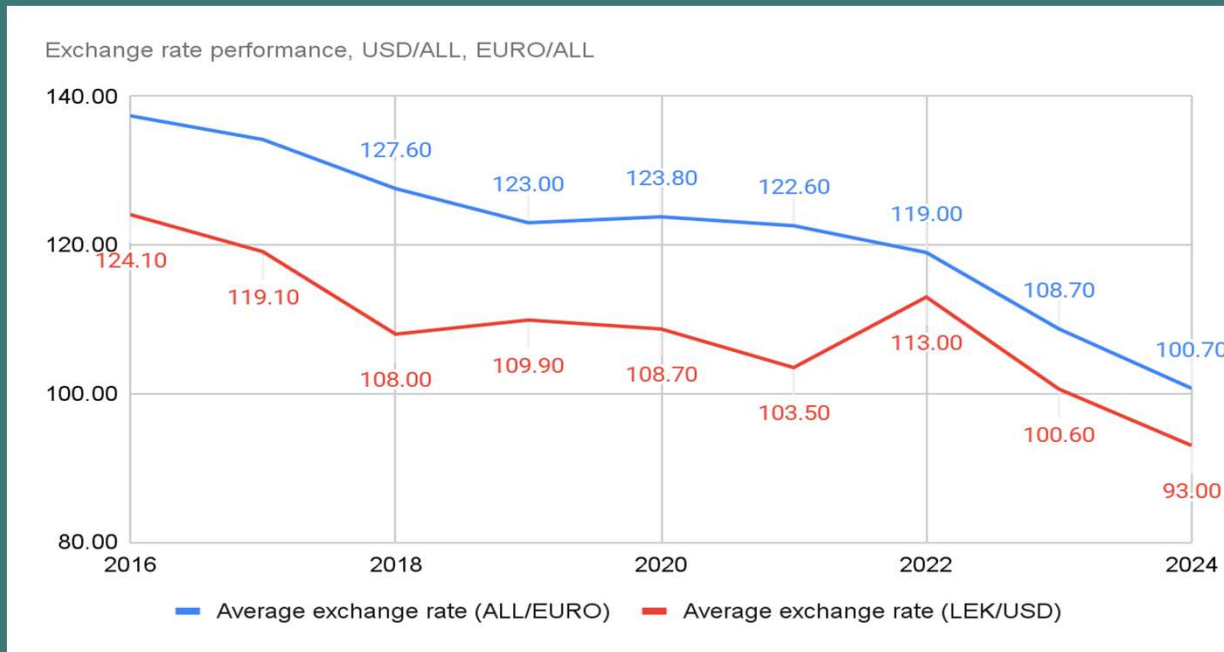
In 2023, Albania ranked first in the region for the percentage of travel imports within total services imports, accounting for 72.7% of the total services imports (a decrease from the previous year). Kosovo ranked second with 46.8%, followed by Bosnia and Herzegovina with 33.6%.

CONSUMER PRICE INDEX



In 2024, the average annual price increase in Albania is 2.2%, down from 4.8% in 2023. Looking at data from the graph since the end of 2011, monthly inflation on an annual basis has consistently remained below the Bank of Albania's target of 3%. However, upward trends began in November 2021, when inflation exceeded the BoA target and reached its peak in October 2022 at 8.3%. Since February 2024, inflation has fallen back below the BoA's target of 3%.

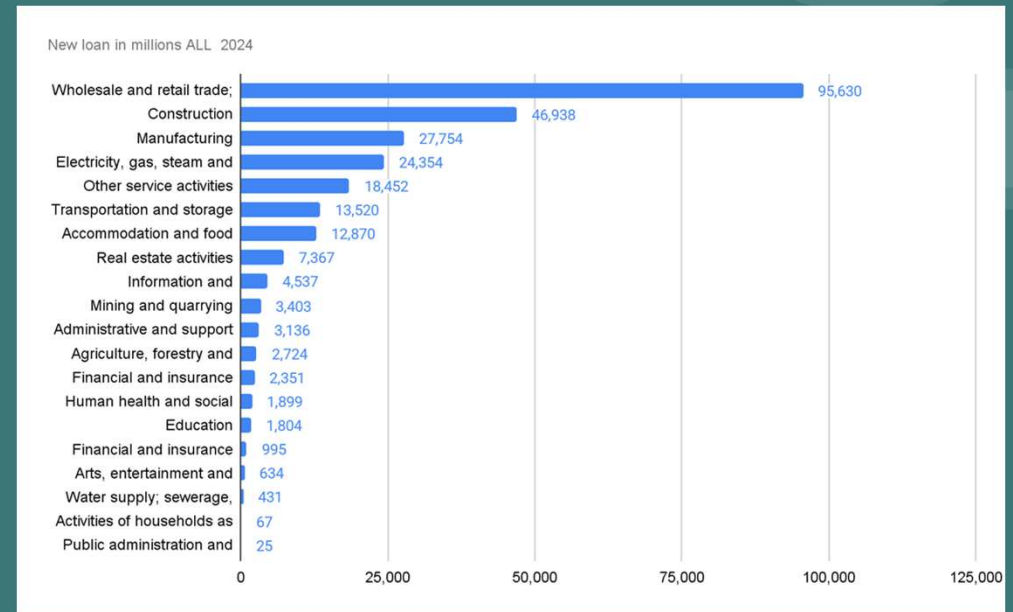
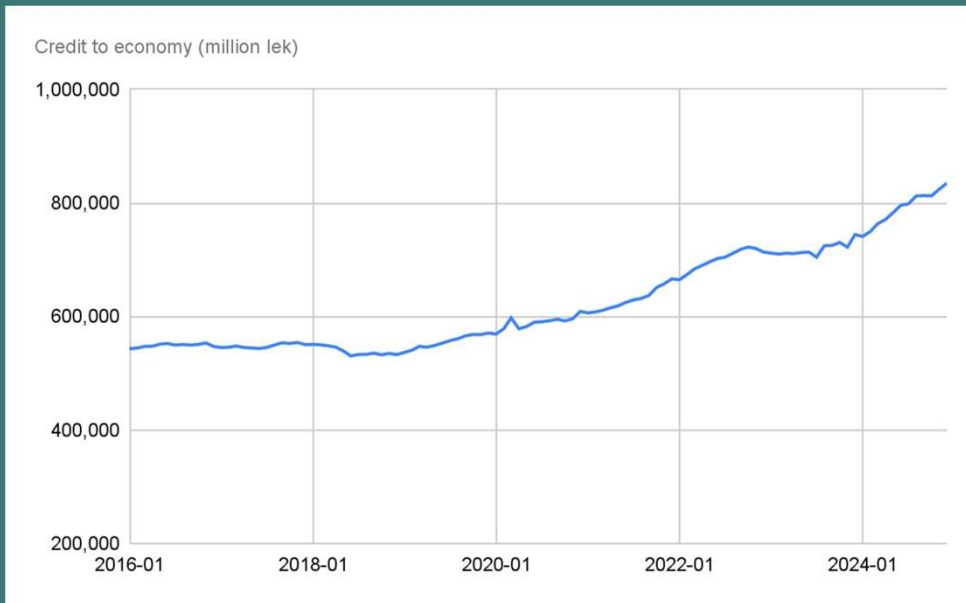
EXCHANGE RATE



Throughout 2024, the average exchange rate was 100.7 Lek per Euro and 93 Lek per USD.



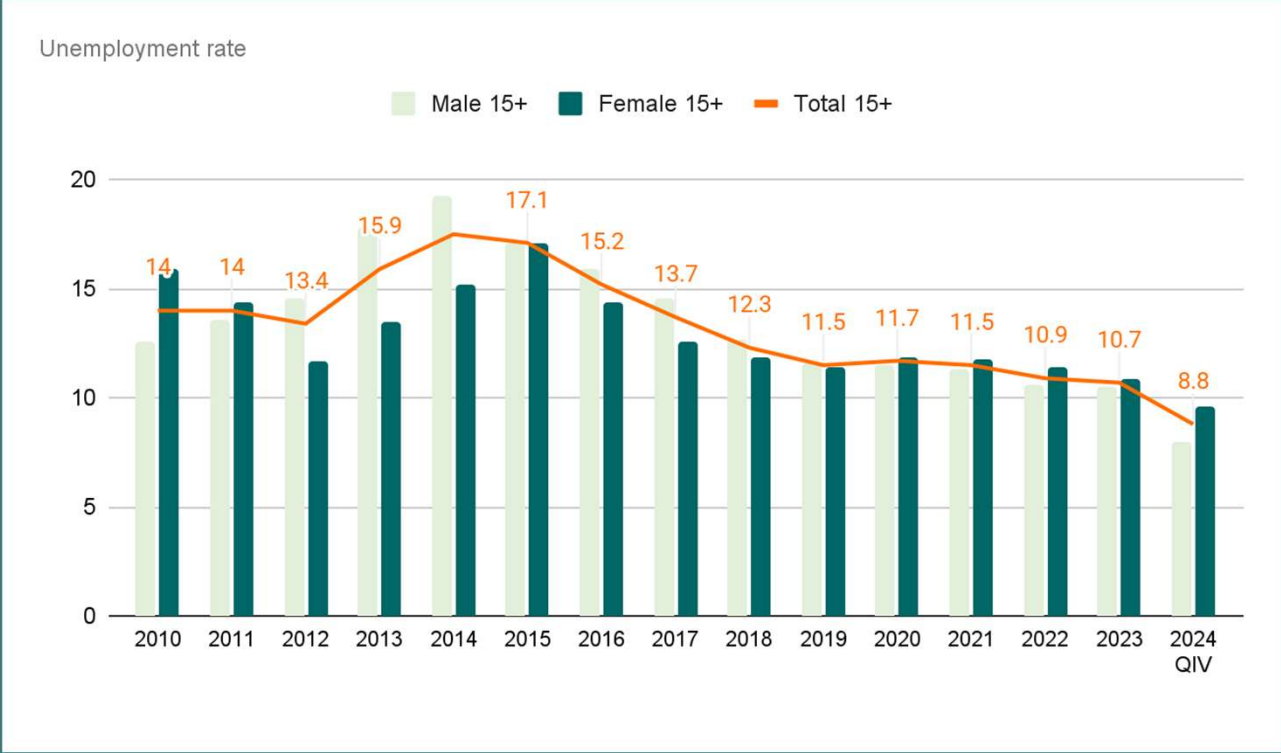
CREDIT TO ECONOMY



By December 2024, total credit to the economy in Albania reached 834.7 billion lek, marking a 12% increase compared to December 2023. The majority of new credit in 2024 was directed toward the wholesale and retail trade, construction, and manufacturing sectors.

Source: Bank of Albania

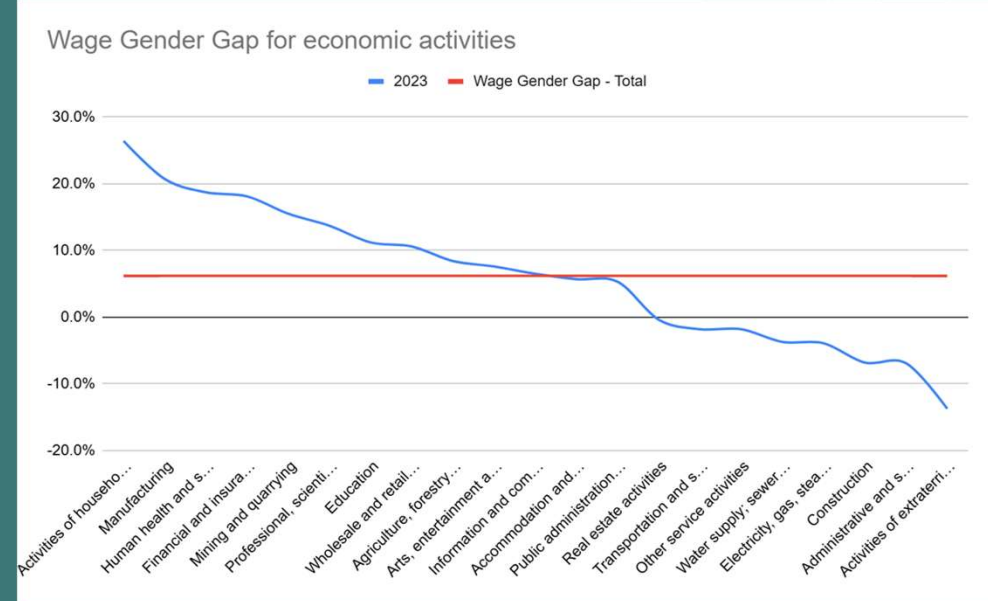
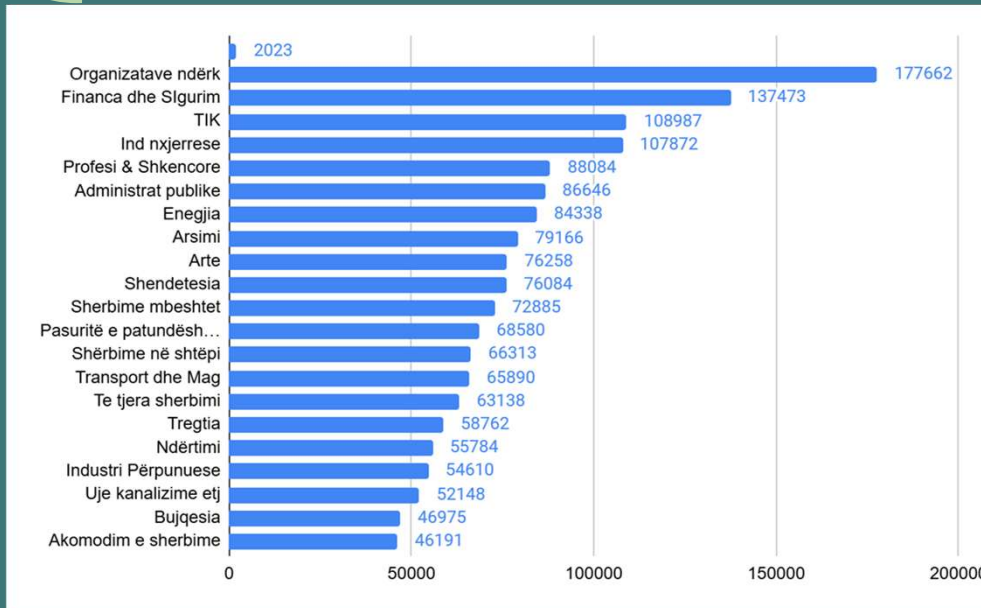
LABOUR FORCE



In the fourth quarter of 2024, according to preliminary data, the unemployment rate for the population aged 15 and over was 8.8%. The rate was higher among women at 9.6%, compared to 8% for men.

Source: INSTAT

AVERAGE SALARY BY SECTORS (IN ALL)

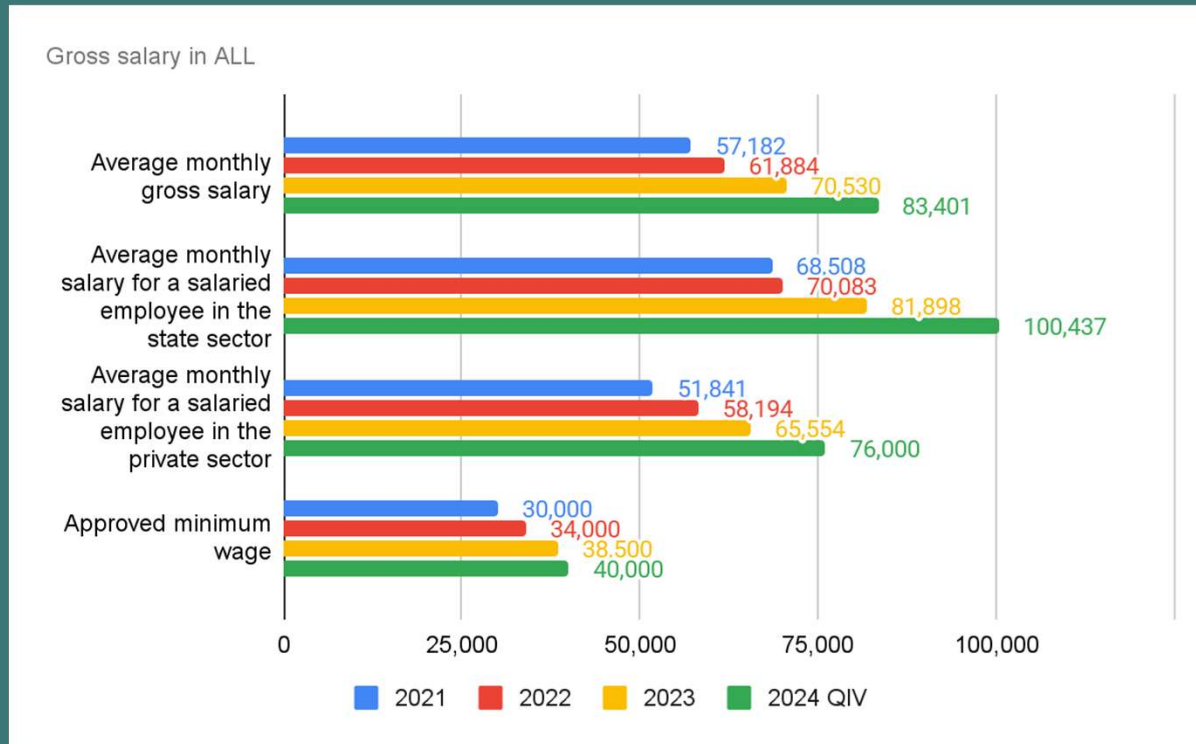


In 2023, the highest salaries in Albania were recorded in the "Activities of International Organizations" sector, followed by "Financial and Insurance Activities," and "Information and Communication," a trend that has now been consolidated. The lowest salaries were reported in the "Agriculture, Forestry, and Fishing" sector. During 2023, there was an overall increase in the average salary across all sectors, with an average increase of 14%. The highest salary increases were observed in the "Home Services," "Real Estate," and "Public Administration" sectors. The gender wage gap in Albania for 2023 was estimated at +6.2%.

Average monthly salary is the gross salary that an employee receives for the work he has done

Source: INSTAT

AVERAGE WAGE AND MINIMUM WAGE

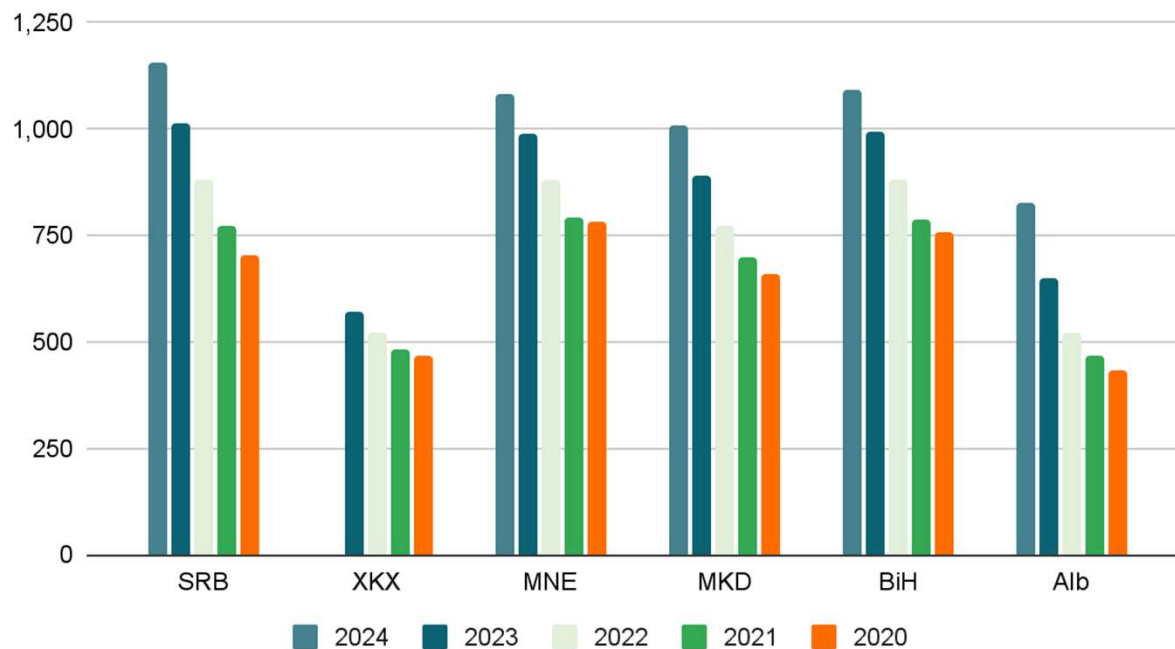


In the fourth quarter of 2024, the average salary was reported at 83,401 lek, an 18% increase compared to 70,539 lek in 2023. The average monthly salary for an employee in the private sector was 76,000 lek, marking a 16% increase from 2023, while the average monthly salary for an employee in the public sector was 100,437 lek, reflecting a 23% increase compared to 2023. Additionally, the minimum wage was raised to 40,000 lek from the second quarter of 2023.

Note: Data are averages of quarterly figures published by INSTAT.

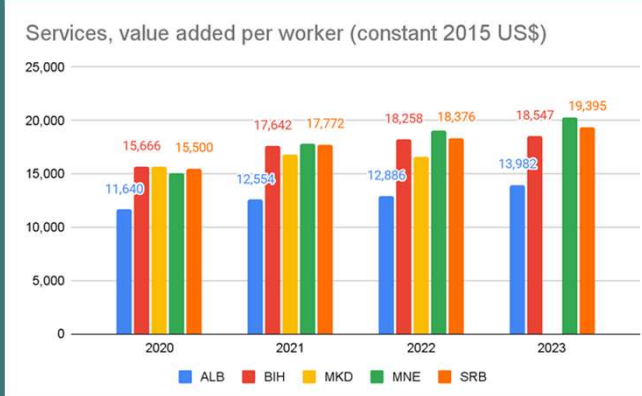
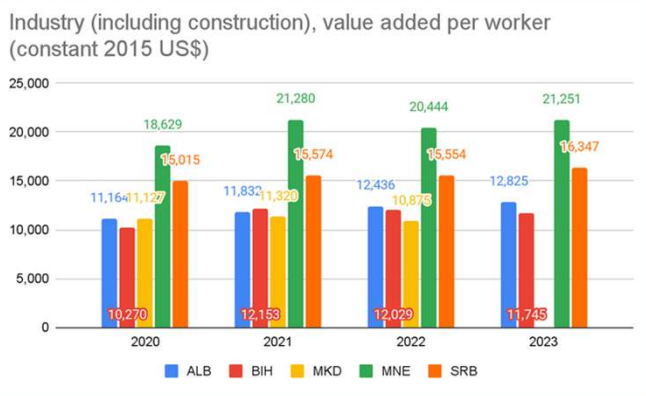
LABOUR COST FOR THE WESTERN BALKANS

Average wages for an employee in the Western Balkans (EURO)

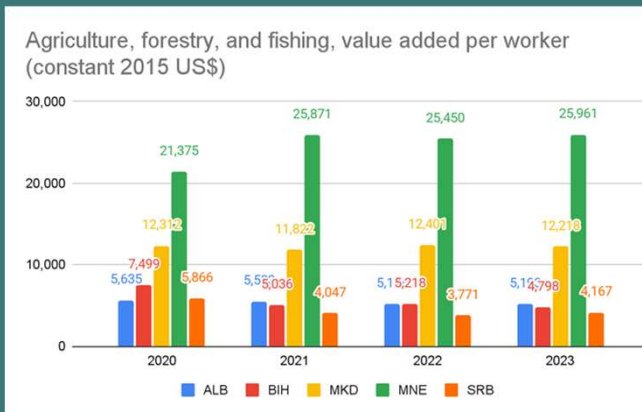


Albania continues to have the lowest average salary in the region along with Kosovo.

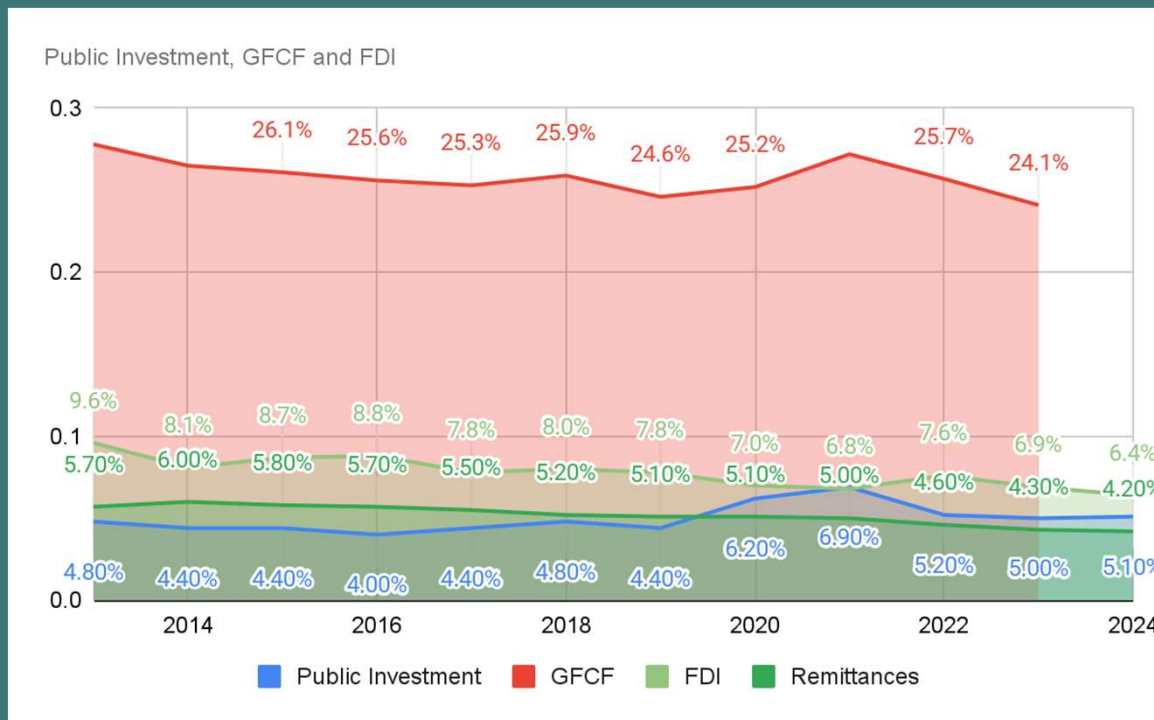
ADDED VALUE FOR EMPLOYEES



The largest disparities in labour productivity are observed in the Agriculture, Forestry, and Fishing sector, where Montenegro shows significantly higher productivity compared to Albania. In terms of labour productivity, Albania ranks last in the region, particularly in the Agriculture and Services sectors.

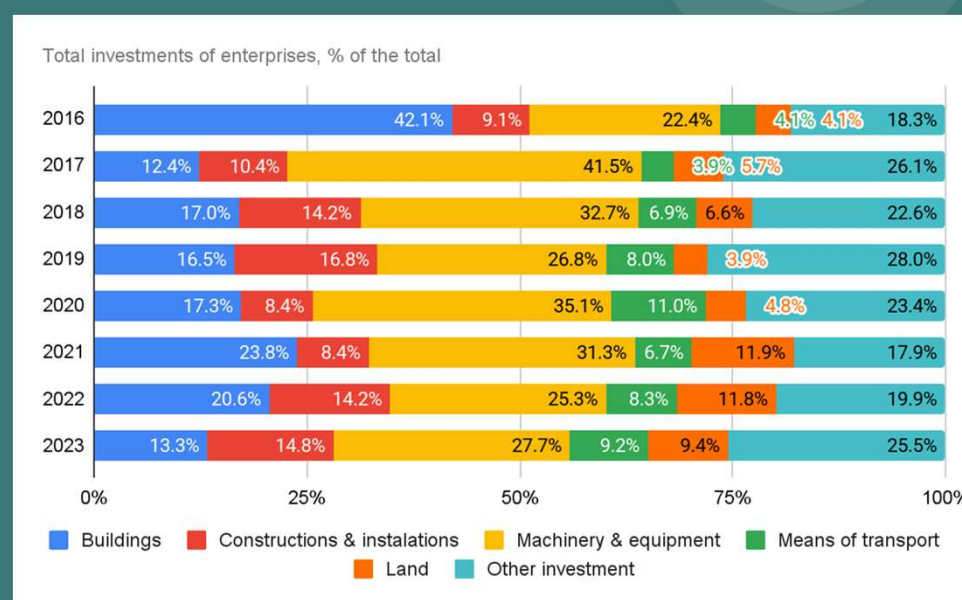
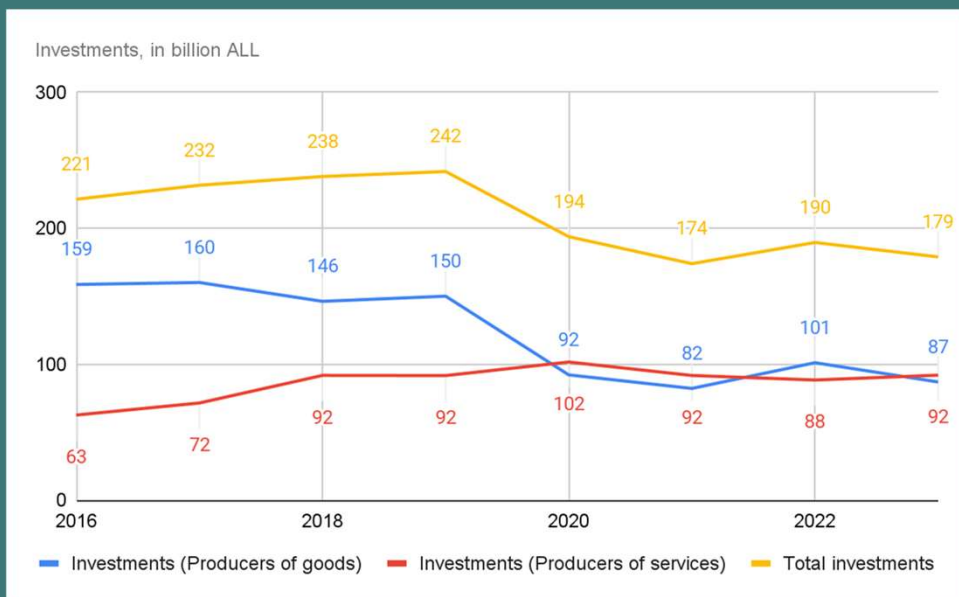


INVESTMENTS IN ALBANIA



In 2023, gross fixed capital formation reached 24.1%. Public investment for 2023 accounted for 5.1% of GDP, while foreign direct investment (FDI) stood at 6.4% of GDP. In 2024, remittances amounted to 1,045 million euros, which is equivalent to 4.4% of GDP.

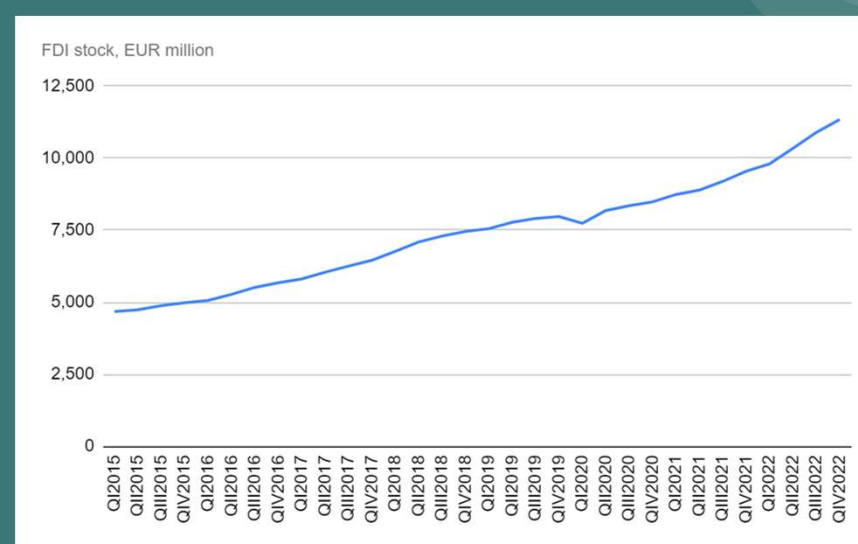
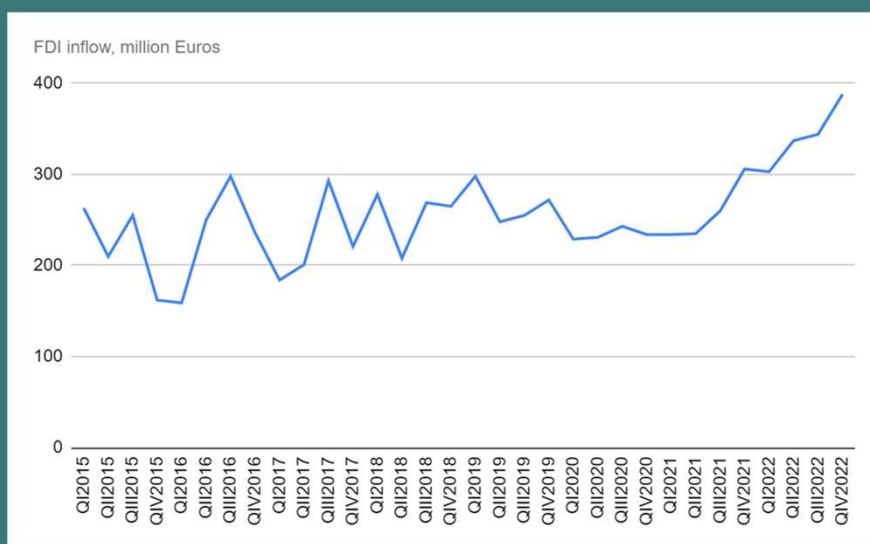
INVESTMENTS BY SECTORS



According to the Structural Enterprise Survey, private investments in Albania fell by 5.6% during 2023. The decline was particularly noticeable in investments within goods manufacturing enterprises, while investments in service-producing enterprises saw an increase. The majority of investments in 2023 were directed toward Machinery and Equipment, which experienced an increase compared to the previous year.

Source: INSTAT, Structural Enterprise Survey

FOREIGN DIRECT INVESTMENTS



In 2024, foreign direct investment (FDI) inflows in Albania increased by 5.6% compared to the previous year. Although FDI inflows have been somewhat volatile due to business cycles, the FDI stock has generally followed an upward trend since 2015, peaking before the 2019 fiscal year and then recovering starting in 2020. In 2024, FDI inflows totaled 1,583 million euros, of which 853 million euros were reinvested earnings, a figure that has been increasing since 2017. Additionally, the FDI stock grew by 16% compared to the previous year, reaching a total of 15,412 million euros.

Source: Bank of Albania

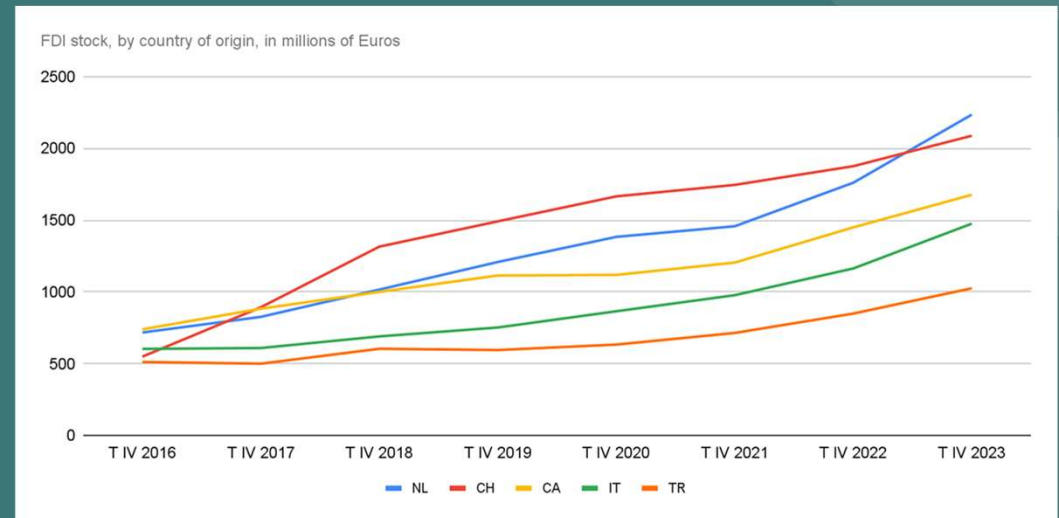
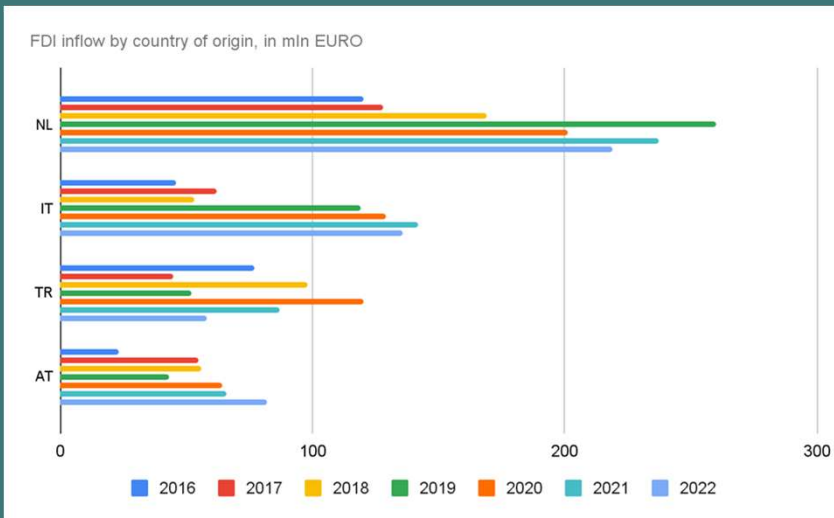
FOREIGN INVESTMENTS IN ALBANIA



In 2024, foreign investment flows in Albania continued their consistent trend, maintaining 6.4% of GDP. Meanwhile, the FDI stock reached 62.1% of GDP.



FOREIGN DIRECT INVESTMENTS

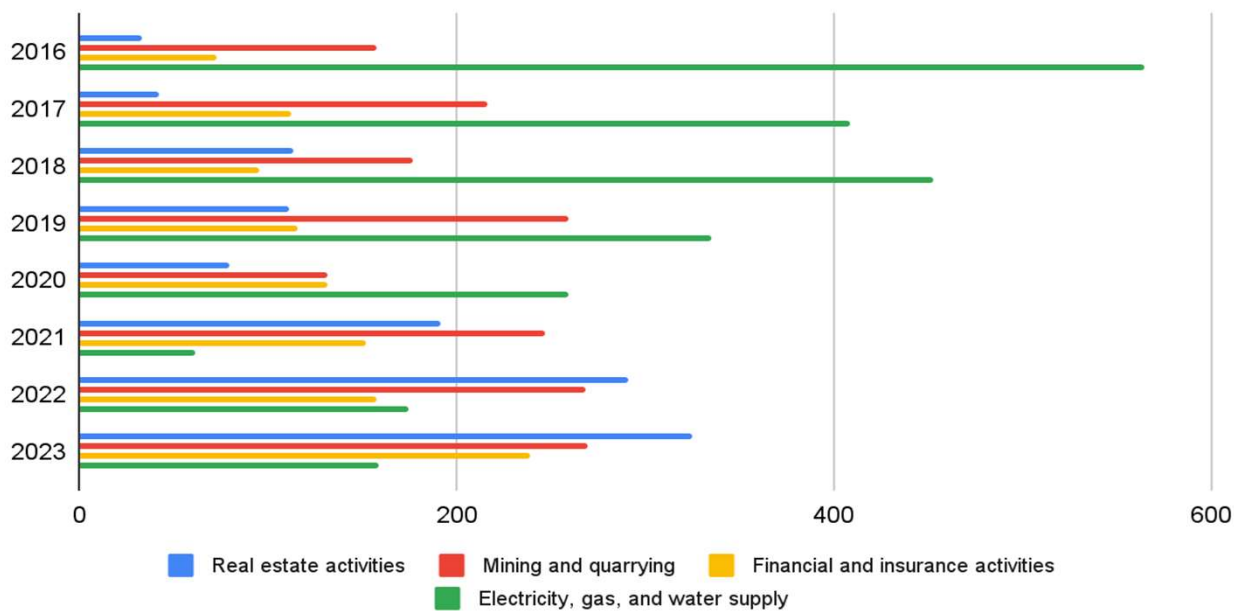


In 2024, Turkey was the leading country in terms of FDI inflows to Albania, with 257 million euros, followed by Italy and the Netherlands, with 200 million euros and 176 million euros, respectively. However, a decline in inflows from the Netherlands was noted, as it had led with 304 million euros a year earlier. In terms of FDI stock in the 2024 (QIV), the Netherlands continues to lead, with a stock of 2,544 million euros, followed by Switzerland with 2,267 million euros.



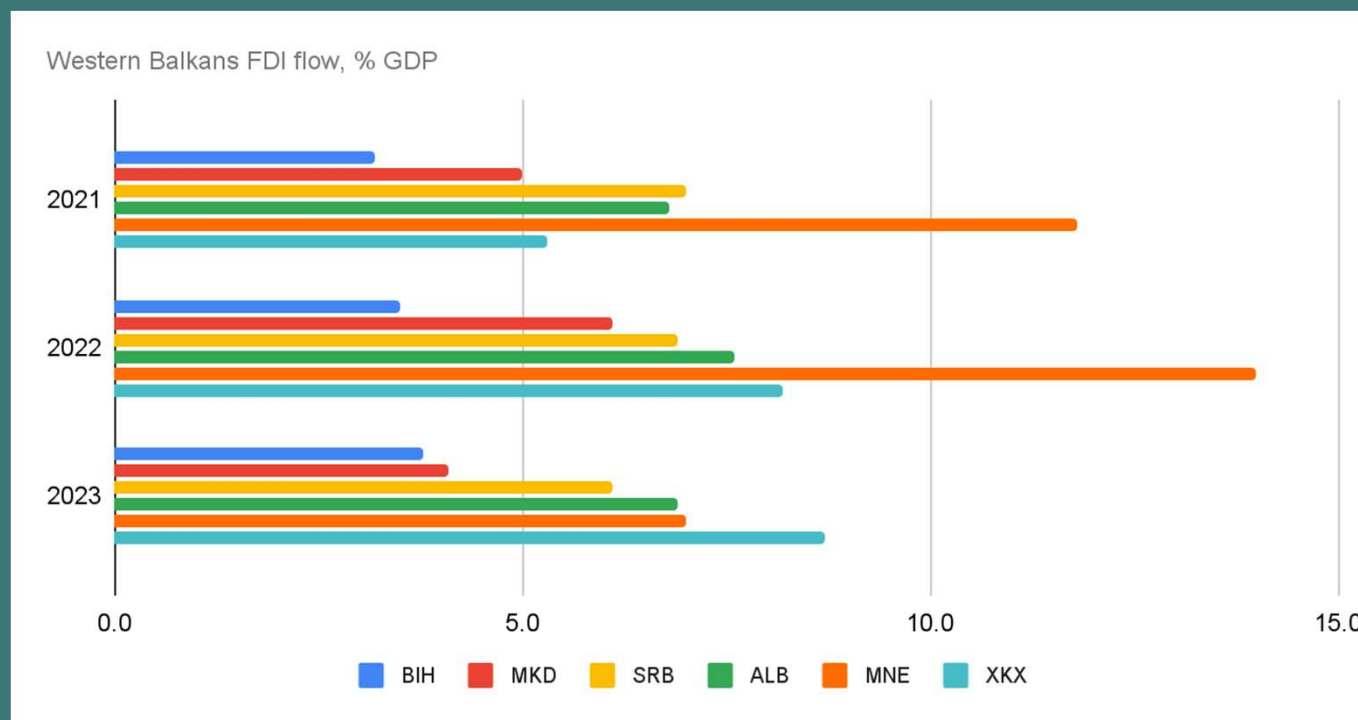
FOREIGN DIRECT INVESTMENTS

FDI flow according to economic activity, in millions of Euros



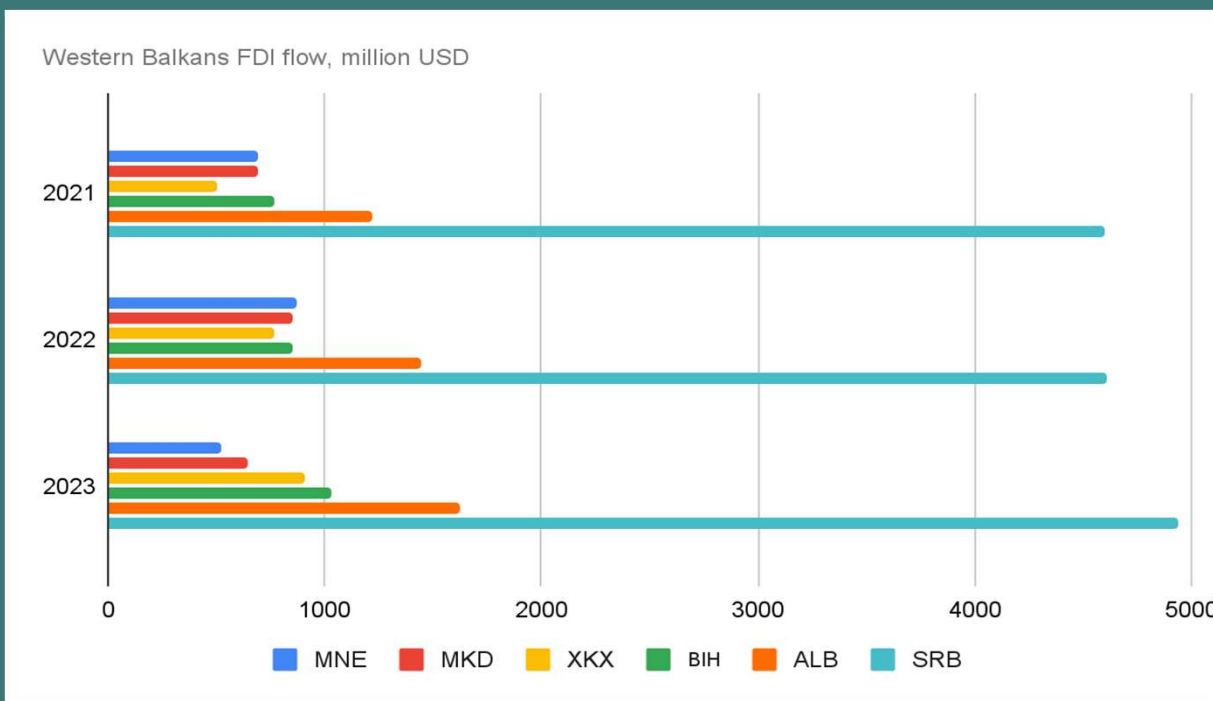
In 2024, real estate investments remained the most preferred activity for foreign investors, with a total of 379 million euros invested, representing a 17% increase compared to the previous year. On the other hand, Agriculture, Forestry, and Fishing were the least attractive sectors for foreign investors in Albania.

FDI INFLOWS IN THE WESTERN BALKANS



In 2023, Kosovo led the region in terms of FDI flows as a percentage of GDP, with 8.7%. Albania ranked third in the region, with FDI flows accounting for 6.9% of GDP. Overall, FDI flows as a percentage of GDP have decreased in all G20 countries, with the exception of Kosovo and Bosnia and Herzegovina, which saw a slight increase compared to the previous year.

FDI INFLOWS IN THE WESTERN BALKANS



In 2023, Serbia's FDI inflows amounted to 4.9 billion USD, while Albania's FDI inflows reached 1.6 billion USD. Montenegro had the lowest FDI inflows in the region, with just 526 million USD. Bosnia and Herzegovina saw the highest increase in FDI inflows, rising by 22%, followed by Kosovo with a 19% increase. Meanwhile, Montenegro experienced the largest decrease in the region, with a drop of approximately 347 million USD.

STOCK AND ENTERPRISE PROFILE

The structure of enterprises in the Albanian economy is dominated by small enterprises with 1-9 employees.

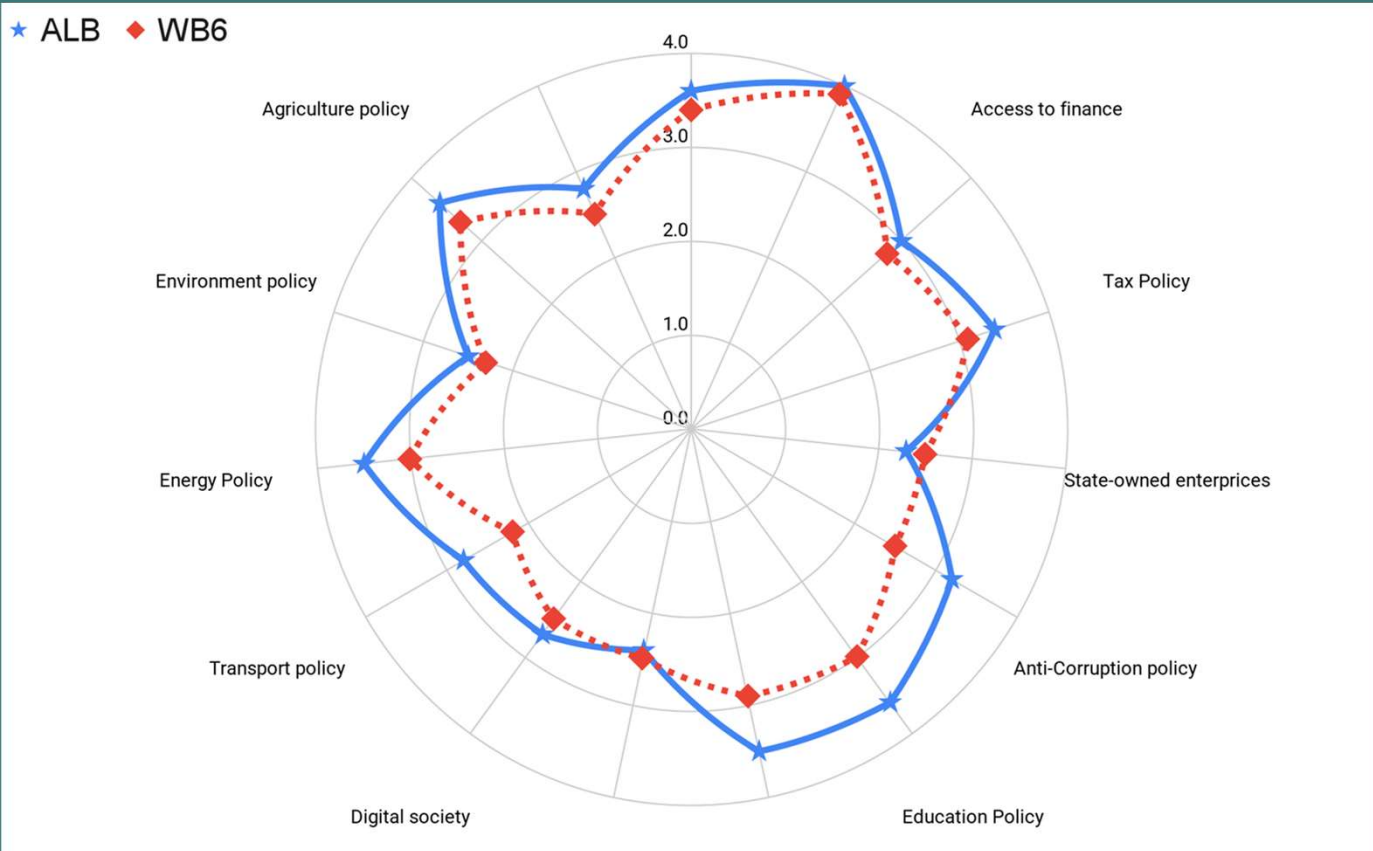
Stock and Enterprise Profile does not include agriculture, fisheries, monetary and financial intermediation activities, public administration and defence, as well as activities of international organisations.

Indicators	Number of enterprises					
Year	2018	2019	2020	2021	2022	2023*
Micro Enterprises (1-9 employees)	100,876	96,924	95,558	97,022	106,132	109,661
Small Enterprises (10-49 employees)	5,246	5,736	5,674	5,608	5,842	6,176
Medium Enterprises (50-249 employees)	1,147	1,251	1,173	1,227	1,306	1,286
SME (1-249 employees)	107,269	103,911	102,405	103,857	113,279	117,123
Large Enterprises (250+ employees)	181	179	169	174	181	168
Total	107,450	104,090	102,574	104,031	113,460	117,292
Indicators	Number of employees					
Year	2018	2019	2020	2021	2022	2023*
Micro Enterprises (1-9 employees)	194,867	196,403	186,400	191,250	206,598	212,212
Small Enterprises (10-49 employees)	102,950	114,451	111,347	111,318	115,007	120,564
Medium Enterprises (50-249 employees)	113,911	122,330	114,767	121,002	128,026	129,322
SME (1-249 employees)	411,727	433,184	412,514	423,570	449,631	462,098
Large Enterprises (250+ employees)	103,979	97,669	91,472	95,669	98,311	97,824
Total	515,706	530,853	503,986	519,240	547,942	559,922

Source: INSTAT



WESTERN BALKANS COMPETITIVENESS OUTLOOK

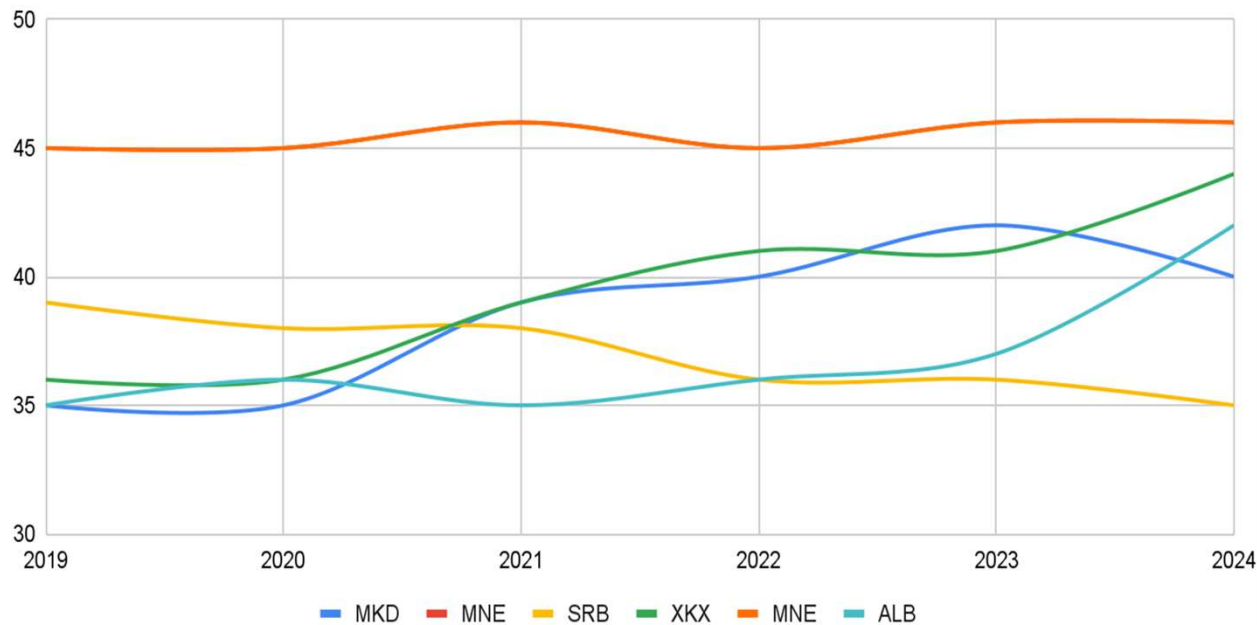


Albania has made significant advancements since Competitiveness Outlook 2021, positively progressing across 14 of the 15 policy dimensions and stagnating in one, state-owned enterprises (SOEs).

Albania experienced the strongest score increases in the areas of anti-corruption, trade policy, and agriculture policies and is outperforming the Western Balkans (WB6) average across 13 policy dimensions.

CORRUPTION PERCEPTION INDEX

Corruption Perception Index, ranking 180 economy



In 2024, Albania ranked 80th out of 180 countries in the global ranking, improving its position by five places compared to the previous year. Albania's index rating also increased from 37 to 42. Among the Western Balkan countries, Montenegro holds the best ranking at 65th, followed by Kosovo at 73rd. Bosnia and Herzegovina has the lowest ranking in the region at 114th, followed by Serbia at 105th.

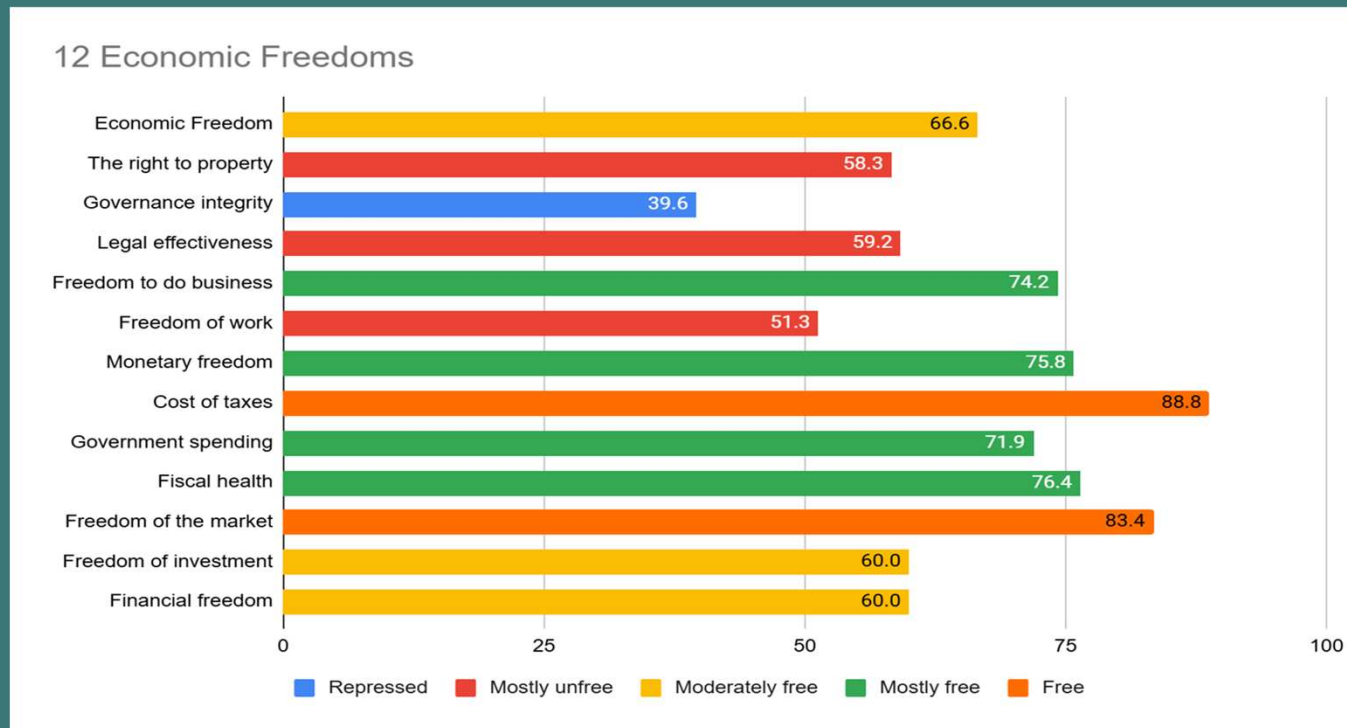


ECONOMIC FREEDOM



In the latest Economic Freedom Index, Albania is rated with an economic freedom index of 66.6, making it the 50th freest economy globally. This rating represents an increase of 1.8 points compared to the previous year. In the Europe region, Albania ranks 27th out of 44 countries. It is classified as a "Relatively Free" economy.

12 ECONOMIC FREEDOMS

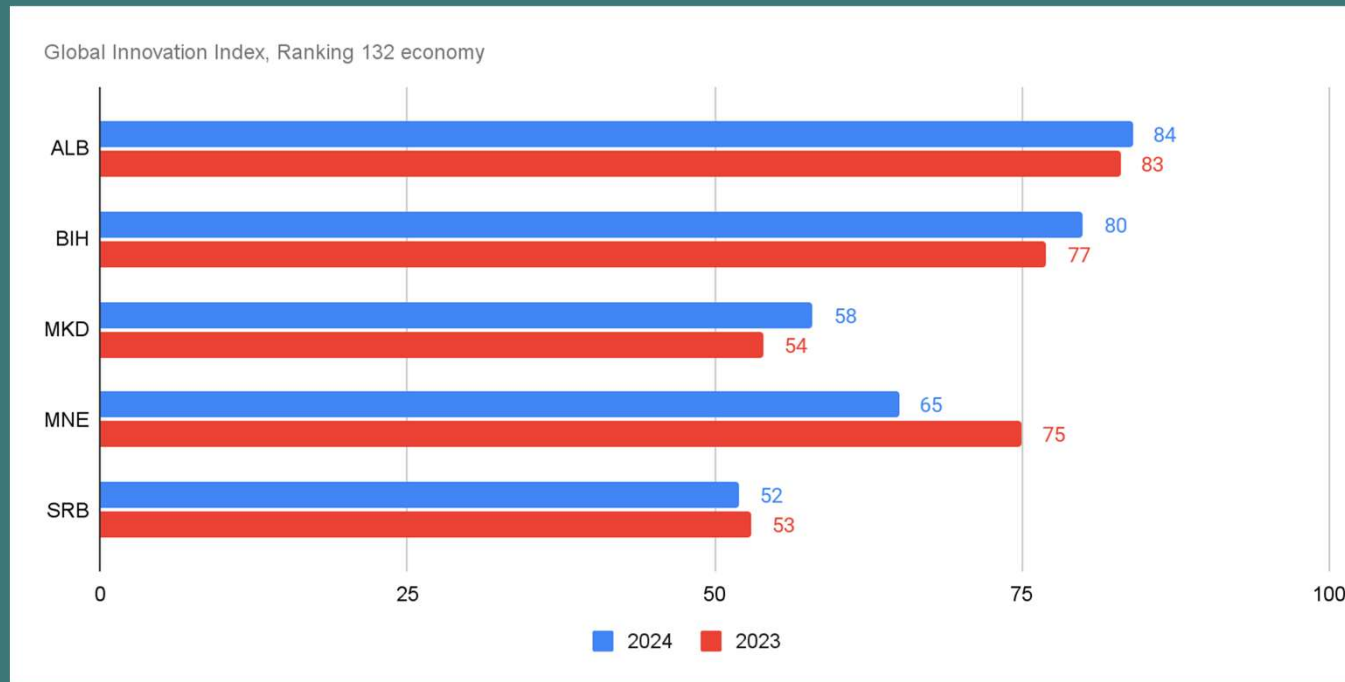


Albania is rated best in terms of Tax Costs and Market Freedom, while it scores lowest in Government Integrity, Labour Freedom, and Property Rights.

The results for the Index of Economic Freedom are generally based on data for the period covering the second half of year t-2 to the first half of year t-1.

Source: www.heritage.com

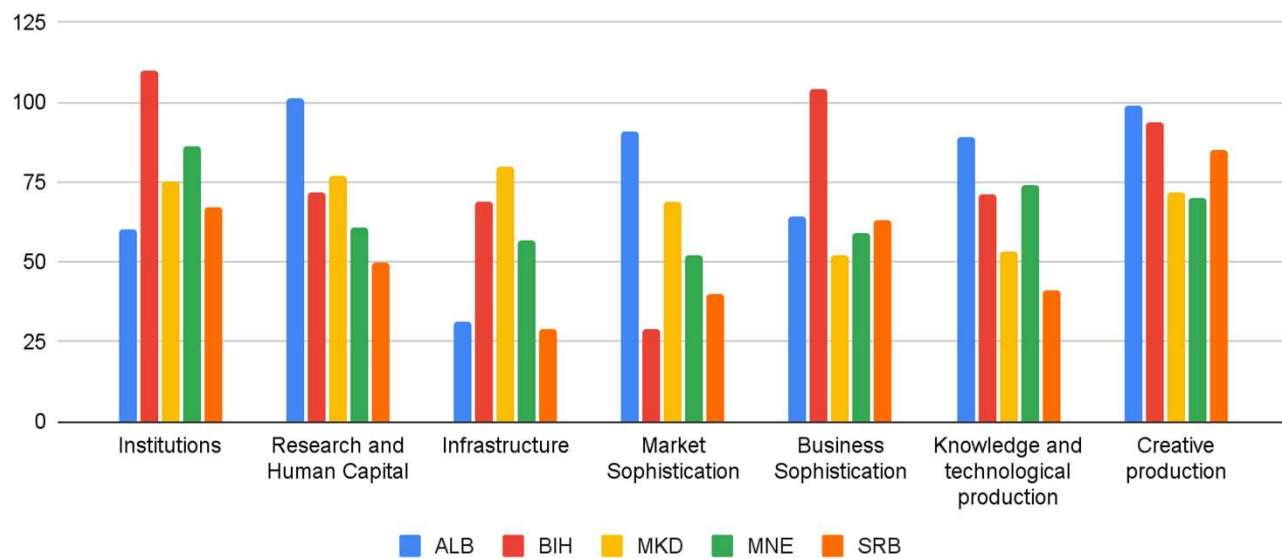
GLOBAL INNOVATION INDEX



In the 2024 Global Innovation Index, Albania ranks 84th out of 133 countries, placing last in the region. It has dropped one position from its ranking in 2023. Serbia leads the region in innovation, ranking 53rd out of 133, followed closely by North Macedonia in 54th place according to the latest GII report.

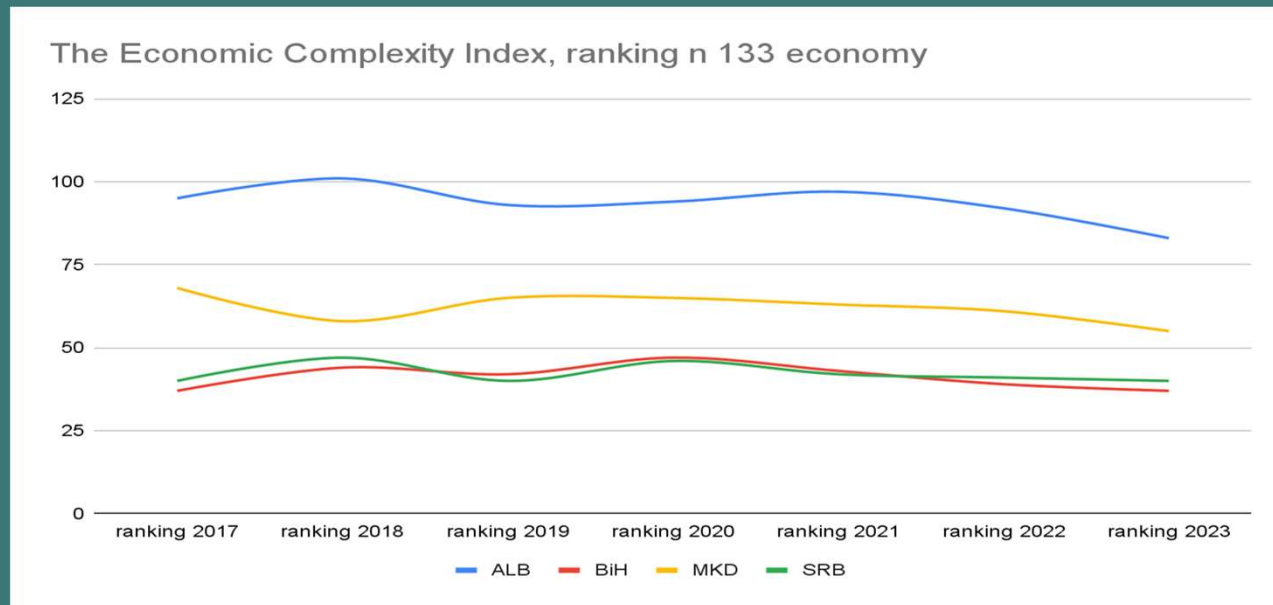
GLOBAL INNOVATION INDEX

Global Innovation Index, Ranking 133 economy year 2024



Albania ranks relatively low in the areas of Research and Human Capital, Market Sophistication, and Knowledge and Technological Production and Creative Production, according to the Global Innovation Index. However, Albania performs better in other areas, such as Infrastructure, Institutions, and Business Sophistication, where it shows stronger results.

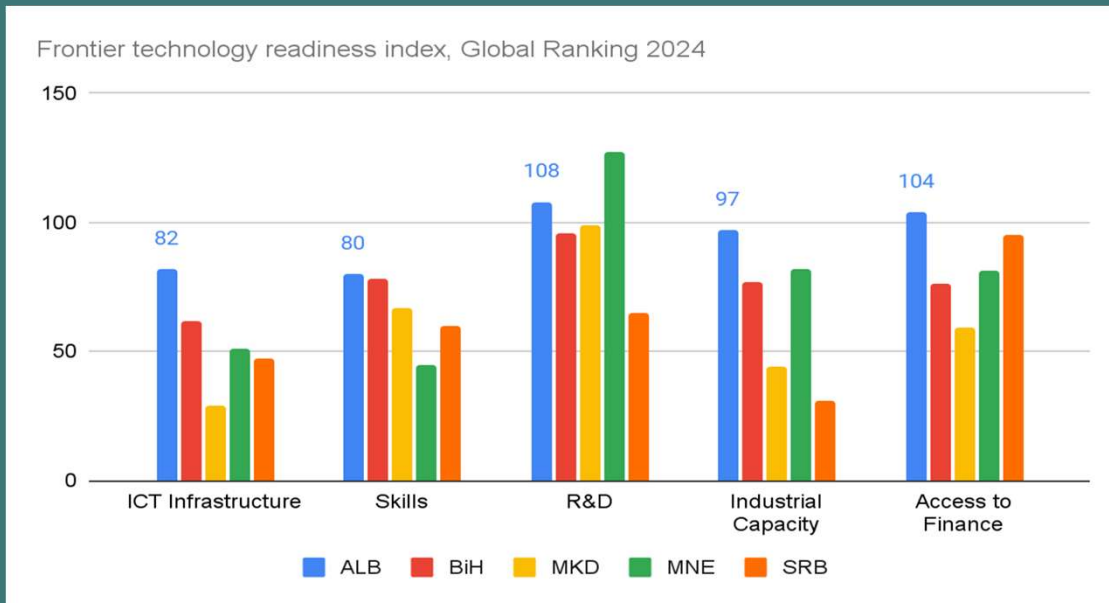
ECONOMIC COMPLEXITY INDEX



In the Economic Complexity Index, Albania ranks 83rd, while Bosnia and Herzegovina ranks 37th and Serbia ranks 40th. The top three countries in the index are Switzerland, Japan, and Singapore, known for their highly complex economies.

Index of Economic Complexity - Ranks countries based on how diverse and complex their export basket is

TECHNOLOGY READINESS INDEX



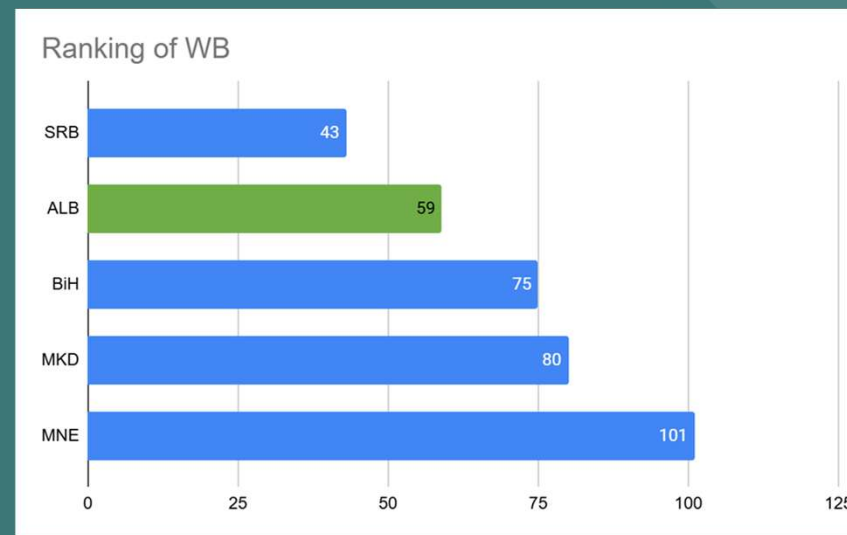
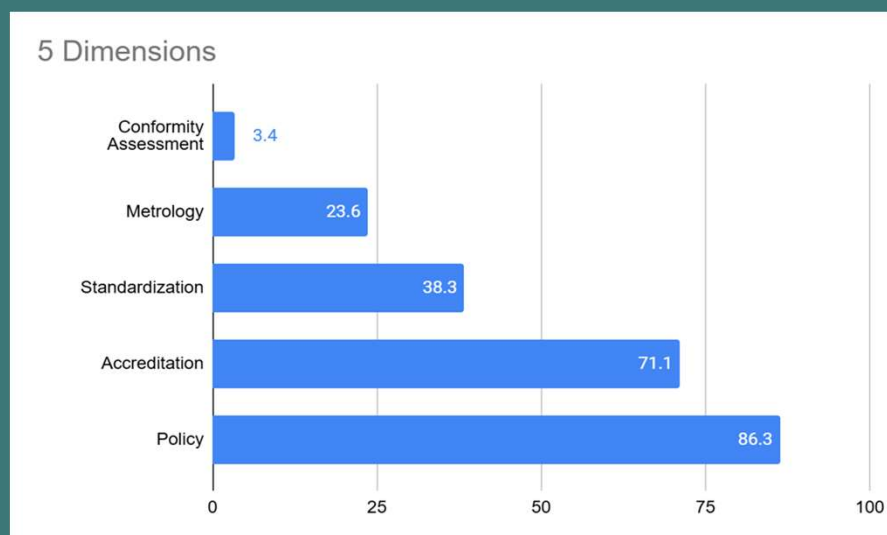
Albania is classified in the group of countries rated below-average in terms of economic complexity, whereas other Western Balkan countries are classified as above-average. This highlights Albania's relatively lower position in the context of economic complexity compared to its regional peers.

Country	Vlerësimi	Ranking
SRB	Upper middle	48
MNE	Upper middle	71
MKD	Upper middle	63
BiH	Upper middle	81
ALB	Lower middle	89

The Advanced Frontier Technology Readiness Index, developed by UNCTAD, evaluates the readiness of countries to adopt and adapt advanced frontier technologies. It assesses 166 economies and categorizes them into four groups: low, below-average, above-average, and high.

Source: www.unctad.org

QUALITY INFRASTRUCTURE FOR SUSTAINABLE DEVELOPMENT INDEX (QI4SD)



Albania has an index value of 44.5, ranking 59th out of 156 countries assessed. Among the Western Balkan countries, Serbia holds the best ranking at 43rd, while Montenegro has the lowest ranking in the region at 101st.

The QI4SD Index summarizes the state of development of the readiness of Quality Infrastructure to support the Sustainable Development Goals.

Source: www.unido.org