

An Overview of Albania's Economic Development Indicators

Secretariat of the Investment
Council

April 2026

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.



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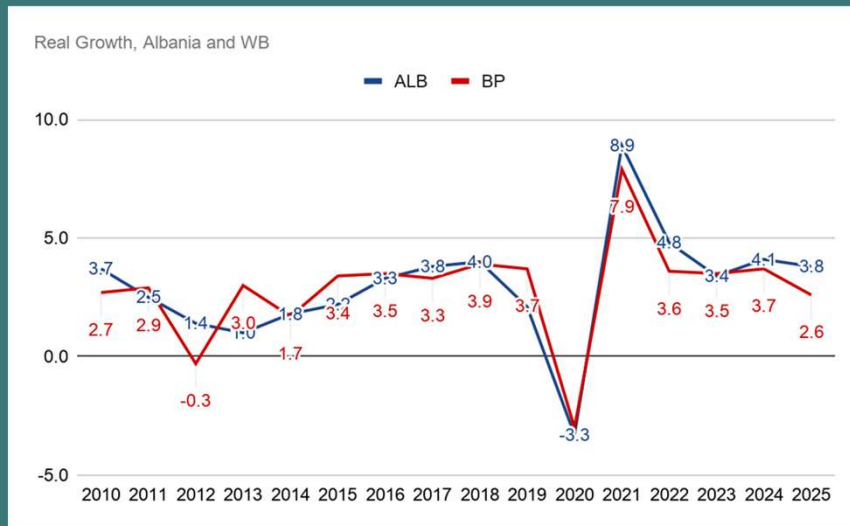
Main Macroeconomic Indicators Year 2025

- ❖ *Based on preliminary data from INSTAT, Gross Domestic Product grew by 3.79% in 2025. On average, international organizations predict lower economic growth for the period 2026–2027 compared to the Albanian government’s forecasts.*
- ❖ *In 2025, exports of goods reached 346 billion lek, decreasing by 6.1%, while imports reached 887 billion lek, decreasing by 0.8% compared to the previous year. As a result, the trade deficit widened to 541 billion lek, an increase of 3.0% year-on-year. The export-import coverage ratio fell to 39%, from 41.3% in 2024.*
- ❖ *The average annual inflation in 2025 was 2.2%, remaining below the Bank of Albania’s 3% target. Total credit to the economy reached 843.7 billion lek in December 2025, representing an annual growth of 13%. New credit was mainly directed towards wholesale and retail trade, construction and manufacturing.*
- ❖ *In the fourth quarter of 2025, the unemployment rate was 8.3% for the population aged 15 and over, with higher unemployment among women (9.4%) compared to men (7.4%).*
- ❖ *Public investment and foreign direct investment (FDI) each accounted for 6.1% of GDP in 2025. Remittances reached 1.1 billion euros in 2025, equivalent to 4.2% of GDP.*
- ❖ *FDI inflows remained stable at 1.63 billion euros in 2025. The total stock of FDI increased by 10%, reaching 16.99 billion euros. The Netherlands remained the largest investor, followed by Italy and Kosovo. Real estate continues to be the most attractive sector for foreign investors, while agriculture remains the least attractive.*

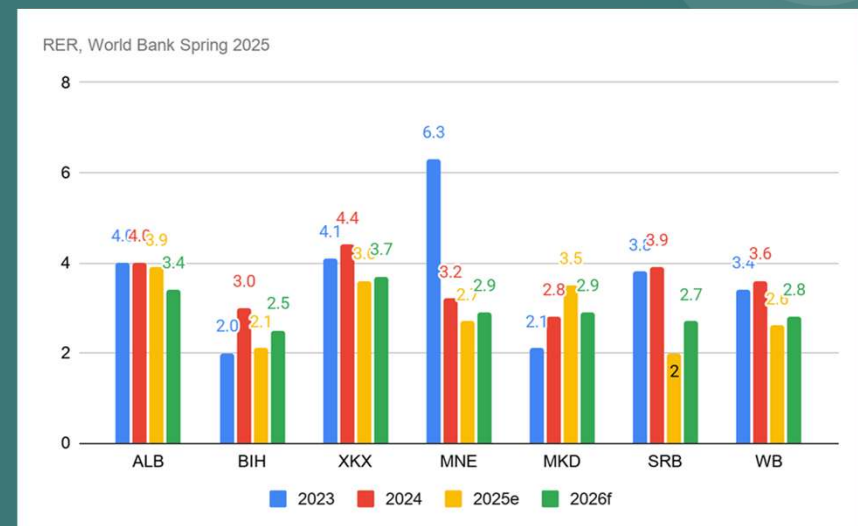
Albania performance according to Global Indexes

- ❖ *Corruption Perceptions Index - Albania ranks 91/180 globally, worsening its position in 2025 from the previous year by 11 places. Albania has lowered its index rating from 42 a year ago, to 39 for 2025.*
- ❖ *Index of Economic Freedom - Albania is rated with an economic freedom index of 68, making its economy the 46th/184th freest in the latest Economic Freedom Index. Albania's economy is considered "moderately free" according to the 2026 Index.*
- ❖ *Global Innovation Index - Albania ranks 67/133 in the Global Innovation Index for 2025, the penultimate in the region, gaining one place from the 2024 ranking but with a significant improvement in the index compared to the previous year, where it was ranked 84/133.*
- ❖ *Economic Complexity Index - Albania ranks 81st in terms of the Economic Complexity Index, while Serbia ranks 37th with the best ranking in the region. Infrastructure Readiness Index in Support of Sustainable Development Goals - The index value for Albania is 44.5, ranking the country in 59th place/156 countries assessed.*

Economic Growth Performance

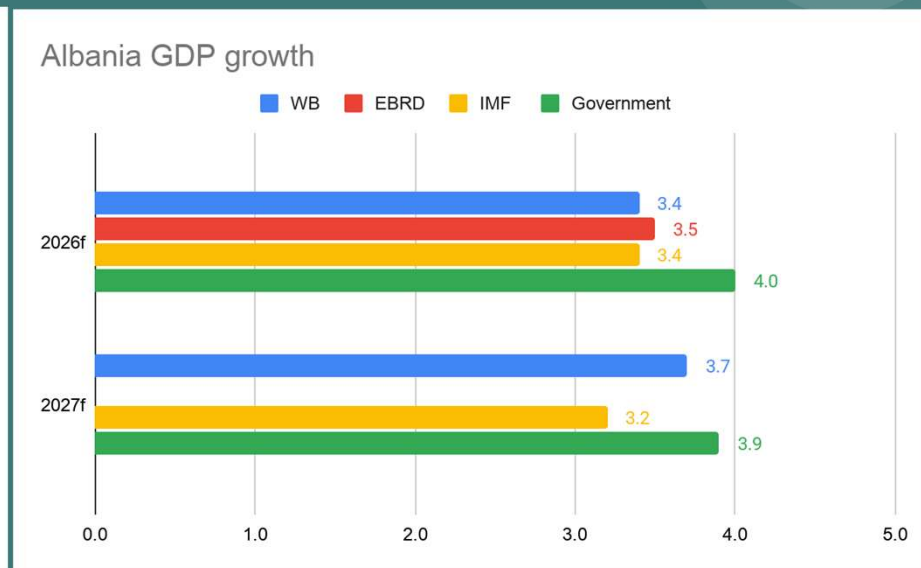
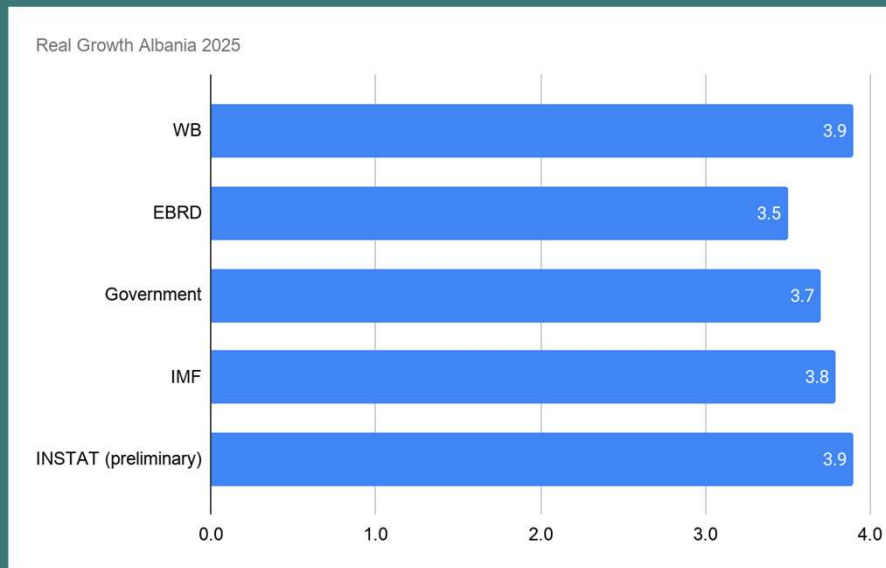


Albania's economic recovery, which began in 2015, slowed down in 2019 and fell in 2020 by -3.3%, a smaller decline than initially forecast, as a result of the COVID-19 pandemic. During 2025, growth is estimated at 3.8% based on preliminary INSTAT estimates.



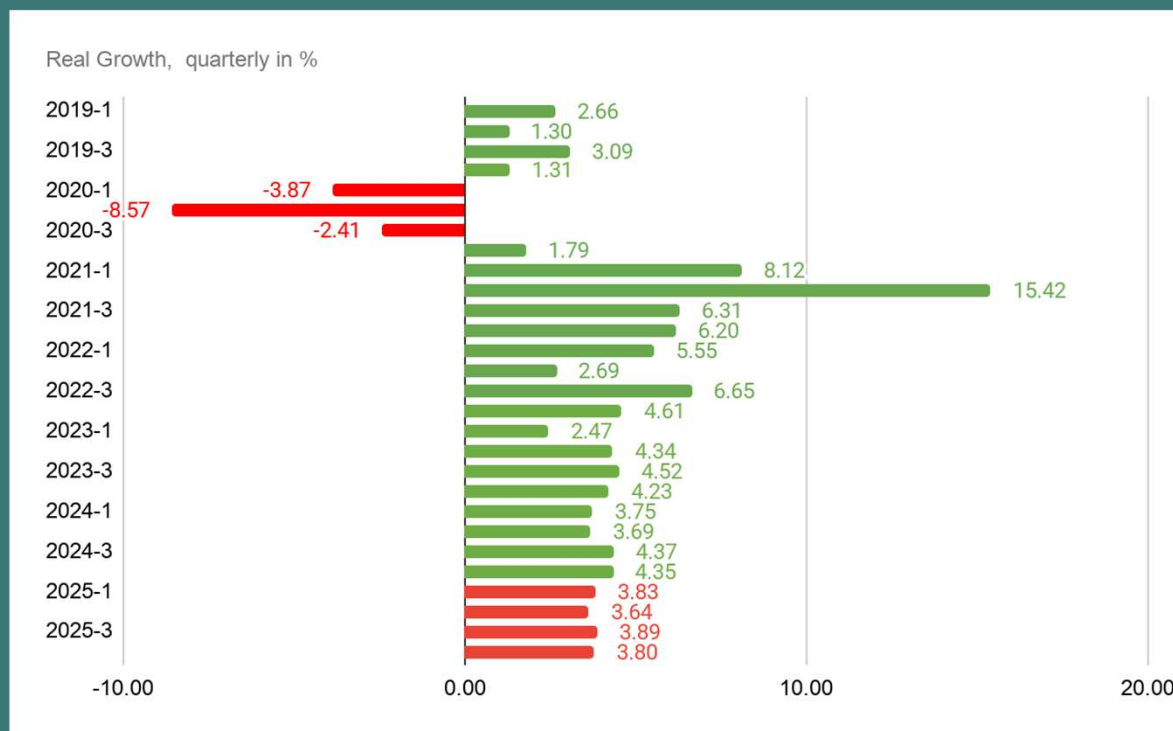
Based on the WB estimates, during 2025, Albania (3.9%), Kosovo (3.6%) and North Macedonia (3.5%) are estimated to have the highest growth while the lowest growth is estimated in Serbia and Bosnia Herzegovina with 2% and 2.1% respectively. The WB estimates an average growth of 3.2% over the period 2026-2028.

Economic Growth Performance



Based on preliminary INSTAT data, the Gross Domestic Product in Albania increased by 3.79% in 2025. On average, international institutions provide a lower economic growth forecast for the period 2026 - 2027, compared to the Albanian government's forecasts.

Economic Growth Performance



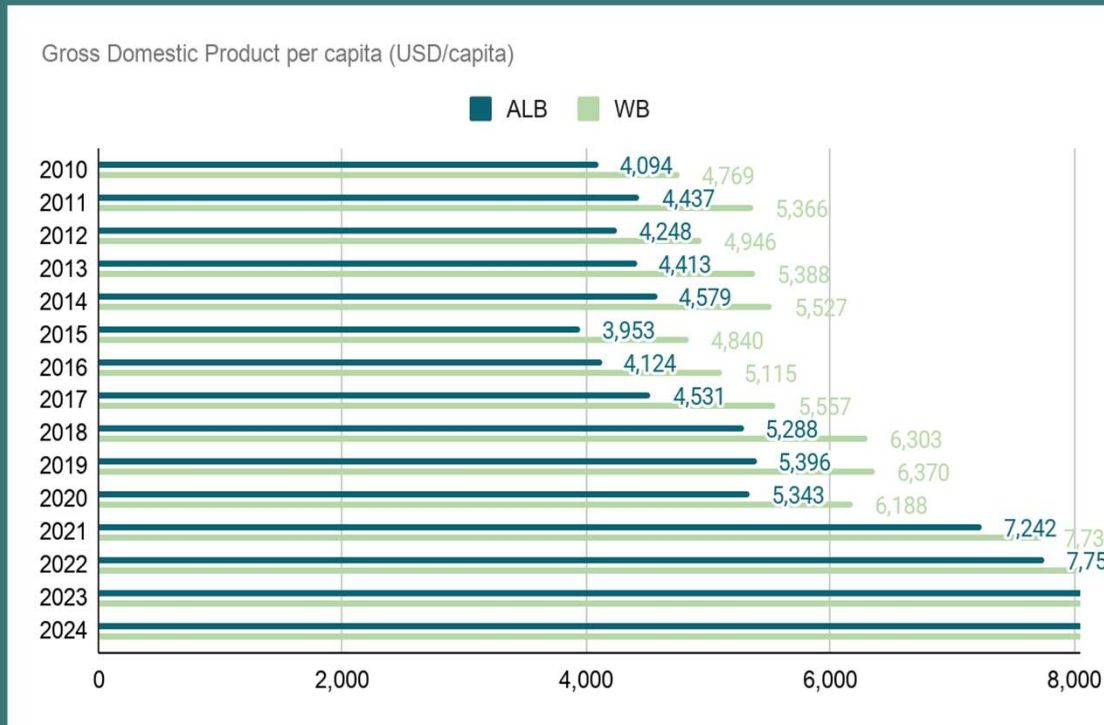
Real Gross Domestic Product increased by 3.80% in the fourth quarter of 2025, compared to the same period in 2024.

The growth was mainly supported by the “Construction” sector (+1.17 p.p.) and “Public Administration, Education and Health” (+1.02 p.p.).

On the other hand, some sectors exerted a negative impact, such as “Agriculture, Forestry and Fishing” (-0.27 percentage points), “Industry, Energy and Water” (-0.16 percentage points) and “Information and Communication” (-0.11 percentage points). Meanwhile, “Net Taxes on Products” made a significant positive contribution of +1.54 percentage points.

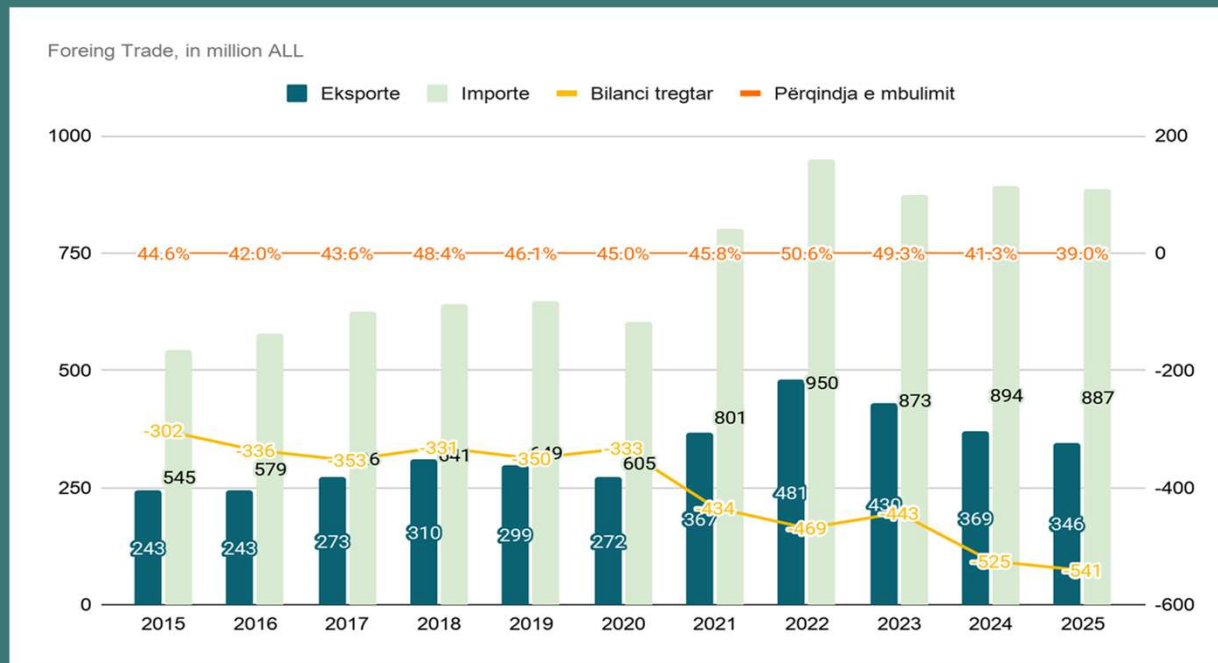
Income Per Capita

For 2024, Albania's per capita income is estimated at USD 11,378 in current value, higher than a year earlier.



Source: World Development Indicators

Circulation of Goods in Foreign Trade

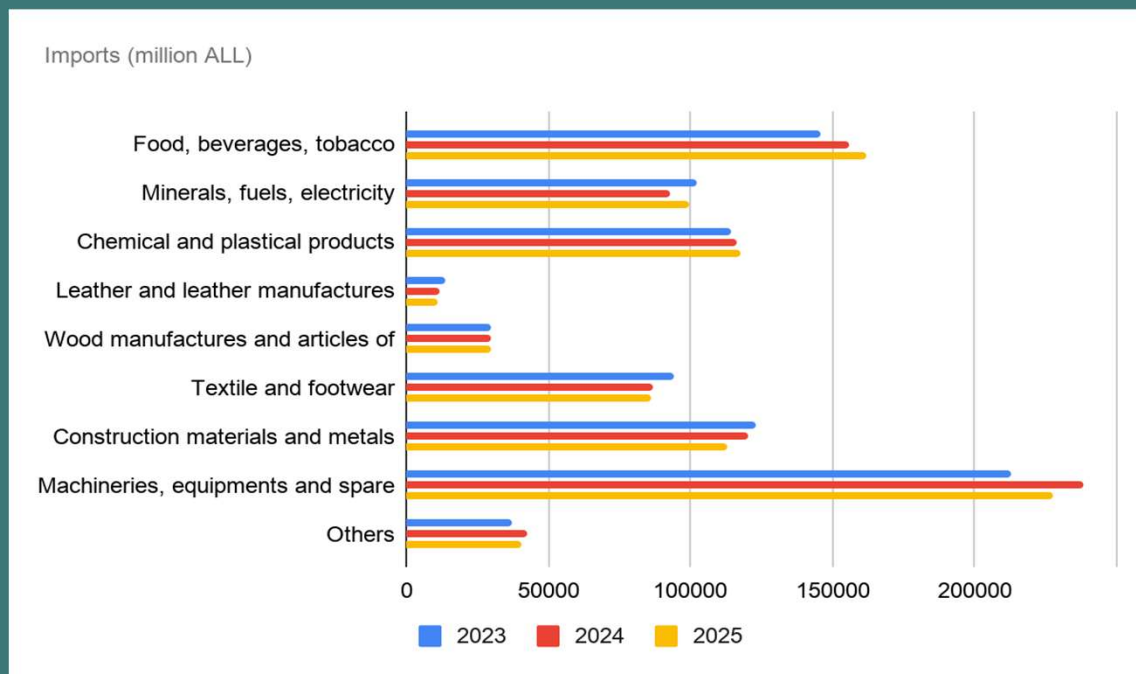


During 2025, exports of goods reached 346 billion lek, decreasing by 6.1%, while imports of goods reached 887 billion lek, decreasing by 0.8%, compared to the previous year.

The trade deficit reached 541 billion lek, increasing by 3.0%, compared to the same period in 2024

The percentage of coverage of exports to imports fell to 39% from 41.3% in 2024.

Circulation of Goods in Foreign Trade



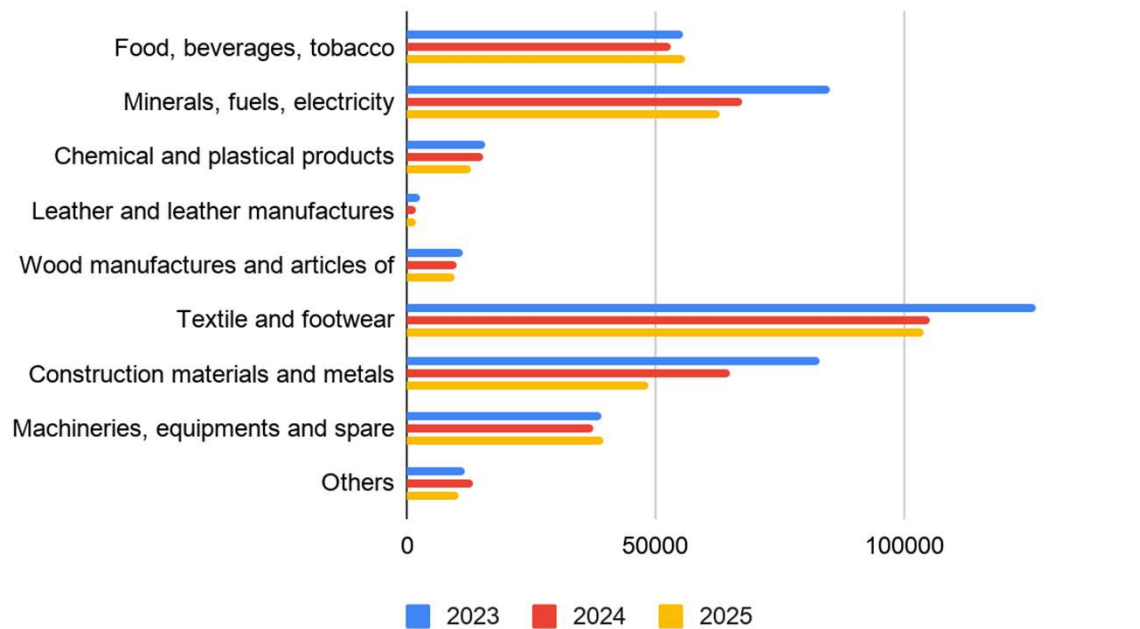
During 2025, imports decreased by 0.8%, compared to the same period in 2024.

The groups that have negatively affected the annual decrease in imports are: “Machinery, equipment and spare parts” with -1.2 percentage points, “Construction materials and metals” with -0.8 percentage points, etc.

While the groups that have had a positive impact are: “Minerals, fuels, electricity” and “Food, beverages, tobacco” with +0.7 percentage points.

Circulation of Goods in Foreign Trade

Exports, in million ALL



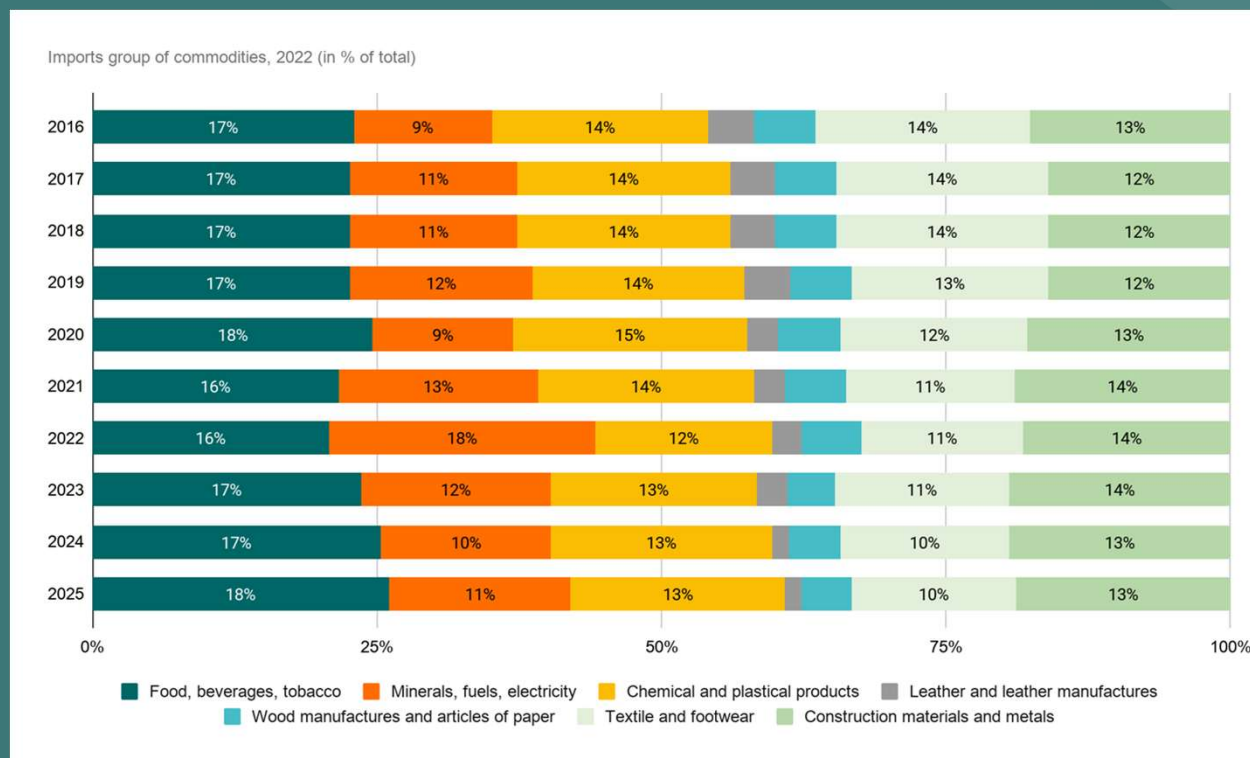
Exports, during 2025, decreased by 6.1%, compared to the previous year.

The groups that have influenced the annual decrease in exports are: “Construction materials and metals” with -4.5 percentage points, “Minerals, fuels and electricity” with -1.3 percentage points, etc.

While the groups that have positively influenced are: “Food, beverages, tobacco” with +0.7 percentage points and “Machinery, equipment and spare parts” with +0.6 percentage points.

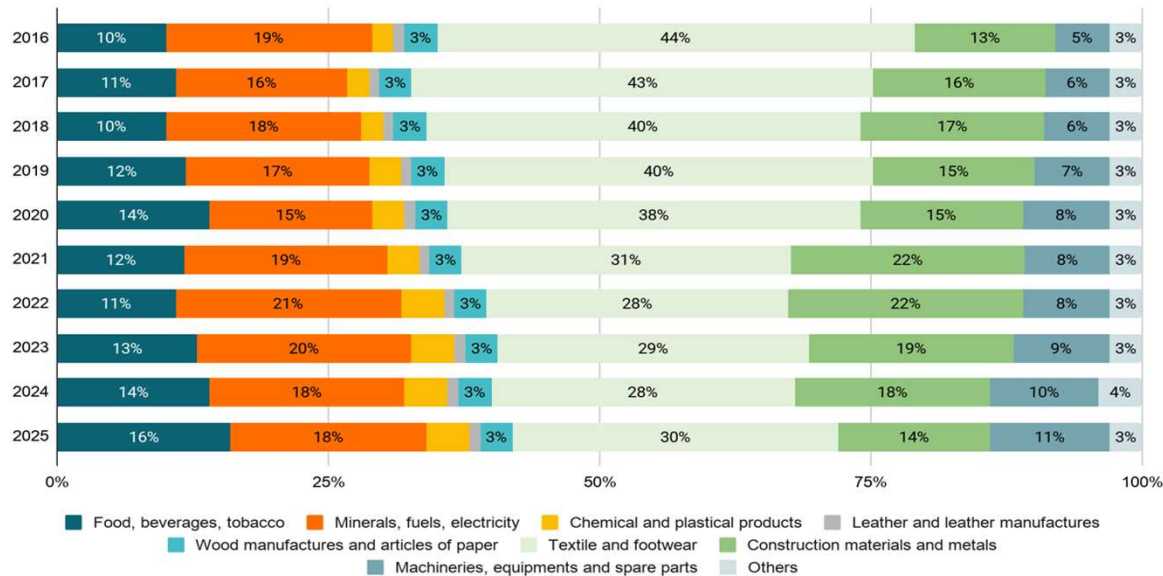
Imports of Goods

The structure of goods imports during 2025 is mainly dominated by Machinery, equipment and spare parts, which has increased over the years, and Food, beverages, tobacco, which has remained constant over the years.



Exports of Goods

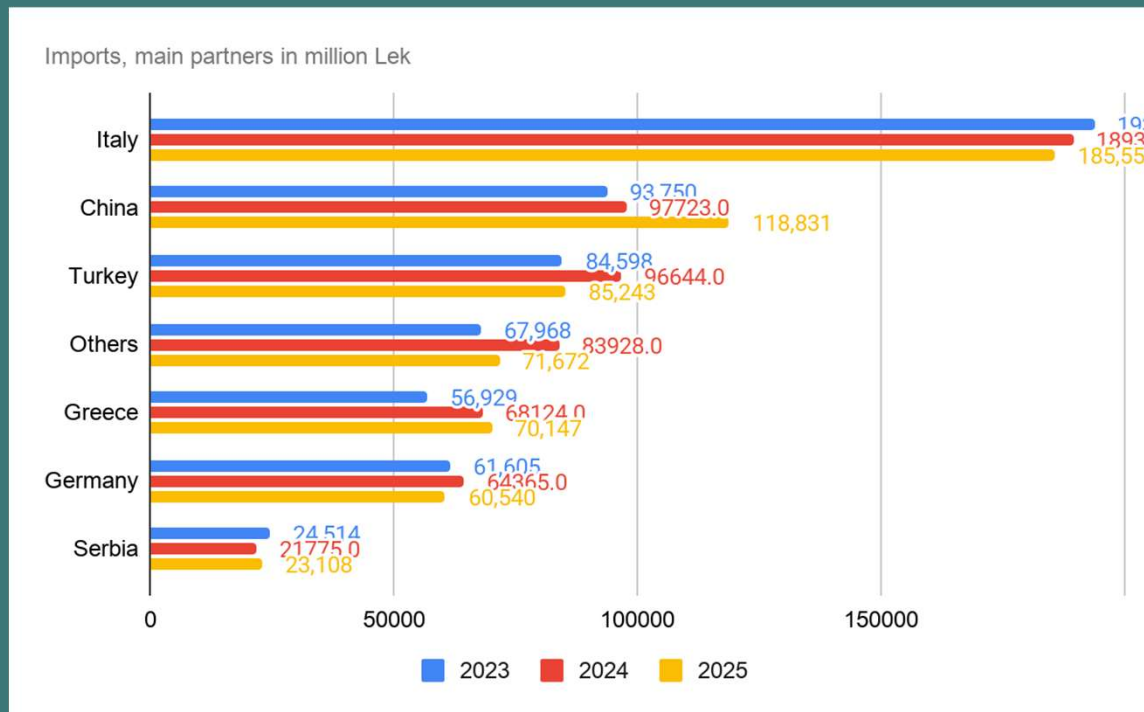
Exports by group commodities, in % of total



Exports by product continue to maintain their structure similar to last year.

Meanwhile, in view of the progress from 2016-2025, a consolidation of the decrease in the percentage of total exports of the “Textiles and Footwear” group and an increase in exports, especially in the Machinery, Equipment and Spare Parts group, is noted.

Circulation of Goods in Foreign Trade

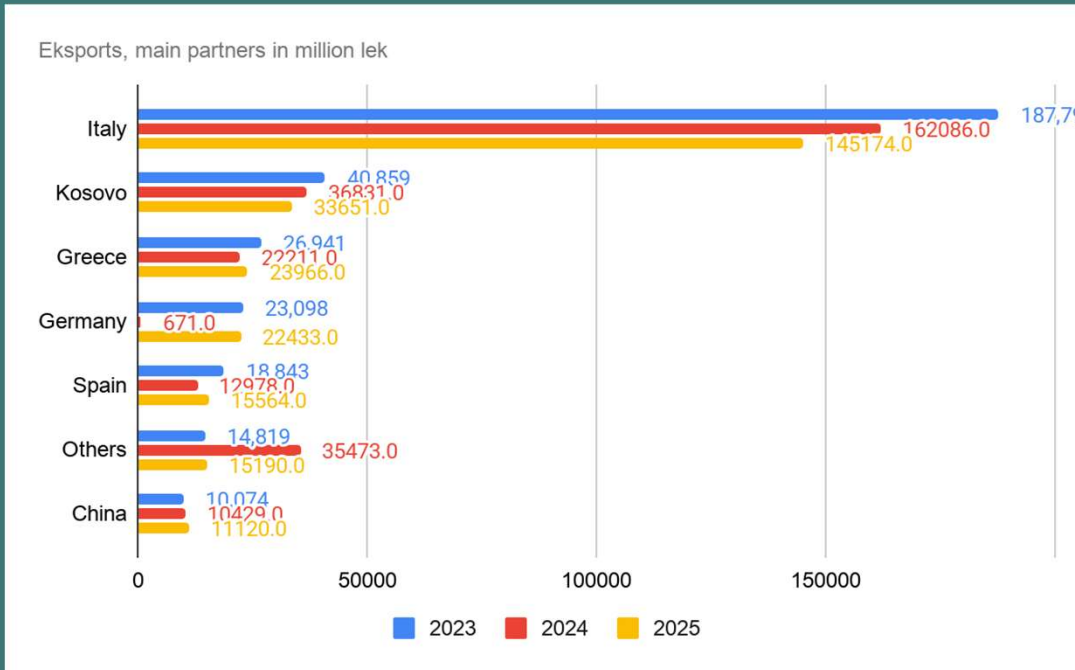


Trade exchanges, for the year 2025, with EU countries account for 57.0% of all trade. Exports to EU countries account for 72.5% of total exports and imports from EU countries account for 51.0% of total imports. The main trading partners are: Italy (26.8%), China (10.5%), Greece (7.6%) and Turkey (7.3%).

During the year 2025, the countries with which Albania has had the largest decrease in exports, compared to the previous year, are: Italy (10.4%), Kosovo (8.6%) and North Macedonia (23.9%).

While the countries with which exports have had the largest increase are: Greece (7.9%), Germany (1.9%) and Spain (19.9%).

Circulation of Goods in Foreign Trade

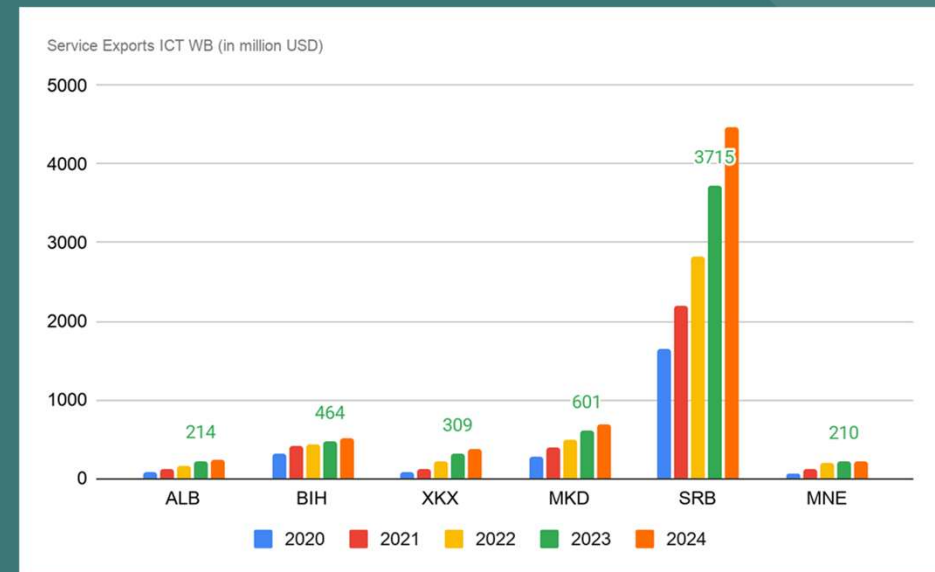


In the period January – December 2025, imports from EU countries accounted for 51% of total imports.

During 2025, the countries with which Albania had the largest decrease in imports, compared to a year earlier, are: Italy (2.0%), Turkey (11.8%) and Germany (5.9%).

While the countries with which imports have had the largest increase are: China (21.6%), Greece (3.0%) and Kosovo (2.3%).

Service Exports Regional Context

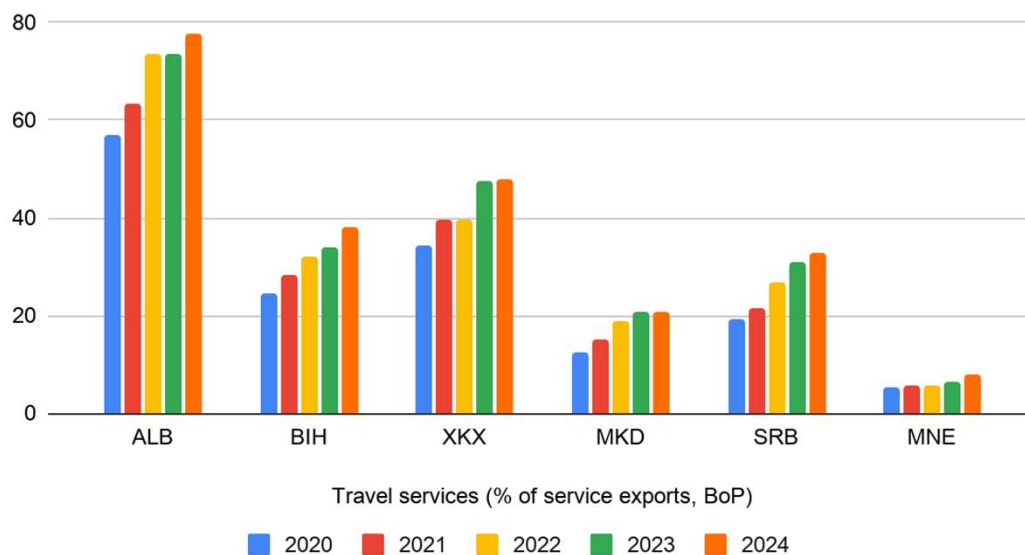


Even in 2024, Albania continues to rank second in the region in terms of services exports. Serbia is first in the Western Balkans region in terms of services exports. Meanwhile, Albania has somewhat improved its ranking in the region in terms of exports in ICT Services.

Source: World Development Indicators

Travel Imports

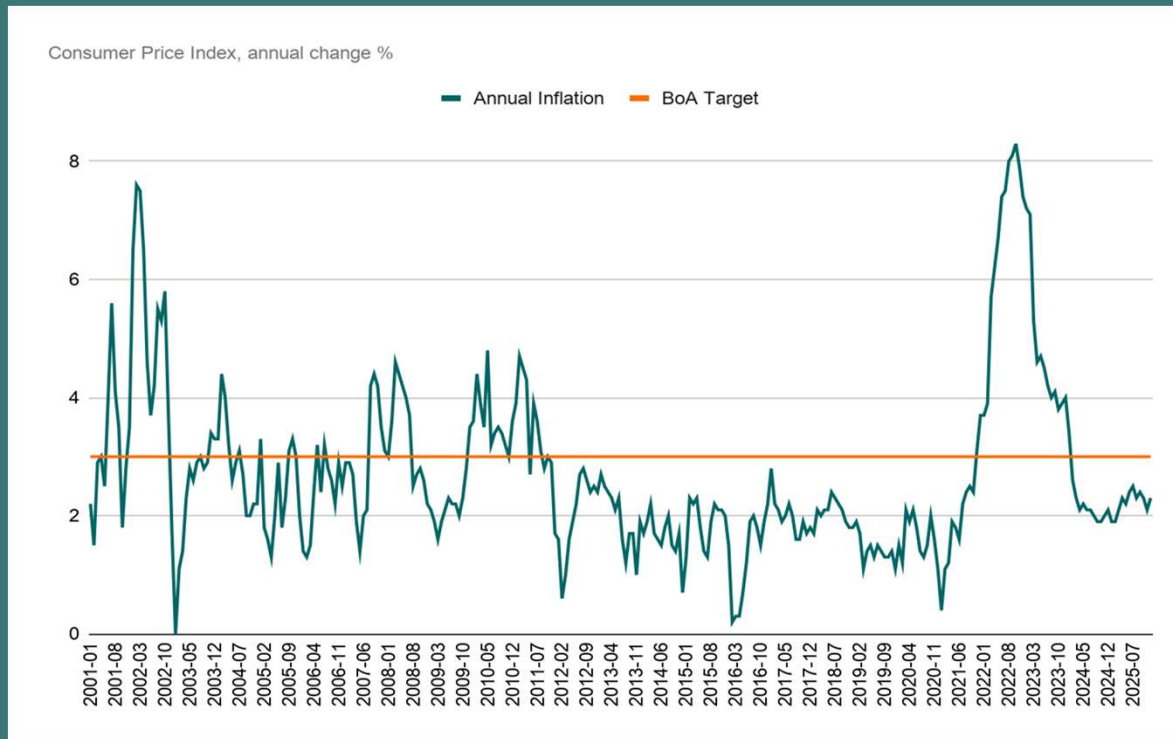
Travel services (% of service exports, BoP)



Albania ranks first in the region in terms of % of travel imports to services imports.

During 2024 this indicator was 77.7% of total services imports. Second place is Kosovo with 47.9% followed by Bosnia and Herzegovina with 38.3%.

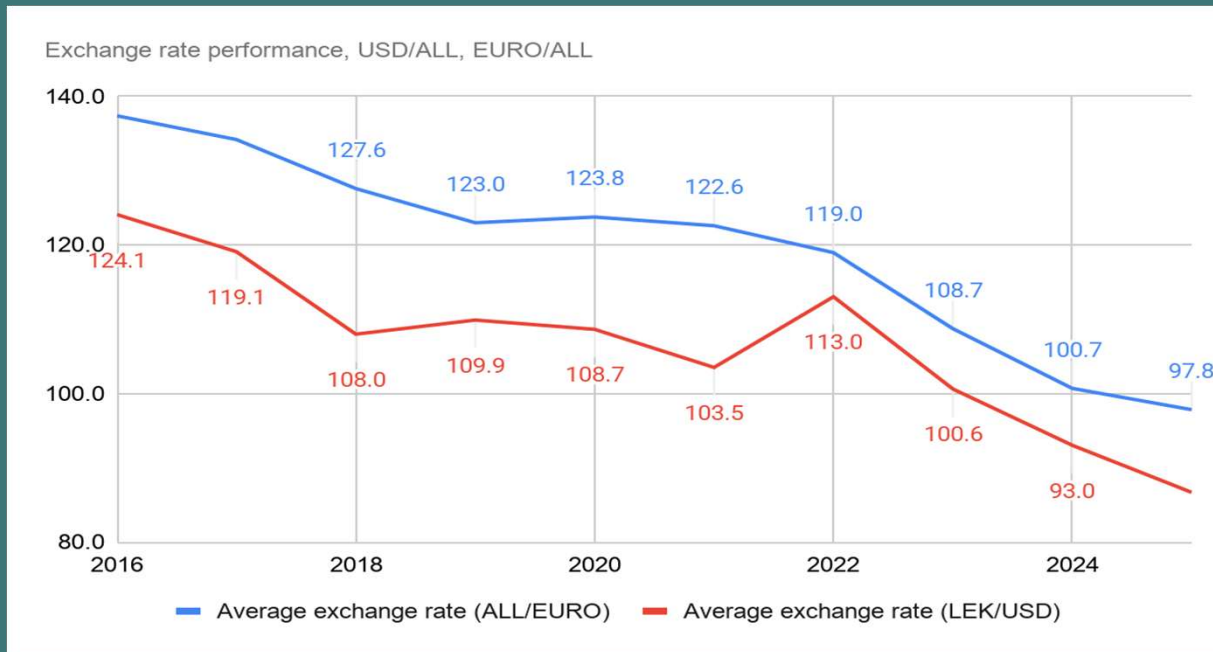
Consumer Price Index



The average annual price increase in 2025 is 2.2% at the same levels as a year ago.

Based on the data in the graph, starting from the end of 2011, monthly inflation on an annual basis has been continuously below the Bank of Albania's target of 3%, but upward trends have been observed starting from November 2021, where the registered inflation exceeded the BoA target and peaked in October 2022, at 8.3%. Starting from February 2024, inflation fell below the BoA target of 3%.

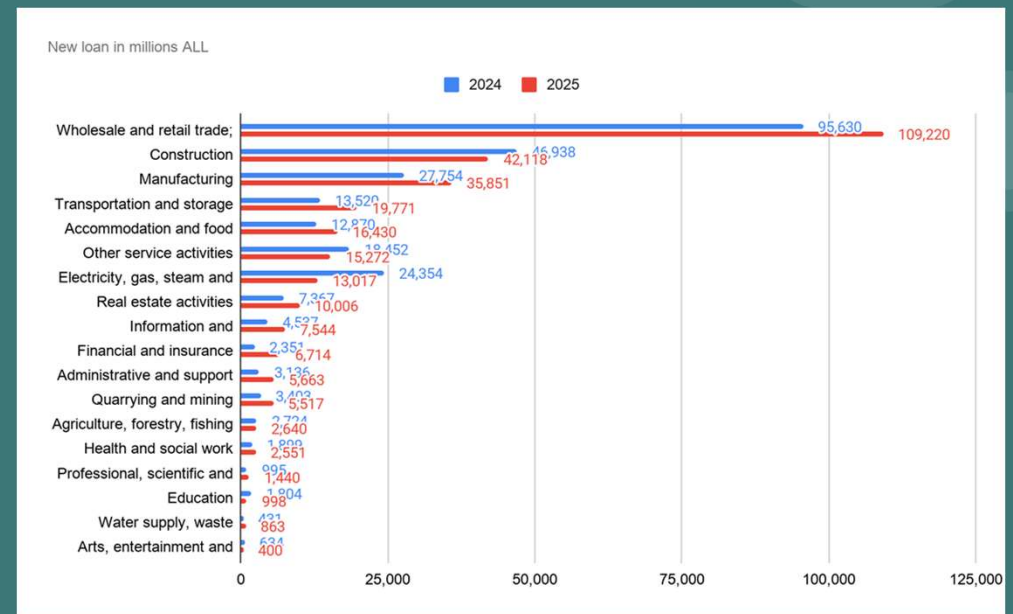
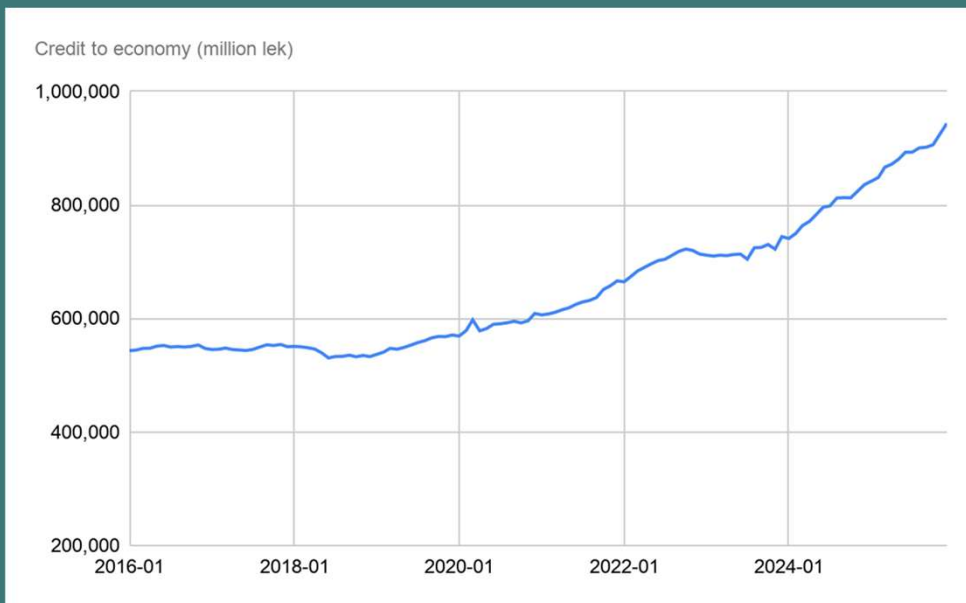
Exchange Rate



Throughout 2025, the average Lek/Euro exchange rate was 97.8 while Lek/USD was 86.7.



Credit to Economy

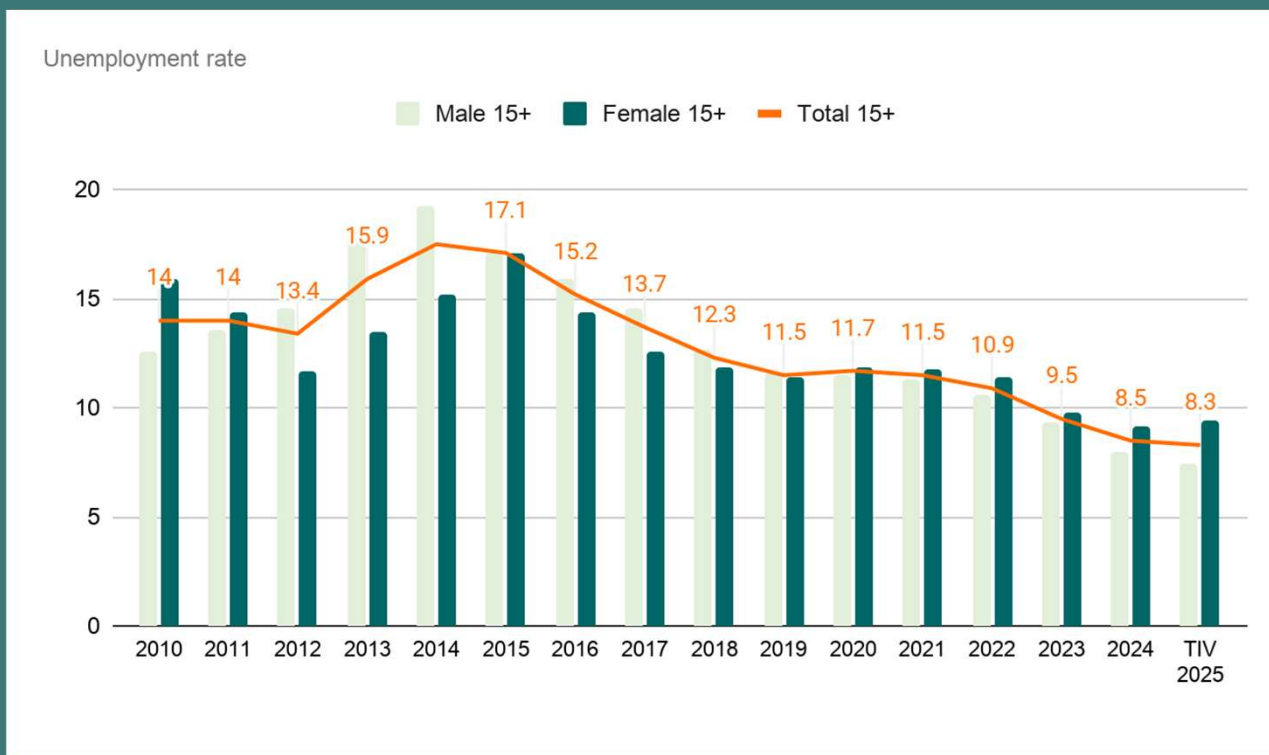


Total credit to the economy reached 843.7 billion lek in December 2025, a 13% increase compared to December 2024. Meanwhile, the majority of new credit during 2025 went directly to wholesale and retail trade, construction, and manufacturing.

Source: Bank of Albania

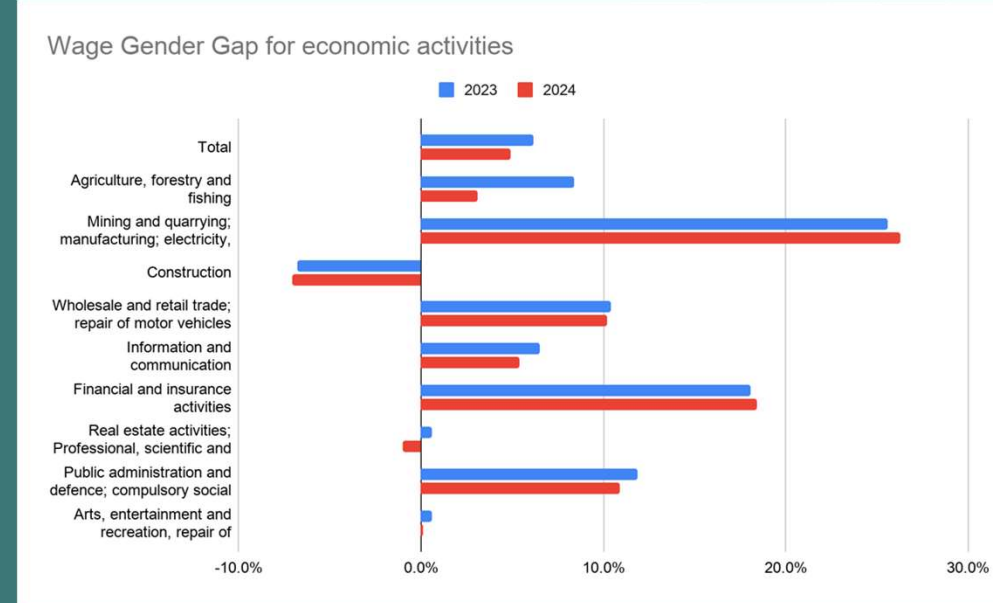
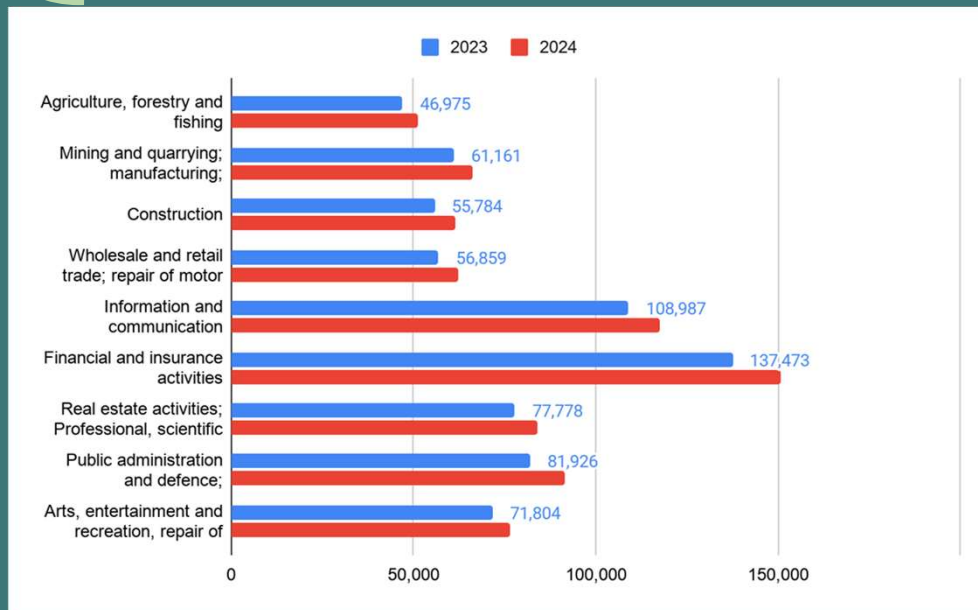


Labor Force



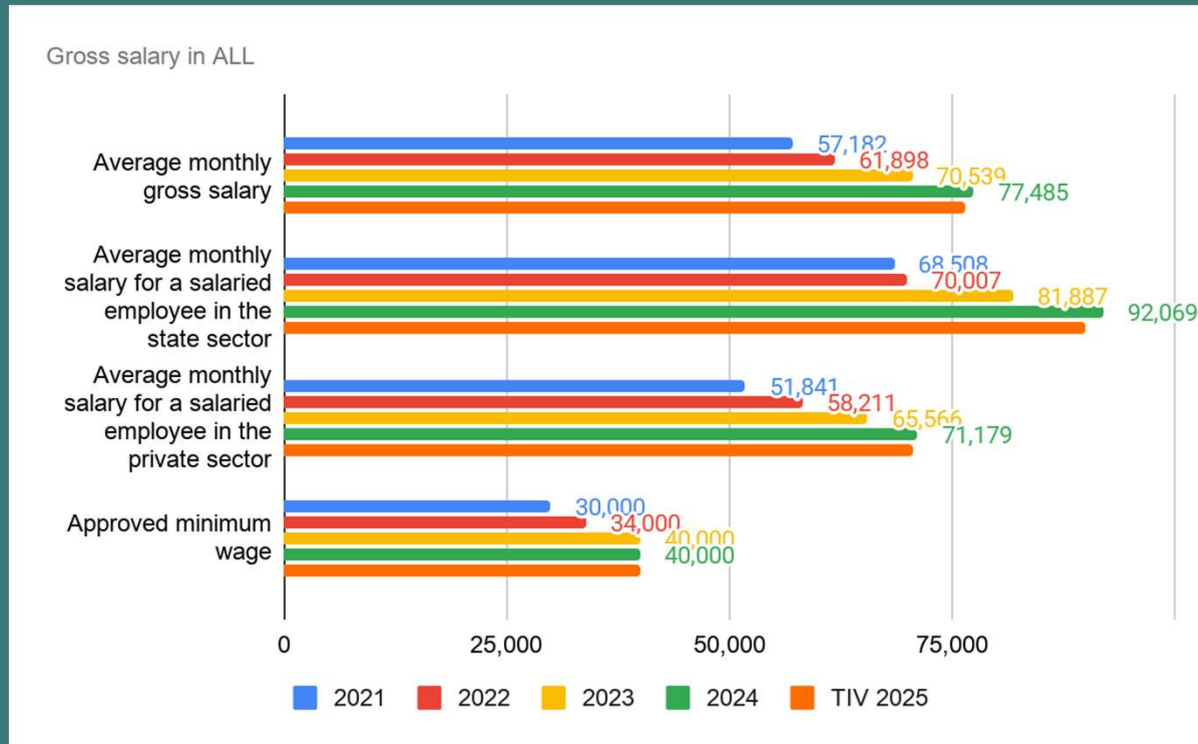
In Quarter IV 2025, based on preliminary data, the unemployment rate registered 8.3% for the population 15+, higher among women (9.4%) than among men (7.4%).

Average Salary by Sectors (In ALL)



In 2024, the highest salaries were recorded in “Financial and insurance activities”, followed by “Information and communication”, a trend that has now been consolidated. The lowest salaries were reported in the “Agriculture, forestry and fishing” sector. During 2024, an increase in the average salary reported in all sectors is noted (on average 9%). The gender wage gap in Albania is estimated at +4.9% for 2024, down from the previous year.

Average Wage and Minimum Wage



The average salary during the 2025 TII was reported at 76,489 lek from 77,485 in 2024, a decrease of 1.3% compared to the salary reported in 2024.

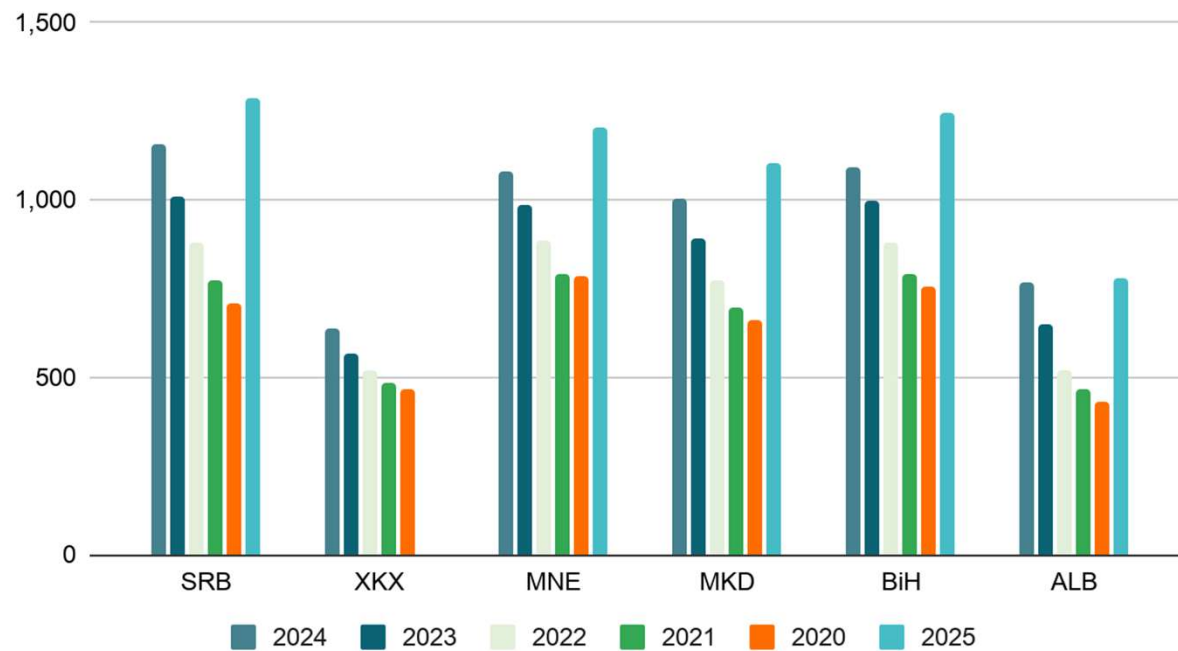
The average monthly salary for an employee in the private sector was 70,591 lek, a 0.8% decrease compared to 2024, while the average monthly salary for an employee in the public sector was reported at 90,103 lek, a 2.1% decrease compared to the 2024 figure.

The minimum wage is reported at 40,000 lek as of the 2023 TII.

Note: data are averages of quarterly figures published by INSTAT
Source: INSTAT

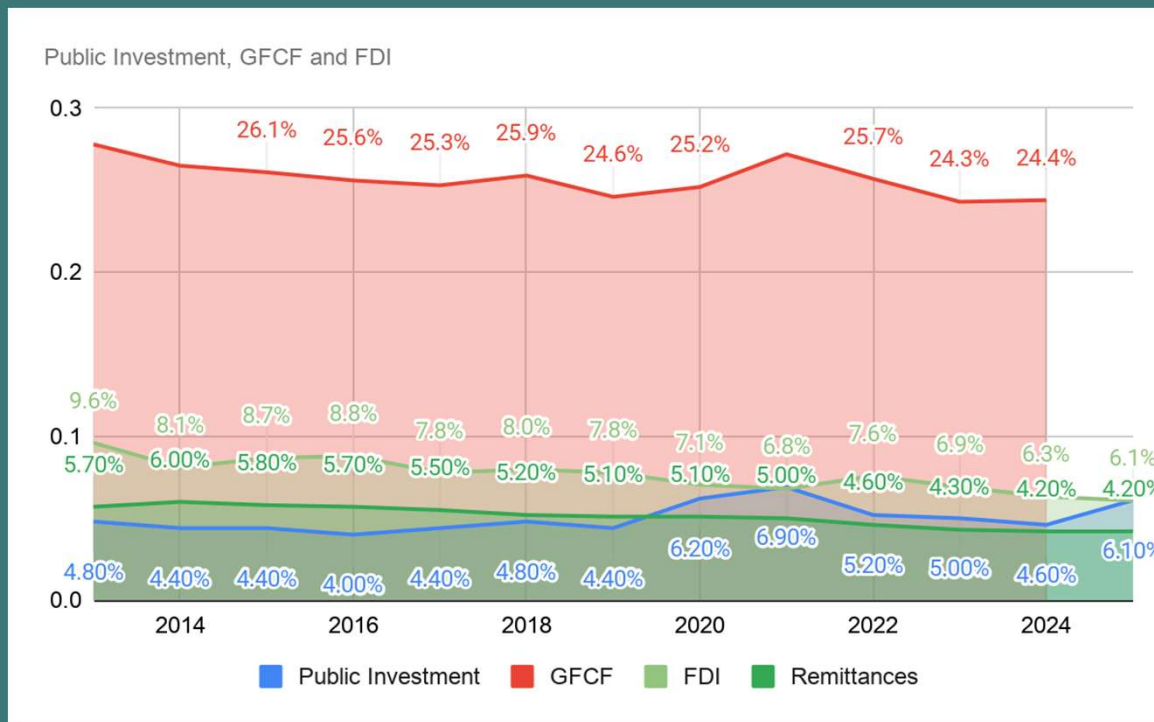
Labour Cost for the Western Balkans

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



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

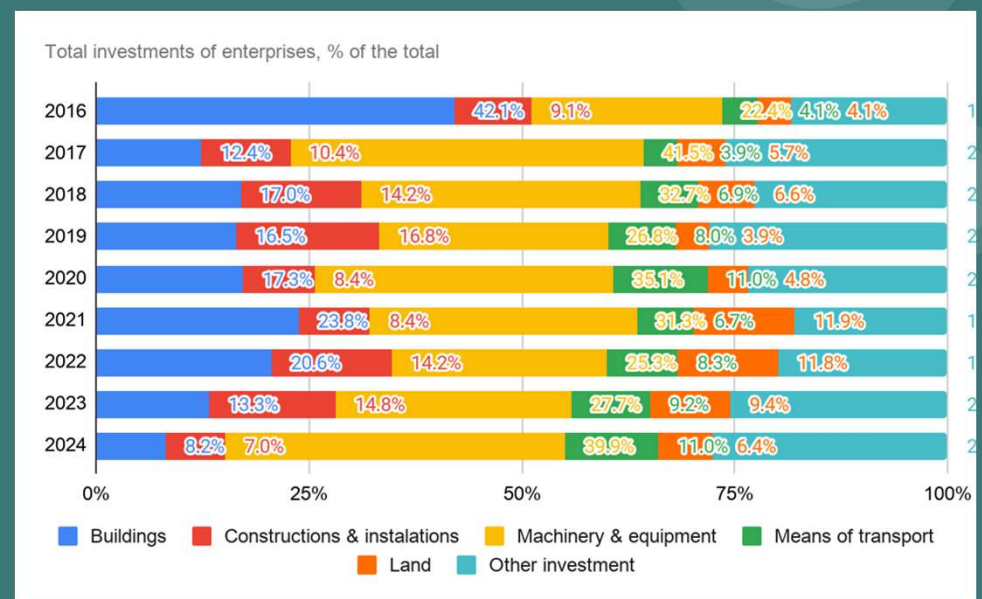
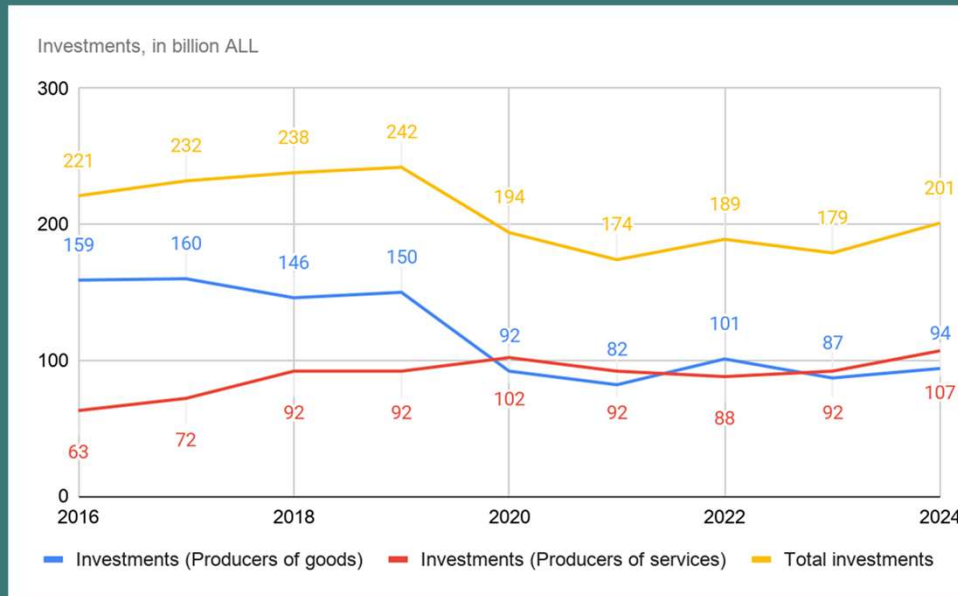
Investments in Albania



During 2025, Public Investment reached 6.1% of GDP, while Foreign Direct Investment reached 6.1% of GDP.

Remittances in 2024 recorded the figure of 1,119 million Euros, equivalent to 4.2% of GDP.

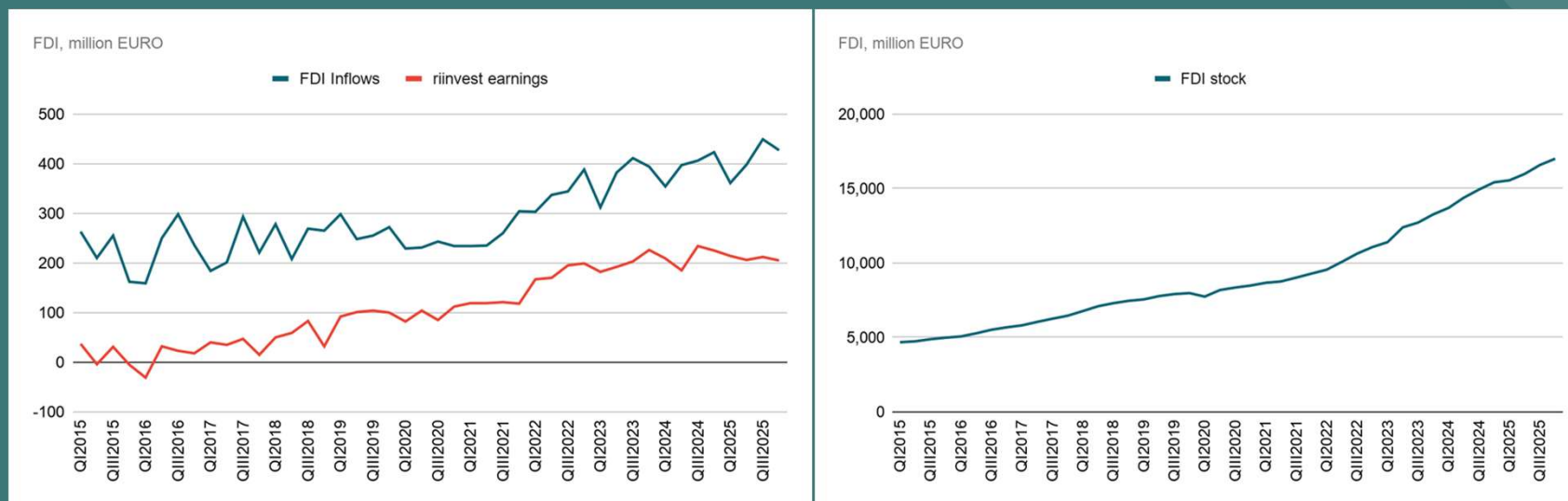
Investments by Sectors



According to the Structural Enterprise Survey, during 2024, private investments increased by 12%; meanwhile, higher growth was observed among service producers. Mainly, investments during 2024 went to Machinery and equipment with significant growth compared to a year earlier.

Source: INSTAT, Structural Enterprise Survey

Foreign Direct Investments

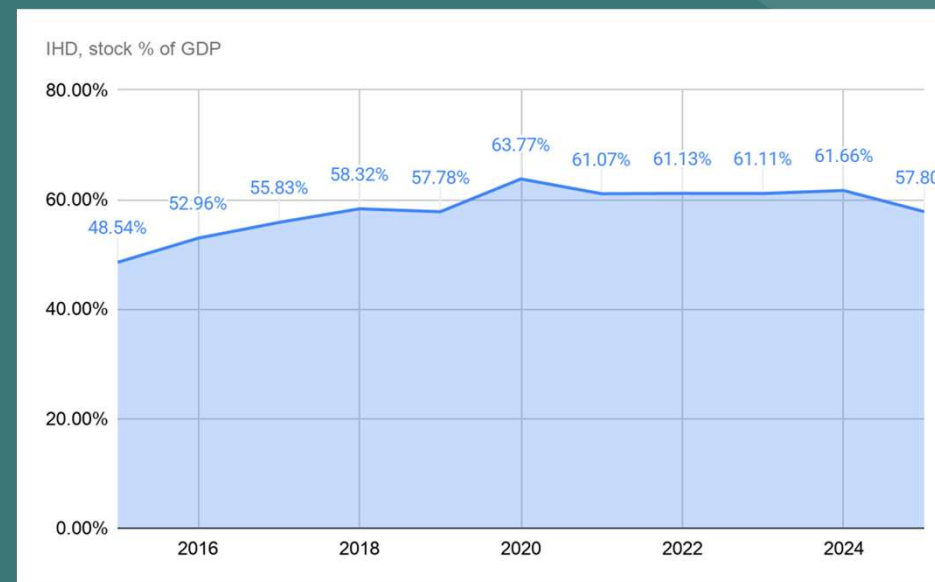


During 2025, FDI inflows are at the same levels as the previous year. Although FDI inflows have been quite volatile according to business cycles, since 2015 the FDI stock in Albania has maintained an upward trend until TIV 2019 and has started to recover again during TII 2020. During 2025, FDI inflows reached 1,635 million Euros, 837 million Euros are reinvested profits which have increased starting from 2017. Meanwhile, during 2025, the FDI stock increased by 10% compared to the previous year, reaching 16,995 million Euros.

Source: Bank of Albania

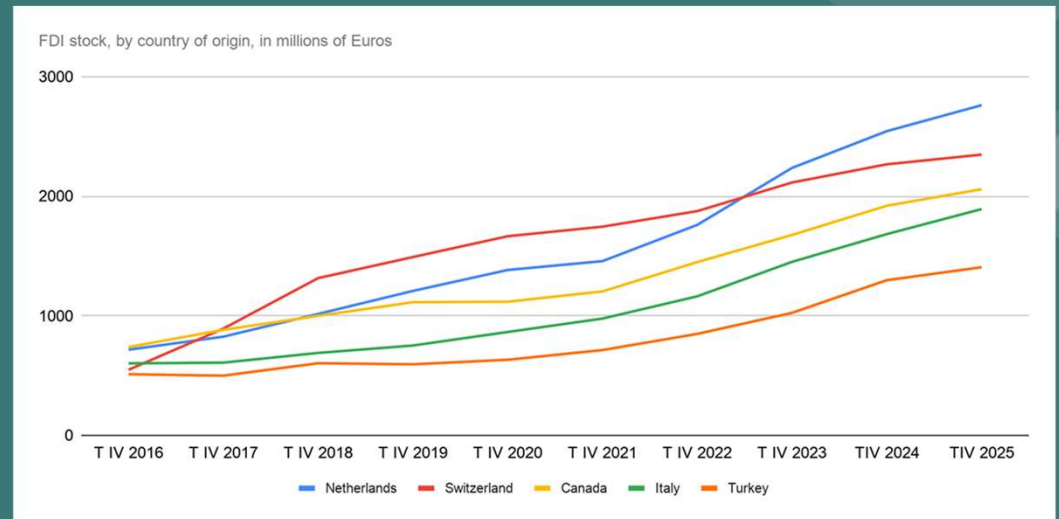
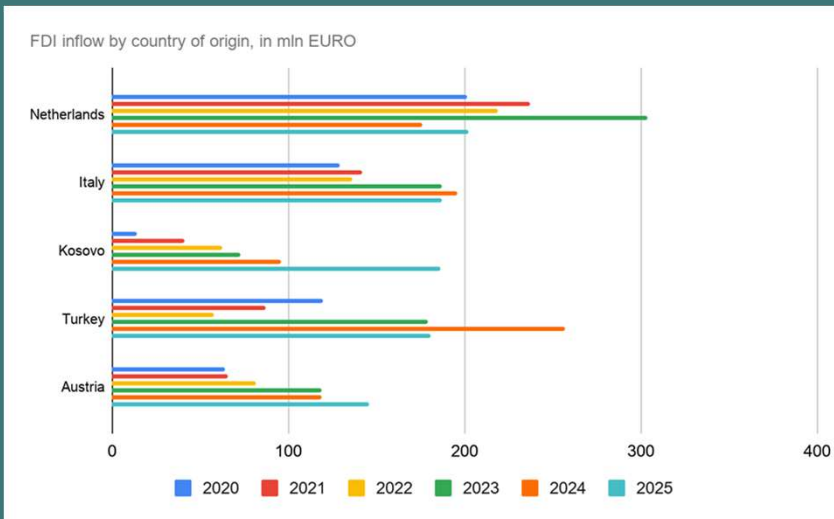


Foreign Investments in Albania



Foreign Investment Flows in Albania maintained the same trend throughout 2025, 6.1% of GDP, while the FDI stock fell to 57.8% of GDP.

Foreign Direct Investments



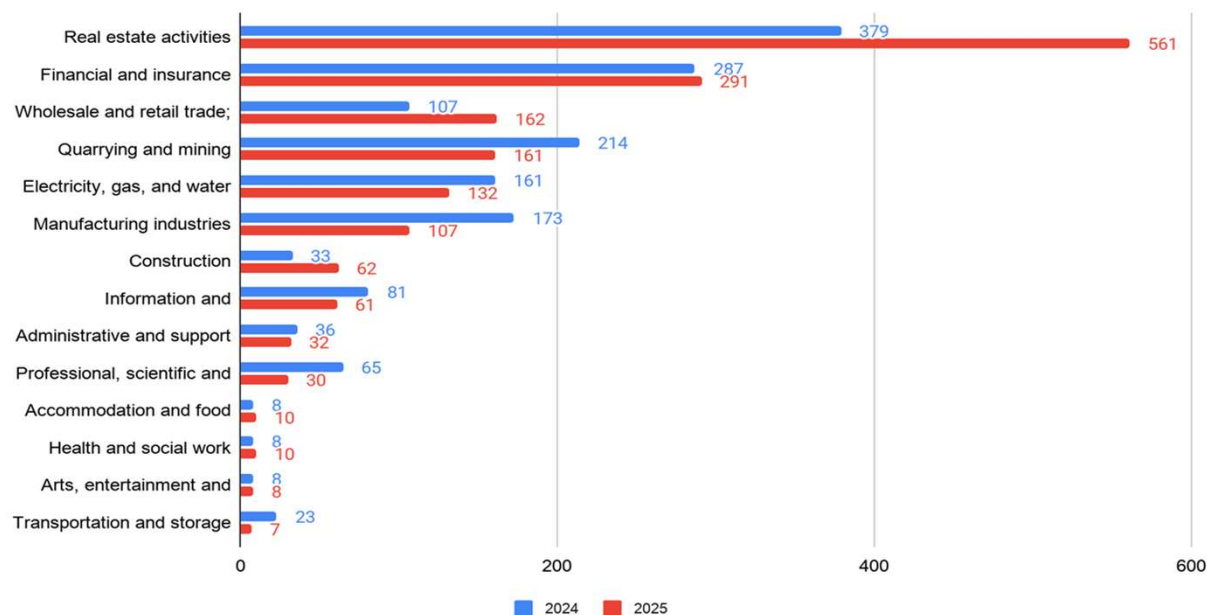
During 2025, the Netherlands is the country with the highest FDI inflow, 202 million Euros, followed by Italy and Kosovo, respectively with 187 and 186 million Euros. There is a decrease in inflows from Turkey, which a year earlier led with 257 million Euros.

Meanwhile, in the 2025 TIV, the Netherlands continues to lead the FDI stock, reaching 2,761 million Euros, followed by Switzerland with 2,348 million Euros.

Source: Bank of Albania

Foreign Direct Investments

FDI flow according to economic activity, in millions of Euros

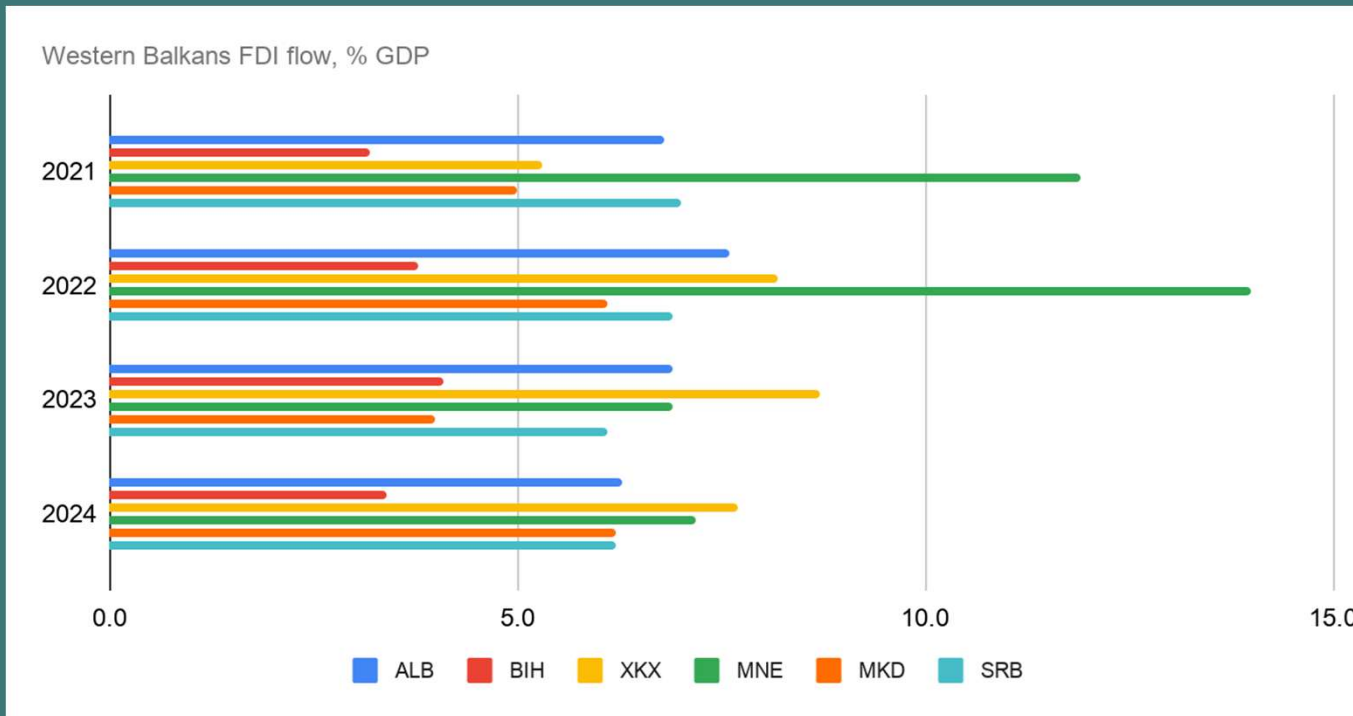


During 2025, Real Estate Investments remained the most preferred activity for foreign investors who invested up to 561 million Euros, 48% more than a year earlier.

Meanwhile, Agriculture, Forestry and Fishing are the least attractive activities for foreign investors in the country.



FDI Inflows In The Western Balkans

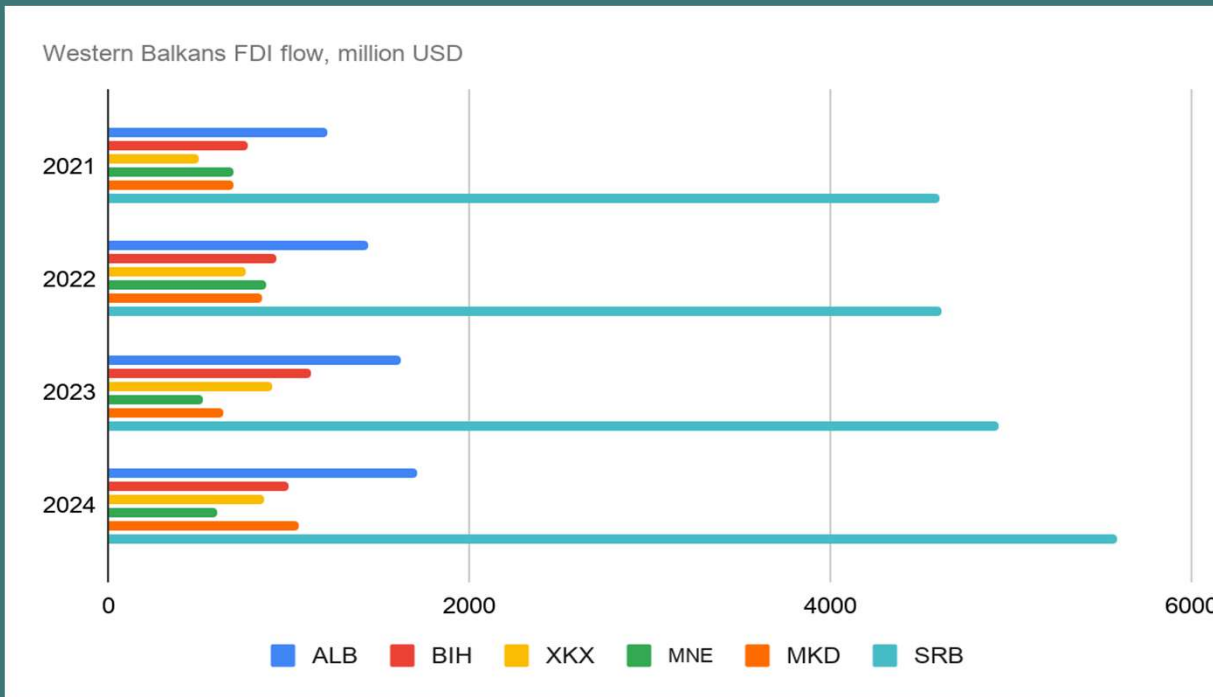


During 2024, Kosovo leads the region in terms of FDI flows as a percentage of GDP, at 7.7%. Albania, meanwhile, ranks third in the region with 6.3% of GDP.

There is an increase in FDI mainly in North Macedonia, with an increase of almost 50% compared to the previous year.



FDI Inflows In The Western Balkans



Serbia's FDI inflows were 5.6 billion USD in 2025, while in Albania they reached 1.7 billion USD

The country with the lowest FDI inflows in the region for 2023 is Montenegro with 599 million USD.

North Macedonia has experienced the highest increase in FDI inflows with 60% followed by Montenegro with 14%. Meanwhile, Bosnia and Herzegovina has projected the highest decrease in the region with around 125 million USD less.

Stock and Enterprise Profile

The structure of enterprises in the Albanian economy is dominated by small enterprises with 1-9 employees, 94% of the total and providing 38% of the employment in the country.

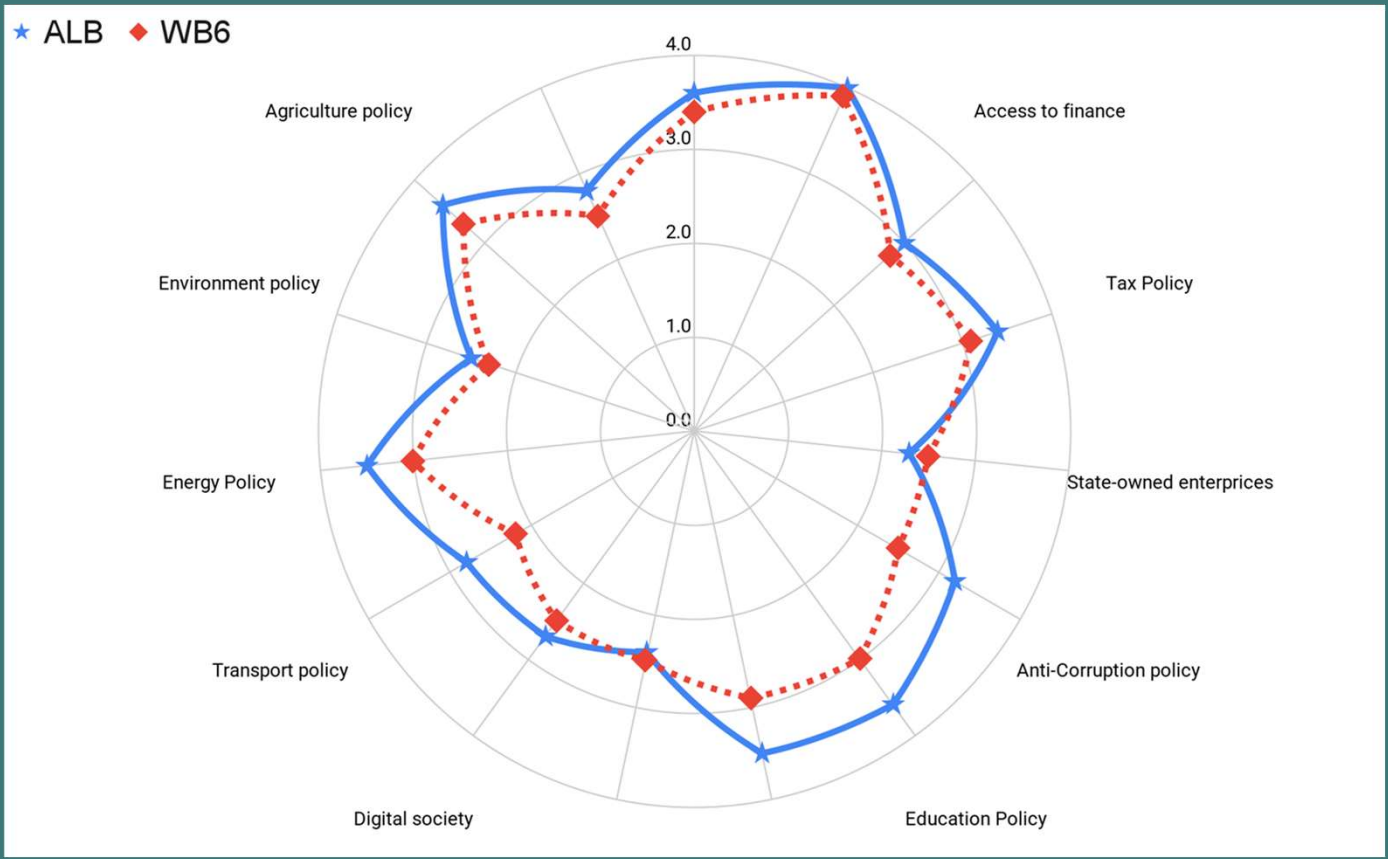
Stock and Enterprise Profile, does not include agriculture, fisheries, monetary and financial intermediation activities, public administration and defense as well as activities of international organizations

Indicators	Number of enterprises					
Year	2019	2020	2021	2022	2023*	2024
Micro Enterprises (1-9 employees)	96,924	95,558	97,022	106,132	109,661	112,412
Small Enterprises (10-49 employees)	5,736	5,674	5,608	5,842	6,176	6,018
Medium Enterprises (50-249 employees)	1,251	1,173	1,227	1,306	1,286	1,267
SME (1-249 employees)	103,911	102,405	103,857	113,279	117,123	119,697
Large Enterprises (250+ employees)	179	169	174	181	168	174
Total	104,090	102,574	104,031	113,460	117,292	119,870

Indicators	Number of employees					
Year	2019	2020	2021	2022	2023*	2024
Micro Enterprises (1-9 employees)	196,403	186,400	191,250	206,598	212,212	208,423
Small Enterprises (10-49 employees)	114,451	111,347	111,318	115,007	120,564	118,818
Medium Enterprises (50-249 employees)	122,330	114,767	121,002	128,026	129,322	124,741
SME (1-249 employees)	433,184	412,514	423,570	449,631	462,098	451,981
Large Enterprises (250+ employees)	97,669	91,472	95,669	98,311	97,824	99,208
Total	530,853	503,986	519,240	547,942	559,922	551,189

Source: INSTAT

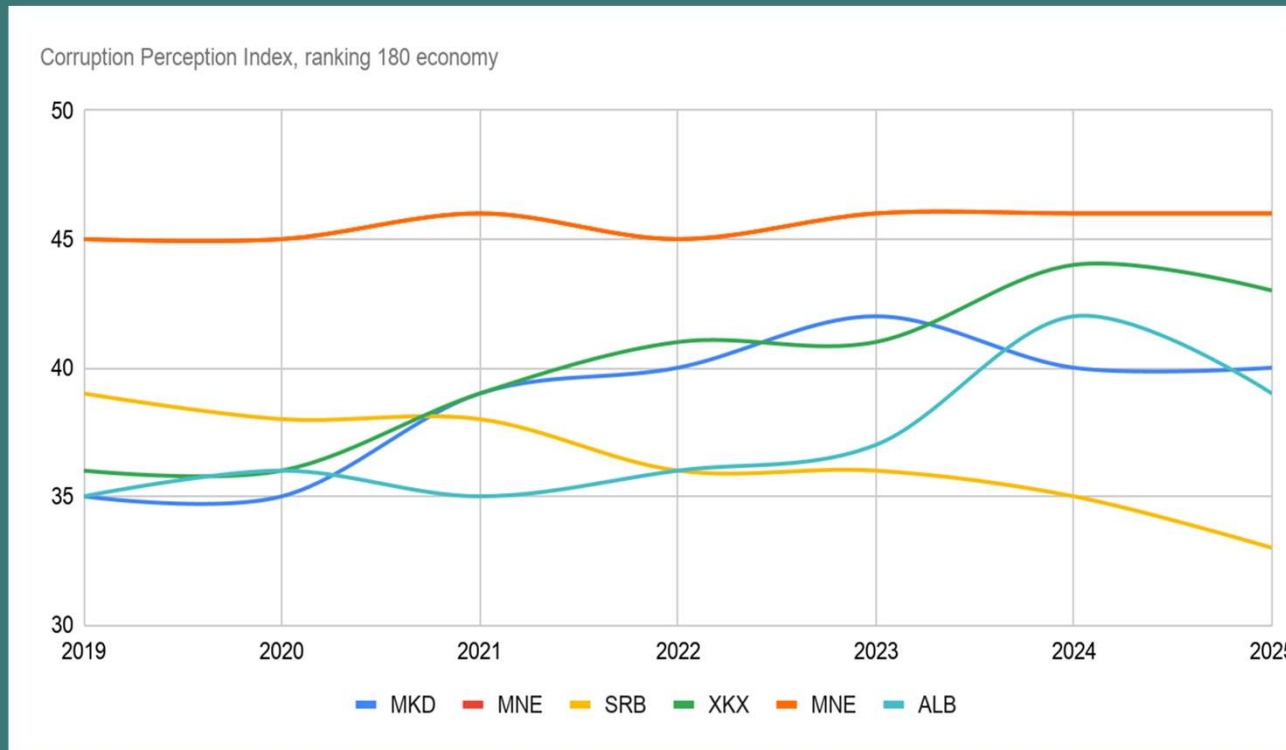
Western Balkans Competitiveness Data 2024 - OECD



In year 2024 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 (ranking of 180 countries)

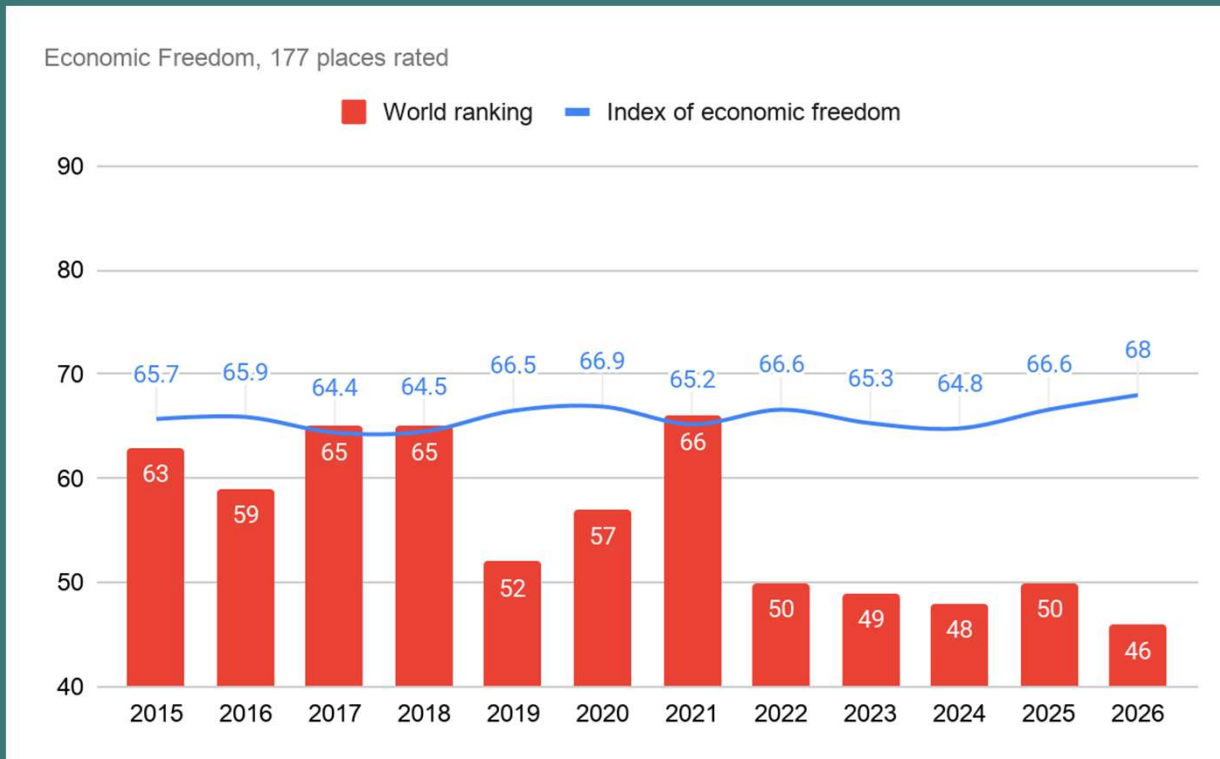


Albania ranks 91/180 in the world ranking, worsening its position in 2025 from the previous year by 11 places. Albania has lowered its index rating from 42 a year ago, to 39 for 2025.

Montenegro has the best ranking of all six countries in the Western Balkans region (65/180), followed by Kosovo (76/180).

The lowest ranking is seen by Serbia (116/180) followed by Bosnia and Herzegovina (109/180). Source: www.transparency.org

Economic Freedom



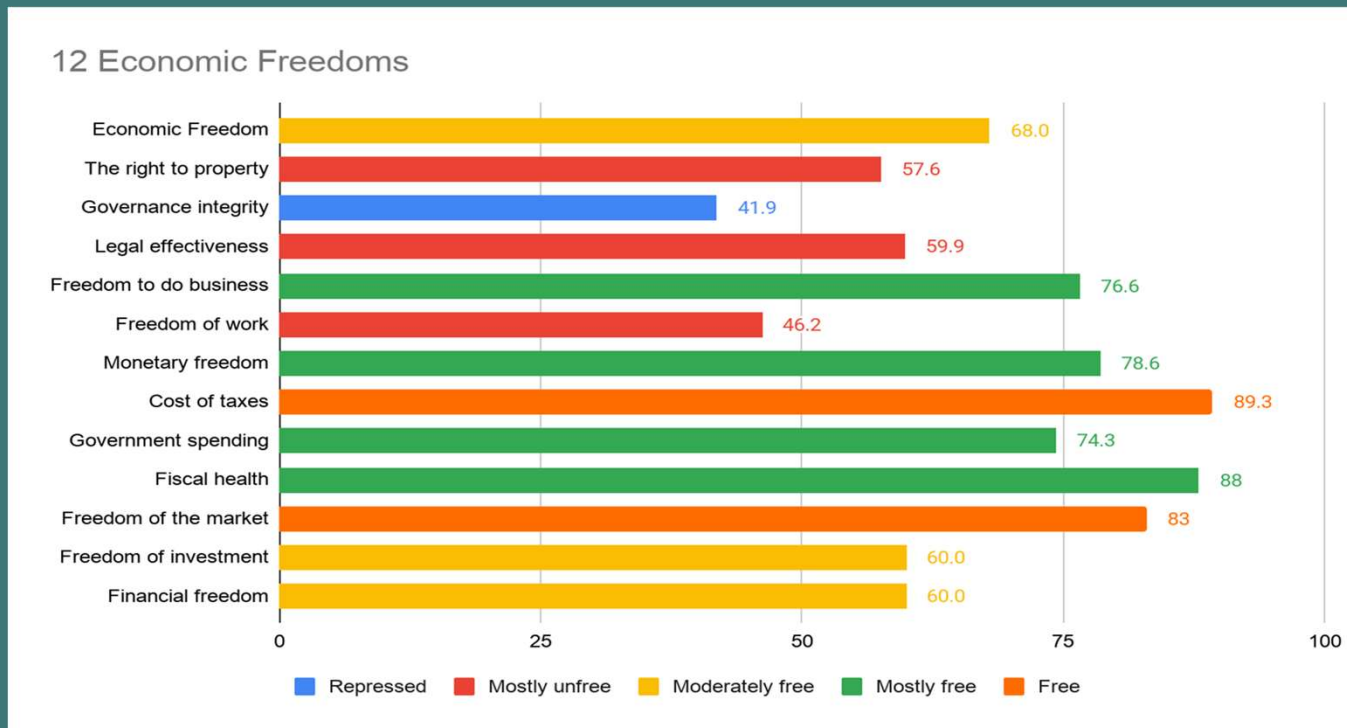
Albania is rated with an economic freedom index of 68, making it the 46th/184th freest economy in the latest Economic Freedom Index.

Its score has increased by 1.4 points from last year and Albania ranks 25th out of 44 countries in the Europe region.

The country's economic freedom score is higher than the global average and lower than the regional average.

Albania's economy is considered "moderately free" according to the 2026 Index.

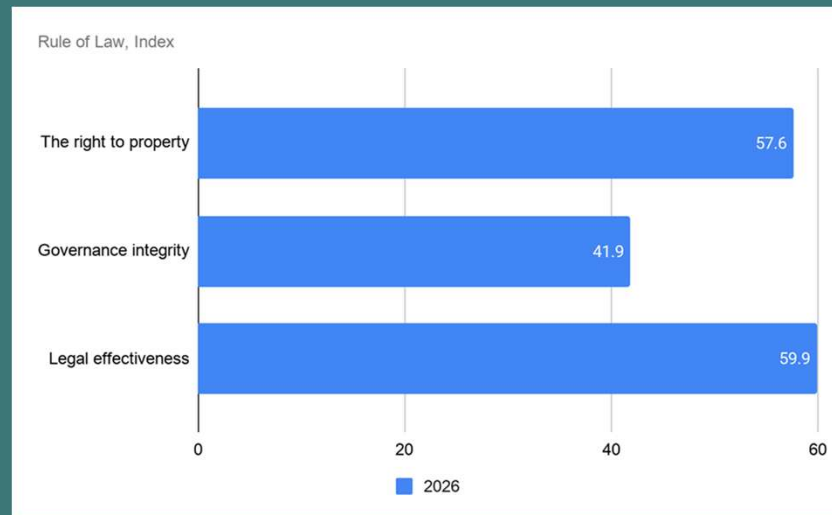
12 Economic Freedoms



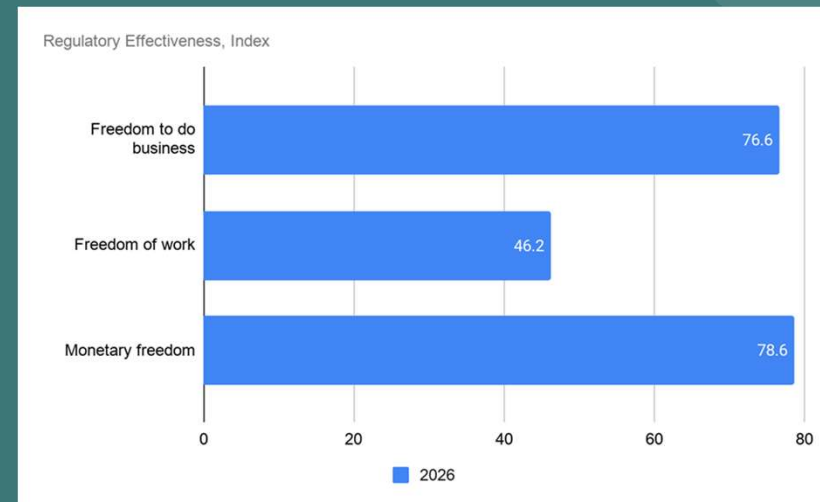
Albania is rated best in terms of Tax Costs and Fiscal Health, while it scores lowest in Government Integrity and Labor Freedom.

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

Indicators of Economic Freedom

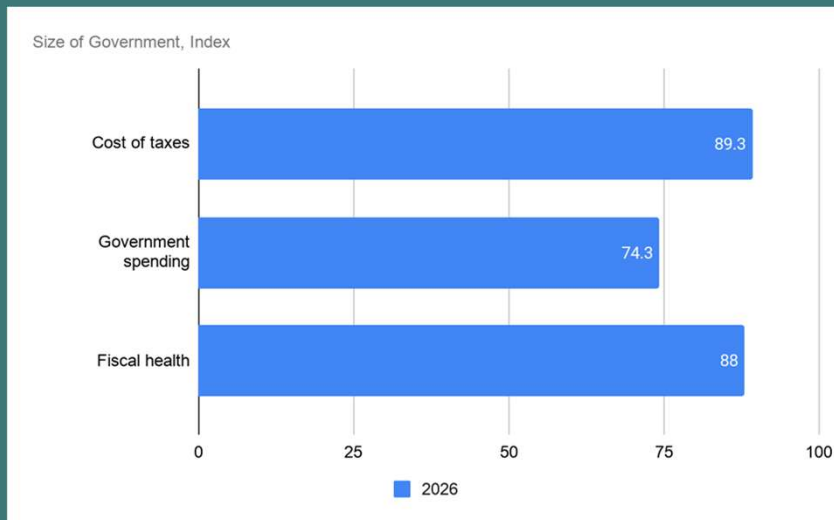


The rule of law is generally respected at a relatively satisfactory level in Albania. The country ranks above the global average in terms of property rights and the effectiveness of the judicial system, while the score for government integrity remains below the global average.

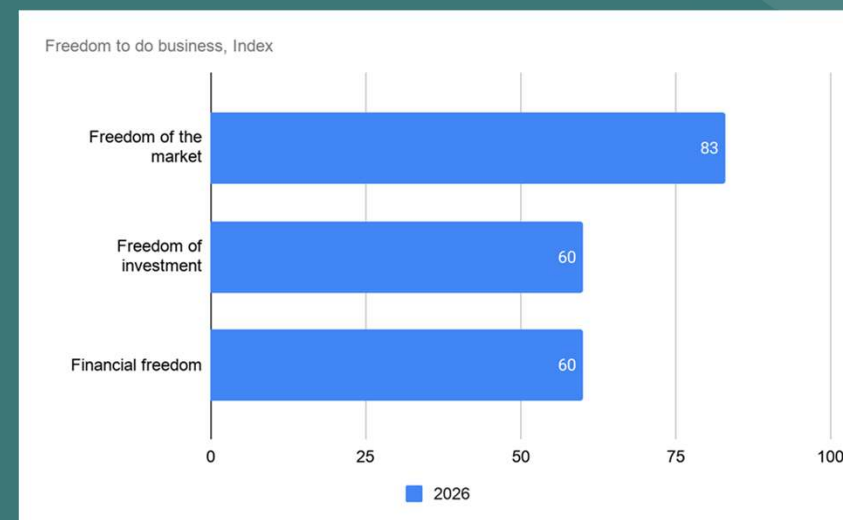


The regulatory environment in Albania, in general, appears relatively consolidated in institutional terms, but remains limited in terms of efficiency. The country scores well above the global average for business freedom and monetary freedom, while it ranks below the global average for labor freedom.

Indicators of Economic Freedom

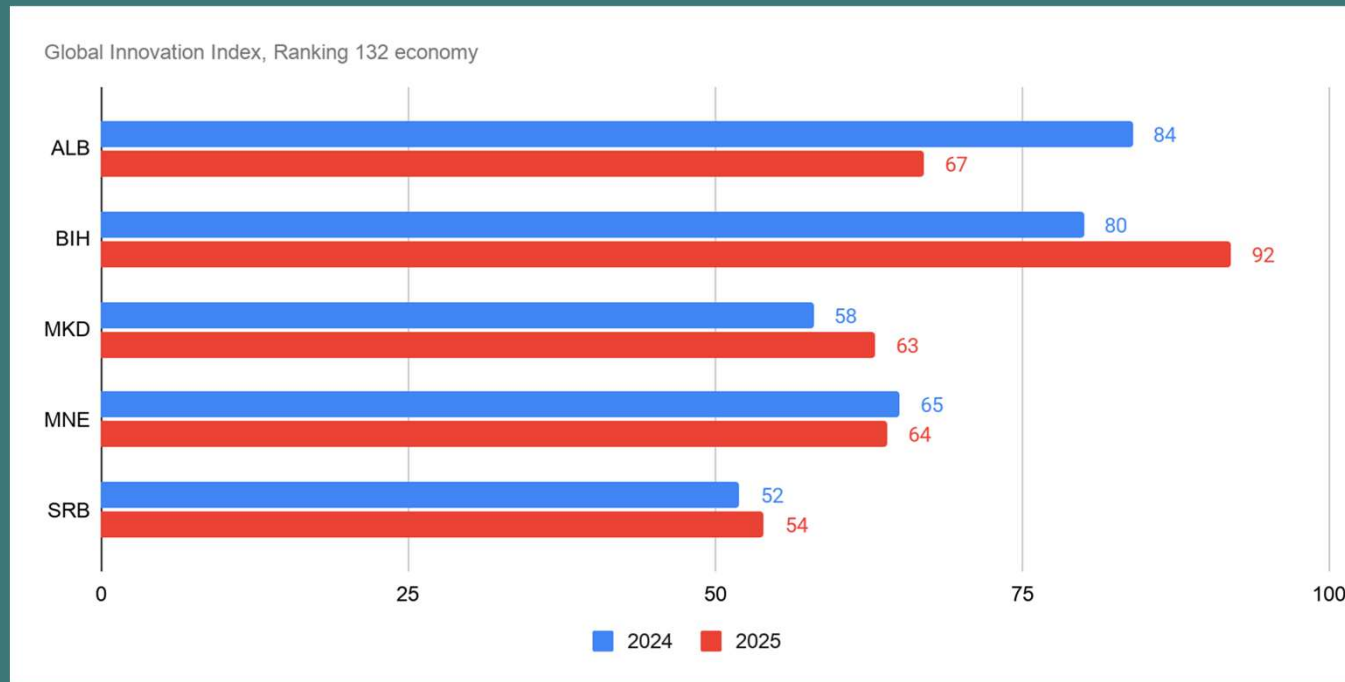


The maximum personal income tax rate is 23%, while that on corporate profits is 15%. Tax revenues account for 17.8% of GDP. The three-year average of government spending is 29.3% of GDP, while the budget balance presents an average deficit of 1.9% of GDP. Public debt amounts to 56.0% of GDP.



The average trade-weighted tariff rate is 3.5%, while over 190 non-tariff measures are in force. Overall, openness to foreign investment is above the global average, but the legal framework for investment is characterized by a lack of transparency. The banking sector remains relatively well-capitalized, despite the challenging environment.

Global Innovation Index

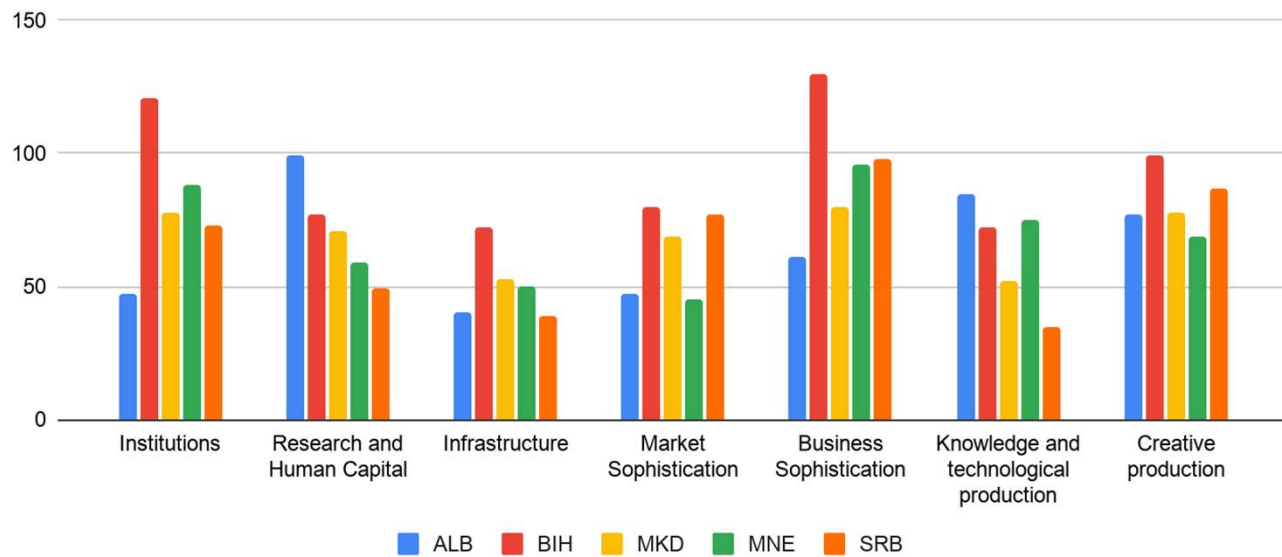


Albania ranks 67th/133 in the Global Innovation Index for 2025, second to last in the region, gaining one place from the 2024 ranking but with a significant improvement in the index compared to the previous year when it ranked 84th/133 economy.

Serbia leads the region in Innovation (54/133) according to the latest GII report, followed by North Macedonia (63/133).

Global Innovation Index

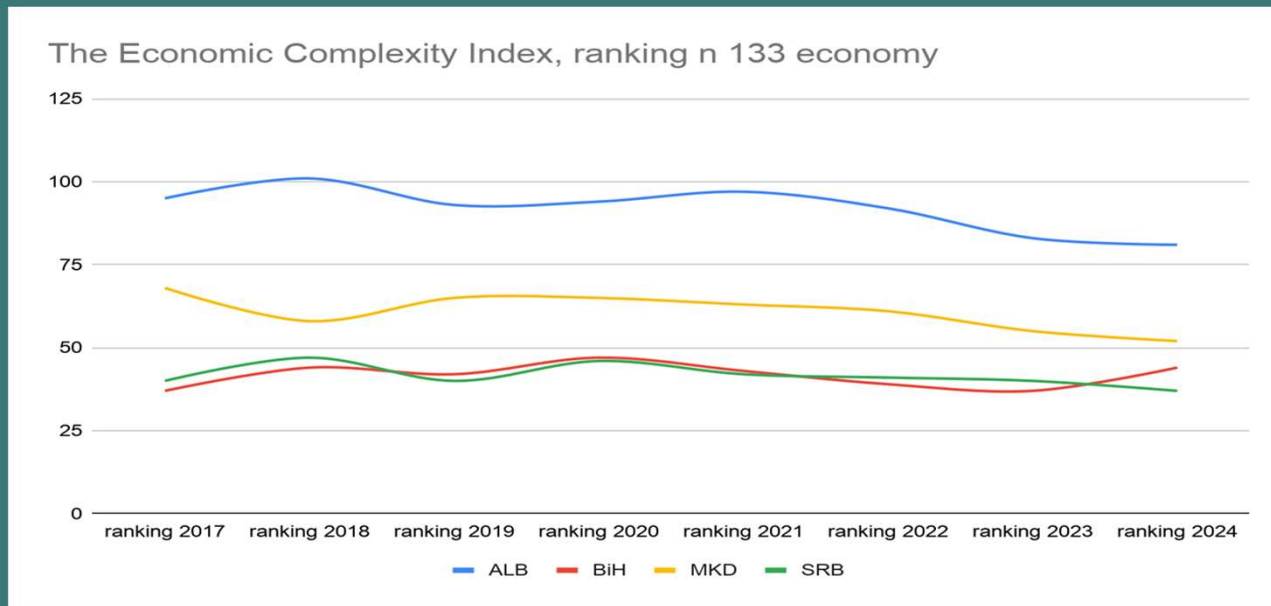
Global Innovation Index, Ranking 133 economy year 2025



Albania ranks low in Research and Human Capital, Market Sophistication, and Knowledge and Technological Production and Creative Production.

Albania ranks better in Institutions and Infrastructure.

Economic Complexity Index

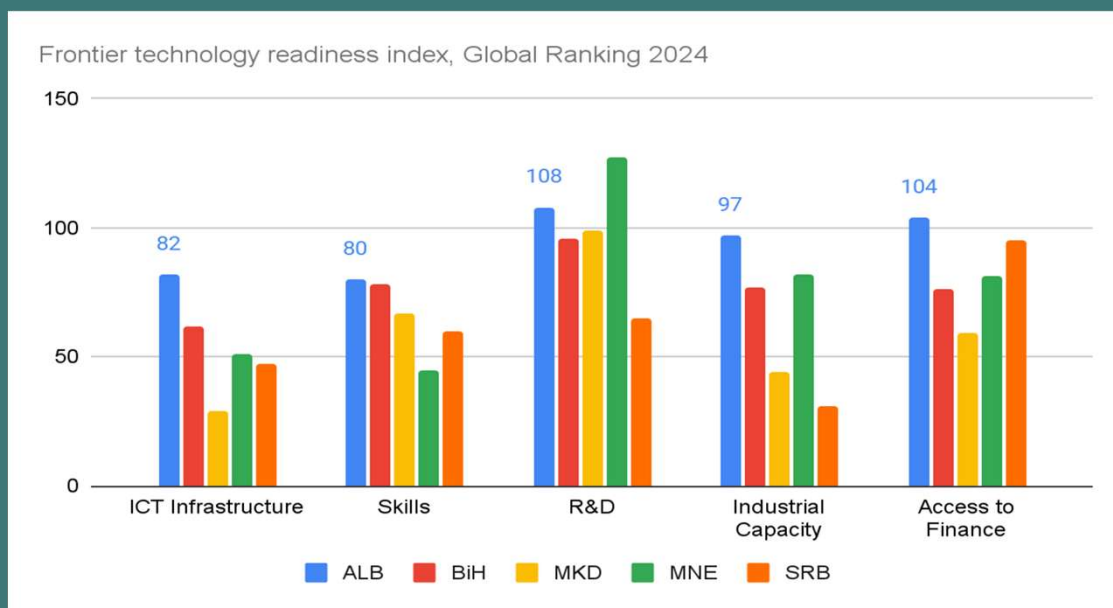


Albania ranks 81st in terms of the Economic Complexity Index, while Serbia ranks 37th, the best in the region.

The top 3 are Switzerland, Japan and Taiwan.

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

Technology Readiness Index - Ranking



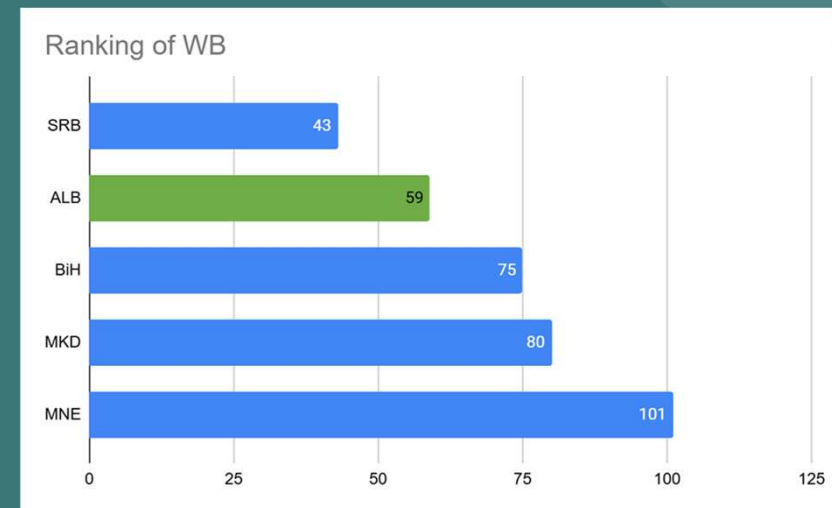
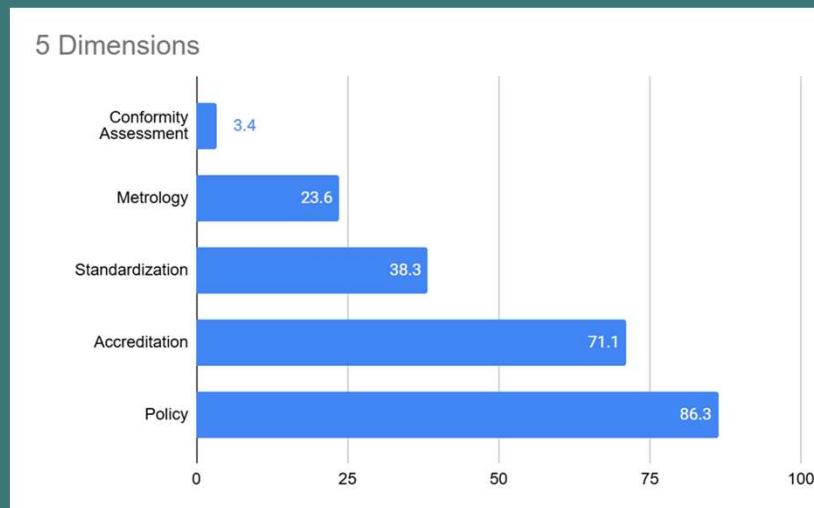
Albania is included in the group of countries that are rated below-average, in contrast to other WB countries which are classified above-average.

Country	Assessment	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 2024 (QI4SD)



The index value for Albania is 44.5, ranking it 59th/156 countries assessed. The best ranking in the BP is Serbia, which ranks 43rd/156, while the lowest ranking is Montenegro (101/156).

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