Statistics on small and medium enterprises, 2017

Year 2017

Tirana, March 12, 2019: Statistics on small and medium enterprises (SMEs) based on the results of Structural Survey of Enterprises, for the year 2017, state that:

- 99.8% of active enterprises are SMEs, from 99.9% in the previous year. The sector with the highest number of enterprises in SMEs is the trade sector with 41.4%, followed by services sector with 20.8%. Mining and quarrying sector has the lowest percentage of the number of active enterprises with 0.4% followed by electricity gas, water supply and waste management sector with 0.6%.
- 80.3% of total number of employed are employed from SMEs, from 81.0% in the previous year. Trade sector employed 29.2% of SMEs, followed by services sector by 19.6% and manufacturing sector by 18.7%. The sectors with the lowest number of employed in SMEs are mining and quarrying sector by 1.7% and electricity gas, water supply and waste management sector by 2.4%.
- 77.2% of turnover was realized from SMEs compared with 77.8% realized in the previous year. Trade sector prevails in the percentage of total turnover realized by SMEs with 52.6%. Followed by manufacturing sector with 11.4% and construction sector with 11.2%. The sector with the lowest percentage of turnover realized by SMEs is mining and quarrying sector with 2.1%.
- 60.1% of total investments were realized from SMEs from 74.9% invested in 2016. The sector with the highest percentage of investment realized in SMEs is electricity, water and waste management sector by 24.1%. On the other hand, mining and quarrying sector has the lowest percentage of investments by 1.3%.
- Enterprises with 250+ employed, even though constitute only 0.2% of enterprises, engaged 19.7% of employed, realized 39.9% of investment, 22.8% of turnover and 31.7% of value added.
Tab.1 Basic indicators and their structure by size class of enterprises, 2017

<table>
<thead>
<tr>
<th>Enterprises size class</th>
<th>Enterprises no.</th>
<th>Employed no. %</th>
<th>Turnover mln ALL %</th>
<th>Investments mln ALL %</th>
<th>Value Added mln ALL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>107,677</td>
<td>100</td>
<td>492,913</td>
<td>2,037,349</td>
<td>525,642</td>
</tr>
<tr>
<td>SME (1-249 employed)</td>
<td>107,511</td>
<td>99.8</td>
<td>395,563</td>
<td>1,573,851</td>
<td>358,875</td>
</tr>
<tr>
<td>Micro enterprises</td>
<td>101,595</td>
<td>94.4</td>
<td>192,817</td>
<td>415,729</td>
<td>31,808</td>
</tr>
<tr>
<td>Small enterprises</td>
<td>4,839</td>
<td>4.4</td>
<td>95,574</td>
<td>665,779</td>
<td>41,771</td>
</tr>
<tr>
<td>Medium enterprises</td>
<td>1,077</td>
<td>1.0</td>
<td>107,171</td>
<td>492,343</td>
<td>65,440</td>
</tr>
<tr>
<td>Large enterprises (250+ employed)</td>
<td>166</td>
<td>0.2</td>
<td>97,350</td>
<td>463,497</td>
<td>92,390</td>
</tr>
</tbody>
</table>

Figure 1 presents the contribution of SMEs and large enterprises in the annual growth rate of number of enterprises, employment, turnover, investment and value added realized in 2017.

The table below shows the structure of enterprises, employment and value added in Albania and European Union (28 countries). The number of enterprises in SMEs in Albania and in EU is 99.8 %. The number of employed in this group of enterprises is 80.3 % in Albania from 66.4 % in EU. The value added realized by SMEs in Albania comprises 68.3 % from 56.8% in EU.

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Tab.2 Structure of main indicators by size class of enterprises in Albania and EU, 2017

<table>
<thead>
<tr>
<th>Enterprises size class</th>
<th>Enterprises</th>
<th>Employed</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Albania (28 country)</td>
<td>EU (28 country)</td>
<td>Albania (28 country)</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>SME (1-249 employed)</td>
<td>99.8</td>
<td>99.8</td>
<td>80.3</td>
</tr>
<tr>
<td>Micro enterprises</td>
<td>94.4</td>
<td>93.1</td>
<td>39.1</td>
</tr>
<tr>
<td>Small enterprises</td>
<td>4.4</td>
<td>5.8</td>
<td>19.5</td>
</tr>
<tr>
<td>Medium enterprises</td>
<td>1.0</td>
<td>0.9</td>
<td>21.7</td>
</tr>
<tr>
<td>Large enterprises (250+ employed)</td>
<td>0.2</td>
<td>0.2</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Comments on Foreign Trade in Goods in Small and Medium Enterprises (SMEs), 2017

- 2.7% of small and medium enterprises export goods in 2017 from 2.4% in the previous year. The exported value of goods is 59.6% of total exports. The sector with the highest percentage of exporting enterprises is the mining and quarrying industry, where 24.4% of the active enterprises of this sector export.

- 9.3% of SMEs import goods, from 7.4% that was in 2016. They constitute 81.6% of total import value for 2017. For SMEs, the sector with the highest percentage of importers is the mining and quarrying sector with 20.3%.

Tab.3 Structure of foreign trade in goods indicators, by size class of enterprises, 2017

<table>
<thead>
<tr>
<th>Enterprises size class</th>
<th>No of Exporting Enterprises</th>
<th>No of Importing Enterprises</th>
<th>Exports Value</th>
<th>Imports Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>SME (1-249 employed)</td>
<td>96.9</td>
<td>98.6</td>
<td>59.6</td>
<td>81.6</td>
</tr>
<tr>
<td>Micro enterprises (1-9 employed)</td>
<td>49.2</td>
<td>67.6</td>
<td>5.2</td>
<td>19.2</td>
</tr>
<tr>
<td>Small enterprises (10-49 employed)</td>
<td>32.7</td>
<td>23.5</td>
<td>18.0</td>
<td>30.2</td>
</tr>
<tr>
<td>Medium enterprises (50-249 employed)</td>
<td>15.0</td>
<td>7.5</td>
<td>36.4</td>
<td>32.2</td>
</tr>
<tr>
<td>Large enterprises (250+ employed)</td>
<td>3.1</td>
<td>1.4</td>
<td>40.4</td>
<td>18.4</td>
</tr>
</tbody>
</table>

- 9.9% of turnover was exported from SMEs. Medium enterprises perform the highest percentage of exports to turnover realized by them 19.2%. Micro-enterprises export the lowest value, where 3.3% of turnover is exported.

Small and medium enterprises (SMEs)

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The highest percentage of value added in micro-enterprises is realized in the accommodation and food services sector (57.8%). The trade sector has the highest percentage (31.7%) realized by small enterprises. Medium enterprises realized the highest percentage of value added (38.8%) realized by manufacturing industry.

Fig. 4 Structure of value added by economic activity and size class of enterprises, 2017

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This publication presents statistics on small and medium enterprises situation (SMEs) in 2017 based on the results of Structural Survey of Enterprises. Structural Business Survey (SBS) aims to provide information on the structure of the economic, financial and main characteristics of active enterprises in the country according to the economic activity and size class of enterprises.

Based on Law No. 10042, date 22.12.2008, for some changes and additions in Law No. 8957, date 17.10.2002 “For small and medium enterprises”, as amended, the enterprises are classified as: micro, small and medium enterprises.

Small and medium enterprises are treated for statistical purposes according to the number of employed (measured as employed on a full-time basis), which are classified as follows:

- **micro enterprises**: enterprises with 1 to 9 employed.
- **small enterprises**: enterprises with 10 to 49 employed.
- **medium enterprises**: enterprises with 50 to 249 employed.

The main aim of structural business statistics is to show the structure of the business sector by economic activity through main indicators. Data are presented for the total business sector by economic activities and by size class of enterprises. Statistics comprise all enterprises that produce goods or services for the market in Albania, for all legal forms (there are not included financial, agricultural and fishing activities). Population consists of all enterprises that according to statistical register were active in December of the reference year. Classification of enterprises is done according to Classification of Economic Activities, NACE Rev.2. Data are collected for calendar year. The fiscal year always corresponds to the calendar year. Enterprises are classified on size classes by number of employed (measured as employed on a full-time basis). Enterprises with 1-9 employed are surveyed by sample survey. Enterprises with 10 and more employed are surveyed exhaustively. The data are collected directly from enterprises.

The classification of enterprises is done according to number of employed (measured as employed on a full-time basis). Based on Law No. 10042, date 22.12.2008, for some changes and additions in Law No. 8957,
Micro and small and medium category (SMEs) include enterprises where are engaged less than 250 employed and realized turnover and/or annual balance-sheet total not exceeding than 250 million ALL.

Small enterprise is an enterprise which engages less than 50 employed and which has a turnover and/or annual balance sheet total not exceeding 50 million ALL.

Micro enterprise is an enterprise which engages less than 10 employed and which has a turnover and/or annual balance sheet total not exceeding 10 million ALL.

Data revision

SBS final data are revised when:
• It is implemented a new classification of activities
• There are methodological changes
• Revised weights

SBS try to follow standard guidelines and principles on revisions made in cooperation with the technical assistance received from the best practices of EU countries. SBS revision policies are conducted in accordance with policies set by INSTAT revision policy. For more refer to the link:


Definition of indicators

Enterprise
An enterprise is: “the smallest combination of legal units that is an organizational unit producing goods or services which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations (local unit)”.

Turnover
Turnover comprises the totals amount invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties. This variable can be found in other publication as net sales.

**Employed**

Employed is defined as the total number of persons who work in the observation unit including proprietors, employees and unpaid family workers.

**Investments**

Investments during the reference period includes the goods, whether bought from third parties or produced for own use, having a useful life of more than one year including non-produced tangible goods such as land.

**Production**

The production is an activity exercised under the control and responsibility of an institutional unit (enterprise), which combines the sources of labor forces, capital and raw materials to produce goods and perform services.

The value of production is based on:

Incomes from the sale of goods and services (turnover) realized by the enterprise:

(±) Changes in stocks of work in progress, finished goods and work on contract

(±) Changes in goods and services purchased for resale in the same condition as received

(−) Purchases of goods and services purchased for resale in the same condition as received

(+) Capitalized production

(+) Subsidies.

**Intermediate consumption**

Intermediate consumption represents the value of products or services transformed or totally consumed during the production process. The uses of fixed assets in work are not taken in consideration.

**Value added at basic prices**

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Value added at basic prices is calculated as difference between production value and intermediate consumption.

**Exports**
Goods in general are goods destined to be send to a third country subject to customs regime or outside processing arrangements, or re-exported following inside processing.

**Imports**
Goods in general are goods coming from a third country and are directly unloaded or placed to a warehouse according to the customs procedures to accomplish free zones processing, active or customs processing.