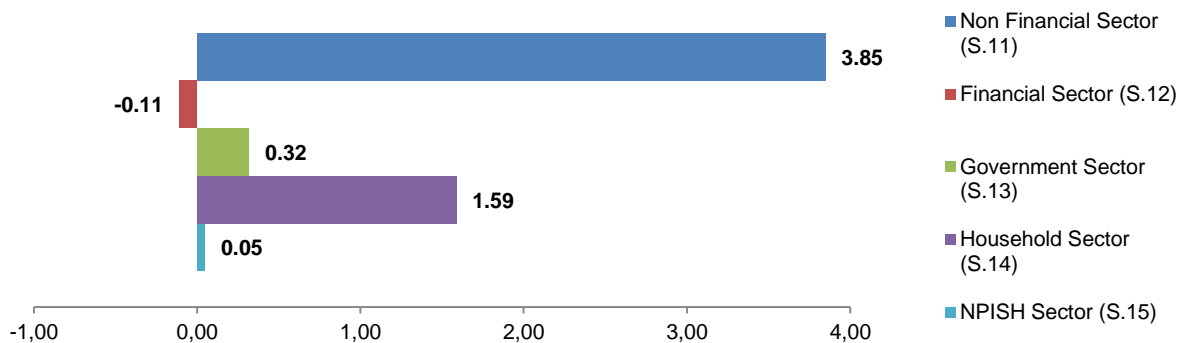


# Annual Sector Accounts, 2018

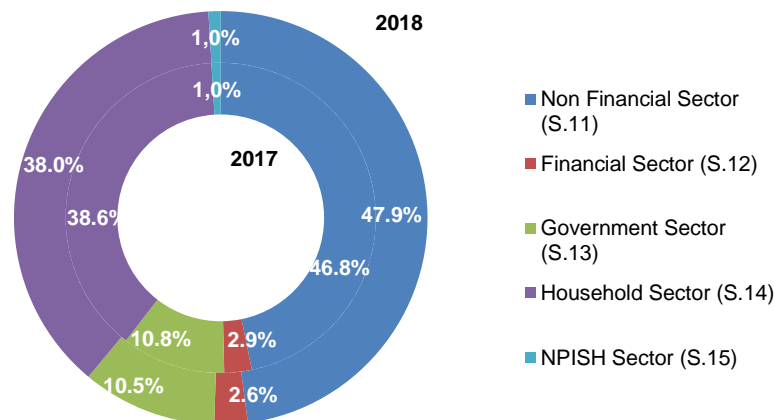
**Tirana, June 29 2021:** During 2018, Nominal Gross Value Added increased by 5.69 % compared to 2017. The Non financial Sector (S.11) was the sector that mostly contributed to this growth by 3.85 percentage points. While the lowest contribution was provided by the Non-Financial Sector, with -0.11 percentage points.

**Fig. 1: Sectors' contribution in Nominal Growth Of Gross Values Added in percentage points**



In the gross value added structure, Non-Financial Sector has the largest share with 47.90 %, followed by Household Sector with 37.99 %, in 2018.

**Fig. 2: Gross Value Added structure by institutional sectors, 2017-2018**



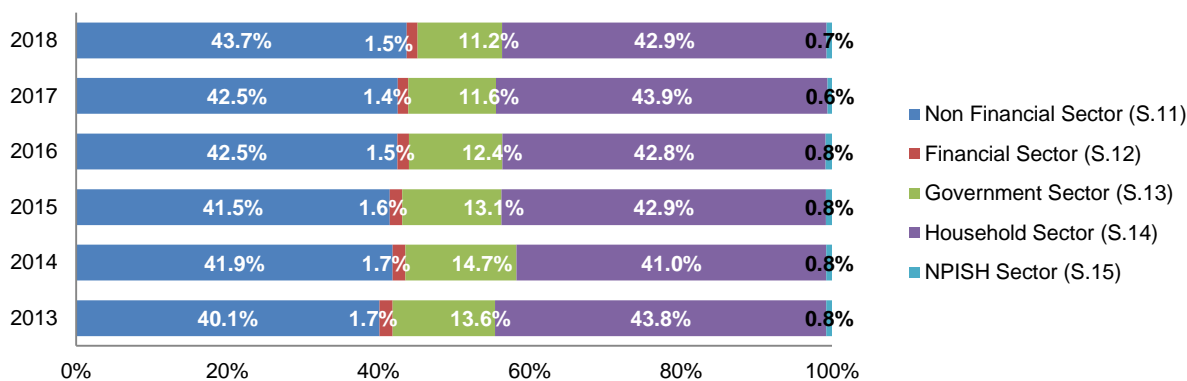
In 2018 “Compensation of Employees” comprises 70.13% of gross values added, compared to 69.42% in 2017.

During the period 2013-2018, there is an increasing trend of compensation of employees, following the same trend of gross value added, for the total economy.

Compensation of employees increased by 6.76 % in total economy (S.1) compared to 2017.

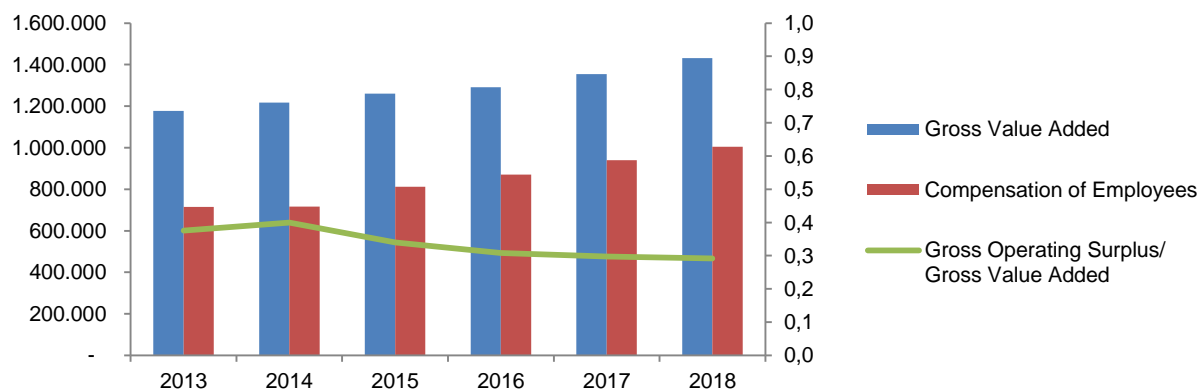
The Non-Financial Sector (S.11) and Household Sector (S.14) are the two largest sectors in the economy, and represent respectively 43.73 % and 42.92 % of the total compensation of employees. In the Financial Sector (S.12) there is a small number of institutional units operating, which consist of 1.45 % of the compensation of employees. The Non-Profit Institutions serving households sector occupies the smallest share of the compensation of employees by 0.73 %.

**Fig. 3: Structure of compensation of employees, 2013-2018**



Gross operating surplus as a share of gross value added constitutes 29.18 % in 2018 compared to 29.73 % in 2017. This result is due to the higher growth in compensation of employees' indicator by 6.76 % compared to the 5.69 % increase in gross value added.

**Fig. 4: Compensation of employees and gross operating surplus, 2013-2018**



Tab.1 Annual Sector Accounts year 2018

USES						CURRENT ACCOUNTS	RESOURCES						
NPISH Sector (S.15)	Household Sector (S.14)	Government Sector (S.13)	Financial Sector (S.12)	Non Financial Sector (S.11)	Total Economy (S.1)		Total Economy (S.1)	Non Financial Sector (S.11)	Financial Sector (S.12)	Government Sector (S.13)	Household Sector (S.14)	NPISH Sector (S.15)	
<b>PRODUCTION ACCOUNT</b>													
						P.1	Output	2,608,466	1,503,476	61,666	198,616	813,463	31,245
17,560	269,578	47,614	24,417	817,738	1,176,908	P.2	Intermediate Consumption						
13,684	543,885	151,002	37,249	685,738	1,431,558	B.1g	Gross Value Added						
					1,636,731	D.21- D.31	Taxes less subsidies on products	205,173					
						B.1g* <sup>(1)</sup>	Gross Domestic Product (GDP)						
<i>(1) Gross Domestic Product (GDP) is gross value added plus taxes less subsidies on products (D21-D31)</i>													
<b>GENERATION OF INCOME ACCOUNT</b>													
						B.1g/B.1g* <sup>(2)</sup>	Gross Value Added / Gross Domestic Product	1,636,731	685,738	37,249	151,002	543,885	13,684
7,328	430,908	112,115	14,575	439,009	1,003,935	D.1	Compensation of employees						
					206,546	D.21	Taxes on products						
315	572	233	341	8,412	9,873	D.29	Other taxes on production						
						D.31	Subsidies on products	1,373					
6,041	112,405	38,654	22,332	238,317	417,749	B.2g/B.3g <sup>(3)</sup>	Gross operating surplus / Mixed Income						
<i>(2) Taxes and subsidies can not be sectorized, so GDP at market prices is not sectorized but is given for the total economy S.1.</i>													
<i>(3) Including mixed income for S.14 and S.1</i>													

# Methodology

## Description of Institutional Sectors

The institutional unit is an economic entity characterized by autonomy in decision-making. The resident unit is considered as an integral part of the institutional unit in the economic territory where it has its main economic interest center, if it has decision-making autonomy and whether it holds a full set of accounts or is able to compile a full set of accounts. For purposes of the system of accounts, based on the type of producers and their main activities and functions that indicate a certain economic behavior, the institutional units are grouped together in five institutional sectors comprised of: Non-Financial Corporations, Financial Corporations, General Government, Household Sector and Non-profit institutions serving households. These five sectors together form the total economy and each sector can be divided into subsectors.

**S.11 The non-financial sector** consists of institutional units which are independent legal entities and market producers and whose main activity is the production of non-financial goods and services.

**S.12 The financial sector** consists of institutional units which are independent legal entities and market producers, whose main activity is the production of financial services.

**S.13 The general government sector** consists of institutional units that are non-market producers, whose production is directed at individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors and institutional units engaged mainly in the redistribution of national income and assets.

**S.14 The household sector** consists of individuals and groups of individuals as consumers and entrepreneurs, who produce commercial goods and financial and nonfinancial services (market producers) only if the production of goods and services is not made by specific entities treated as quasi-corporations . It also includes individuals or groups of individuals as producers of non-financial goods and services for final consumer consumption.

**S.15 The Non-Profit Institutions serving households (NPISH) sector** consists of non-profit institutions that are separate legal entities that serve households and are private market producers. Their main sources are derived from voluntary contributions in cash or in kind from family to their quality as consumers, from payments made by public administration and from property income.

**Definition of variables**

**Production:** An activity exercised under the control and responsibility of an institutional unit that combines resources in labor, capital and products and services to produce products or services. Clear natural processes without human intervention or control are not part of the production. There are three types of production: market production; production for own final use and other non-market output.

**Intermediate consumption:** Value of products or services transformed or fully consumed during the production process. The use of fixed assets put into operation is not taken into account; it is evidenced in the consumption of fixed capital.

**Gross value added:** Gross value added represents the contribution of different activities to GDP and is calculated as the difference between output and intermediate consumption

**Taxes on products and imports:** Taxes on products are the taxes payable per unit of some goods and services such as: Value Added Tax (VAT), excise duty and customs duty on imports.

**Subsidies on products and imports:** Subsidies on products are non-refundable payments that public administration units make to enterprises as a fixed amount of money per unit of a good or service.

Subsidies on imports consist of subsidizing goods or services that become payable when goods cross the border of economic territory or when services are transferred to resident institutional units.

**Compensation of employees** is defined as the total compensation in cash or in kind that the employer pays to the employee in exchange for the work done by him during the accounting period. Compensation of employees includes employer's wages and social contributions.

**Gross Operating Surplus/ Mixed Income (B.2g / B.3g)**

The Gross Operating Surplus (B.2g) is the difference that remains after the deduction from the added value (at basic prices) of compensation of employees and other taxes and subsidies on production.

The operating surplus of the self-employed is called "Mixed Income (B.3g)" because it also includes compensation for the work of self-employed persons and their family members.