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Gross Domestic Product, 2014

Preliminary estimates

Tirana, December 11, 2014: INSTAT presents to users preliminary annual results of Gross Domestic Product (GDP) for the year 2014. According to data on annual basis, GDP at current prices of year 2014 was estimated ALL 1,400,549 million (EUR 10.01 Billion). In 2014, GDP per capita amounted to ALL 484 thousand (or EUR 3,457) from ALL 466 thousand (or EUR 3,323) in year 2013.

During year 2014, Albanian economy performed a real GDP growth rate by +2.02 % compared with year 2013.

According to GDP *by production approach*, the main contribution to this growth is driven by the branches of the economy such as "Professional services and Administrative services" by 0.76 percentage point, "Trade, transport, accommodation and food services" by 0.47 percentage point, "Agriculture, Forestry and Fishing" by 0.44 percentage point, "Public administration, Education and Health" by 0.42 percentage point, "Industry, Electricity and Water" by 0.37 percentage point and Other services by 0.31 percentage point. The branches that gave a negative contribution are "Construction" by -0.76 percentage point and "Information and Communication" by -0.06 percentage point. Taxes and subsidies on products contributed respectively by 0.04 percentage point and 0.02 percentage point.

Related to GDP structure by economic activities, *Services* continue to represent the main share in the economy for year 2014, by 45.4 % of GDP and they increased by +4.29 % in real terms. *Industry* and *Construction* realized 21.9 % of Gross Domestic Products, but during year 2014 *Industry* rose by +2.93 % in real terms, meanwhile *Construction* decreased by -7.33 %. *Agriculture, hunting and forestry* with 20.0 % share of GDP, grew by 2.25 % in real terms.

Gross Domestic Product deflator was +1.6 %.

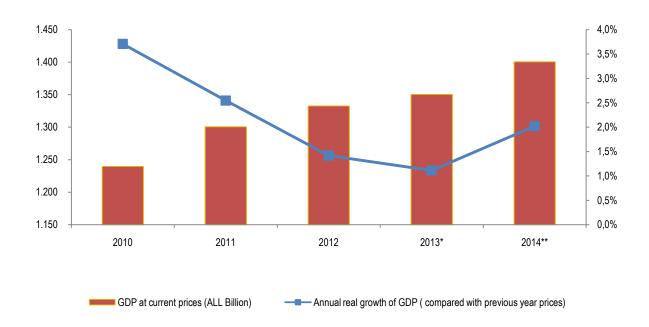
According to GDP by expenditure approach, *Final consumption* constitutes a major share in the economy, with 90.49%. This component rose by +5.52% in nominal terms and + 3.32% in real terms. In 2014, g*ross fixed capital formation*, which constitutes 24.48% of GDP, decreased by -2.05% in nominal terms and -3.90% in real terms compared with 2013. *Net exports of goods and services* increased by 8.76 % in nominal terms and 10.08% in real terms, compared with 2013.

Tab.1 Main macroeconomic indicators (2013-2014 me at current prices)

Indicators	Years		
	2013*	2014**	
Gross Domestic Product at current prices (in ALL millions)		1,350,555	1,400,549
Gross National Income (in ALL millions)		1,353,368	1,383,843
Annual real growth of GDP at constant prices compared to previous year	1.11	2.02	
GDP deflator (in %)	0.2	1.6	
Average annual population (in thousand inhabitants)	Average annual population (in thousand inhabitants)		
	In ALL thousand	466	484
Gross Domestic Product per capita	EURO	3,323	3,457
	USD	4,411	4,587

^{2013*} Semi-final data

Fig.1 GDP and real growth rate, 2010-2014



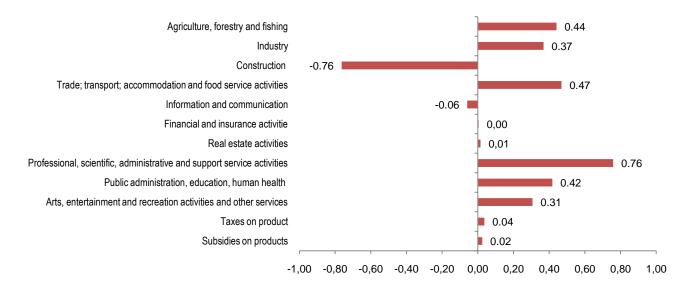
^{2014**} Preliminary data on annual basis

Tab2. Economic indicators by activities, at level A10¹

A10	Economic Activities NACE Rev. 2	Values at current prices (In ALL millions)		Values at Real previous year growth prices (%)		GDP structure (%)		Contribution (%)
		2013*	2014**	2014**	2014**	2013*	2014**	2014**
A1	Agriculture, forestry and fishing	265,147	280,036	271,103	2.25	19.6	20.0	0.44
A2	Industry	170,134	176,794	175,112	2.93	12.6	12.6	0.37
A2a	Of which: Manufacturing Industry	65,693	66,736	67,180	2.26	4.9	4.8	0.11
А3	Construction	140,556	130,079	130,252	-7.33	10.4	9.3	-0.76
A4	Trade; transport; accommodation and food service activities	214,164	222,462	220,498	2.96	15.9	15.9	0.47
A5	Information and communication	37,202	36,276	36,407	-2.14	2.8	2.6	-0.06
A6	Financial and insurance activities	30,359	35,509	30,420	0.20	2.2	2.5	0.00
A7	Real estate activities	86,402	86,517	86,602	0.23	6.4	6.2	0.01
A8	Professional, scientific, administrative and support service activities	59,560	70,927	69,810	17.21	4.4	5.1	0.76
A9	Public administration, education, human health	150,236	155,850	155,878	3.76	11.1	11.1	0.42
A10	Arts, entertainment and recreation activities and other services	24,510	28,613	28,657	16.92	1.8	2.0	0.31
	GVA at basic prices	1,178,271	1,223,063	1,204,738	2.25	87.2	87.3	1.96
	Taxes on product	175,651	183,464	176,152	0.28	13.0	13.1	0.04
	Subsidies on products	(3,368)	(5,978)	(3,032)	-9.98	-0.2	-0.4	0.02
	GDP AT MARKET PRICES	1,350,555	1,400,549	1,377,858	2.02	100.0	100.0	2.02

2014** Preliminary data on annual basis

Fig. 2 Contribution of the main branches of the economy to real growth rate of GDP 2014, in %



¹ Economic activities classification at level A10 is an aggregation of economic activities of level A35. For more information between links of A10 and A35, please refer to "Information for users", Annex 1.

For more information, visit INSTAT website: http://www.instat.gov.al/

Tab.3 Nominal growth rates and structure of GDP at market prices, 2013-2014

A35	Economic Activities NACE Rev. 2	Values at curre (In ALL mil	Values at current prices (In ALL millions)		GDP structure (%)	
		2013*	2014**	(2014**/2013*)	2013*	2014**
A1	Agriculture, forestry and fishing	265,147	280,036	5.62	19.6	20.0
A2	Mining and quarrying	66,622	74,850	12.35	4.9	5.3
А3	Manufacture of food products, beverages and tobacco products	9,360	8,853	-5.41	0.7	0.6
A4	Manufacture of textiles, wearing apparel and leather products	19,347	20,507	6.00	1.4	1.5
A5	Manufacture of wood and paper products, and printing	5,213	5,490	5.31	0.4	0.4
A6	Manufacture of coke and refined petroleum products	(231)	(279)	20.83	0.0	0.0
A 7	Manufacture of chemicals and pharmaceutical products	1,610	1,846	14.65	0.1	0.1
A8	Manufacture of rubber and plastic products and other non-metallic mineral products	11,703	11,863	1.37	0.9	0.8
A9	Manufacture of basic metals and fabricated metal products, except machinery	12,287	12,150	-1.11	0.9	0.9
A10	Manufacture of machinery and equipment	1,887	1,368	-27.52	0.1	0.1
A11	Other manufacturing; repair and installation of machinery and equipment	4,518	4,938	9.30	0.3	0.4
A12	Electricity, gas, steam and air-conditioning supply	27,795	25,850	-7.00	2.1	1.8
A13	Water supply	5,054	4,736	-6.29	0.4	0.3
A14	Sewerage, waste management and remediation activities	4,970	4,623	-6.99	0.4	0.3
A15	Construction	140,556	130,079	-7.45	10.4	9.3
A16	Wholesale and retail trade and repair of motor vehicles and motorcycles	7,620	7,960	4.46	0.6	0.6
A17	Wholesale trade, except of motor vehicles and motorcycles	85,237	92,076	8.02	6.3	6.6
A18	Retail trade, except of motor vehicles and motorcycles	54,228	55,757	2.82	4.0	4.0
A19	Land transport and transport via pipelines	22,120	21,895	-1.01	1.6	1.6
A20	Water transport; air transport; warehousing	17,214	16,638	-3.35	1.3	1.2
A21	Postal and courier activities	4,666	5,272	12.98	0.3	0.4
A22	Accommodation; food and beverage service activities	23,079	22,864	-0.93	1.7	1.6
A23	Publishing, audiovisual and broadcasting activities	9,895	9,970	0.75	0.7	0.7
A24	Telecommunications	24,807	23,136	-6.73	1.8	1.7
A25	Computer programming and related activities; information service activities	2,500	3,170	26.79	0.2	0.2
A26	Financial and insurance activities	30,359	35,509	16.96	2.2	2.5
A27	Real estate activities	86,402	86,517	0.13	6.4	6.2
A28	Legal and accounting activities; management; architectural and engineering activities	24,022	26,692	11.11	1.8	1.9
A29	Scientific research and development; other professional, scientific, technical activities	5,527	5,363	-2.97	0.4	0.4
A30	Administrative and support service activities	30,011	38,872	29.53	2.2	2.8
A31	Public administration and defence; compulsory social security	54,086	57,149	5.66	4.0	4.1
A32	Education	61,256	60,930	-0.53	4.5	4.4
A33	Human health and social work activities	34,893	37,771	8.25	2.6	2.7
A34	Arts, entertainment and recreation	10,080	13,992	38.81	0.7	1.0
A35	Other service activities; activities of households	14,431	14,622	1.32	1.1	1.0
	GVA at basic prices	1,178,271	1,223,063	3.80	87.2	87.3
	Taxes on product	175,651	183,464	4.45	13.0	13.1
	Subsidies on products	(3,368)	(5,978)	77.49	-0.2	-0.4
	GDP AT MARKET PRICES	1,350,555	1,400,549	3.70	100.0	100.0

2013* Semi-final data 2014** Preliminary data on annual basis

Tab.4 GDP at current prices, previous year prices and real growth, 2013-2014

A35	Economic Activities NACE Rev. 2	Values at curren (In ALL millio		Values at previous year prices	Real growth (%)
		2013*	2014**	2014**	2014**
A 1	Agriculture, forestry and fishing	265,147	280,036	271,103	2.25
A2	Mining and quarrying	66,622	74,850	76,901	15.43
A3	Manufacture of food products, beverages and tobacco products	9,360	8,853	9,138	-2.37
A4	Manufacture of textiles, wearing apparel and leather products	19,347	20,507	20,465	5.78
A 5	Manufacture of wood and paper products, and printing	5,213	5,490	5,528	6.05
A6	Manufacture of coke and refined petroleum products	(231)	(279)	(232)	0.33
A 7	Manufacture of chemicals and pharmaceutical products	1,610	1,846	1,877	16.57
A8	Manufacture of rubber and plastic products and other non-metallic mineral products	11,703	11,863	11,660	-0.36
A9	Manufacture of basic metals and fabricated metal products, except machinery	12,287	12,150	12,379	0.75
A10	Manufacture of machinery and equipment	1,887	1,368	1,382	-26.75
A11	Other manufacturing; repair and installation of machinery and equipment	4,518	4,938	4,983	10.29
A12	Electricity, gas, steam and air-conditioning supply	27,795	25,850	21,451	-22.82
A13	Water supply	5,054	4,736	4,773	-5.56
A14	Sewerage, waste management and remediation activities	4,970	4,623	4,807	-3.28
A15	Construction	140,556	130,079	130,252	-7.33
A16	Wholesale and retail trade and repair of motor vehicles and motorcycles	7,620	7,960	7,889	3.54
A17	Wholesale trade, except of motor vehicles and motorcycles	85,237	92,076	91,288	7.10
A18	Retail trade, except of motor vehicles and motorcycles	54,228	55,757	55,231	1.85
A19	Land transport and transport via pipelines	22,120	21,895	21,767	-1.59
A20	Water transport; air transport; warehousing	17,214	16,638	16,530	-3.97
A21	Postal and courier activities	4,666	5,272	5,278	13.12
A22	Accommodation; food and beverage service activities	23,079	22,864	22,514	-2.45
A23	Publishing, audiovisual and broadcasting activities	9,895	9,970	9,972	0.78
A24	Telecommunications	24,807	23,136	23,259	-6.24
A25	Computer programming and related activities; information service activities	2,500	3,170	3,177	27.05
A26	Financial and insurance activities	30,359	35,509	30,420	0.20
A27	Real estate activities	86,402	86,517	86,602	0.23
A28	Legal and accounting activities; management, architectural and engineering activities	24,022	26,692	26,272	9.37
A29	Scientific research and development; other professional, scientific, technical activities	5,527	5,363	5,279	-4.49
A30	Administrative and support service activities	30,011	38,872	38,259	27.48
A31	Public administration and defence; compulsory social security	54,086	57,149	57,832	6.93
A32	Education	61,256	60,930	59,312	-3.17
A33	Human health and social work activities	34,893	37,771	38,734	11.01
A34	Arts, entertainment and recreation	10,080	13,992	14,154	40.42
A35	Other service activities; activities of households	14,431	14,622	14,503	0.50
	GVA at basic prices	1,178,271	1,223,063	1,204,738	2.25
	Taxes on product	175,651	183,464	176,152	0.28
	Subsidies on products	(3,368)	(5,978)	(3,032)	-9.98
	GDP AT MARKET PRICES	1,350,555	1,400,549	1,377,858	2.02

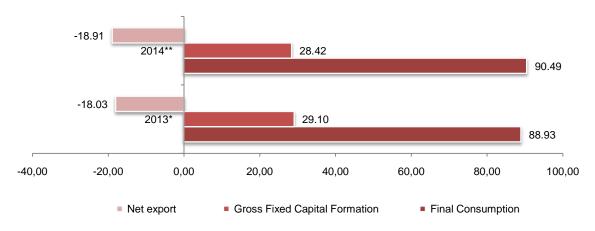
2014** Preliminary data on annual basis

Tab.5 Gross Domestic Products by Expenditure Approach by current prices

GDP indicators	Value In ALL million		Nominal growth rate (%)	GDP structure (%)		
	2013*	2014**	(2014**/2013*)	2013*	2014**	
Final Consumption	1,201,115	1,267,367	5.52	88.93	90.49	
Final Consumption of the Households	1,052,092	1,105,199	5.05	77.90	78.91	
Final Consumption of General Government	146,798	159,788	8.85	10.87	11.41	
Individual consumption	72,307	80,060	10.72	5.35	5.72	
Collective consumption	74,491	79,729	7.03	5.52	5.69	
Consumption of NPISHs	2,226	2,380	6.91	0.16	0.17	
Gross Fixed Capital Formation	350,085	342,901	- 2.05	25.92	24.48	
Change in inventories	42,880	55,136	28.58	3.17	3.94	
Statistical discrepancy	:=,000	00,100	20.00	0.17		
Net export ²	- 243,525	- 264,855	8.76	- 18.03	- 18.91	
Exports of goods and services (f.o.b)	478,759	393,657				
Exports of goods	246,391	130,401				
Exports of services	232,368	263,257				
Imports of goods and services (f.o.b)	722,284	658,512				
Imports of goods	487,641	440,461				
Imports of services	234,643	218,051				
GROSS DOMESTIC PRODUCT	1,350,555	1,400,549	3.70	100.00	100.00	

2014** Preliminary data on annual basis

Fig.3Structure of GDP by expenditure approach, in %



² Exports and imports of goods and services of year 2014 are according new manual of Balance of Payment, BPM 6.

For more information, visit INSTAT website: http://www.instat.gov.al/

Tab.6 Gross Domestic Products by Expenditure Approach by constant prices

GDP indicators		alue . million	GDP at previous year prices	Real growth (%)	
	2013*	2014**	(2014**/2013*)	2014**	
Final Consumption	1,201,115	1,267,367	1,240,936	3.32	
Final Consumption of the Households	1,052,092	1,105,199	1,080,309	2.68	
Final Consumption of General Government	146,798	159,788	158,368	7.88	
Individual consumption	72,307	80,060	78,316	8.31	
Collective consumption	74,491	79,729	80,052	7.47	
Consumption of NPISHs	2,226	2,380	2,258	1.45	
Gross Fixed Capital Formation	350,085	342,901	336,419	-3.90	
Change in inventories	42,880	55,136	68,570		
Statistical discrepancy	,,,,,	,			
Net export ²	- 243,525	- 264,855	- 268,067	10.08	
Exports of goods and services (f.o.b)	478,759	393,657	394,924		
Exports of goods	246,391	130,401	130,430		
Exports of services	232,368	263,257	264,495		
Imports of goods and services (f.o.b)	722,284	658,512	662,991		
Imports of goods	487,641	440,461	446,948		
Imports of services	234,643	218,051	216,042		
GROSS DOMESTIC PRODUCT	1,350,555	1,400,549	1,377,858	2.02	

2014** Preliminary data on annual basis

Information for Users

Methodology and classification

The GDP estimations are harmonised with concepts and definitions of European System of Accounts (ESA 2010) and System of National Accounts (SNA 2008). Both these methodologies are the latest updates of ESA 1995 and SNA 1993. The European System of National Accounts and Regional Accounts is the framework for the measurement of economic and financial activities of the economic system, their components and the links between them for a given period of time (usually quarterly up to one year). Transactions made by the economic agents related to other resident or non-resident units in an economic territory are object of measurements in National Accounts.

The classifications used in the National Accounts are as follow:

- Nomenclature of the economic activities REV.2 (NACE Rev.2).
- Nomenclature of Products by Activity (CPA);
- Classification of individual consumption by purpose (COICOP);
- Classification of the functions of the government (COFOG).

Data sources

Various statistical and administrative sources are used for the estimation of GDP. Data could be statistical products of INSTAT or administrative data from different national institutions such as Ministries, General Directorate of Taxes and Customs, National Registration Centre, Bank of Albania, Financial Supervisory Authority, National Agency of Natural Resources, etc. By comparing these sources with each other, it is obtained a clear picture of the economy which is comprehensive, consistent, coherent and fully integrated.

The statistical sources include data gathered from various records and surveys on entities or households, among which it could be mentioned: Business Register; Population and Housing Census; Structural Business Survey; Retail Trade Survey; Household Budget Survey; Labour Force Survey; Living Standard Measurement Survey; Price Statistics Survey, etc.

Administrative sources include administrative data collected by other institutions for various purposes, among which it could be mentioned: The annual financial statements; Value added tax (VAT); Monetary financial statistics; Balance of Payments; Government fiscal statistics; Foreign trade statistics; Data on electricity and energy products; etc.

Stage of publication and revision policies

Estimates of annual GDP pass through three stages of calculations and publications.

- The first stage is the preliminary estimate of annual GDP, by both methods, within eleven months after the end of the year (t+11) and is based on preliminary data sources of the annual Structural Business Survey and administrative sources.
- The second stage includes semi-final estimates of the annual accounts of the GDP for the year "t" within six months after the preliminary assessment (t+17). Semi-final calculations are based on data sources more complete and therefore almost entirely on direct methods.
- The third stage includes the final estimates of GDP for the year (t). In this third stage, when the data set of the year (t+1) is received, the data of the year (t) is reviewed once again in order to incorporate any changes made to the year (t) and to ensure the consistency of the two consecutive years. During this stage is performed the final balancing at product level between the two methods of GDP.

The published data are revised based on revision policies of the national accounts. The annual estimates of the GDP and its components are subject of two types of revisions: routine and major revisions.

Routine revisions:

Annual routine revisions are as a result of updates of annual available data sources with the latest data of a given year 't'. Estimation of GDP of year "t" pass through three above stages of compilation until to final estimations. The first annual preliminary estimates on annual basis of the current year are available 11 months after the end of the reporting year (at the beginning of December of year t+1). Annual preliminary estimations are based on preliminary data of annual survey and other administrative sources. Preliminary results are revised after six months in order to obtain semi-final estimates. At the same time there are also revised the estimates of the previous year (t-1) in order to transform the estimates from semi-final to final.

Major revisions:

Major revisions are linked with incorporation of new statistical and administrative data sources; improvement of statistical techniques and methods of national accounts data compilation; changes in definitions, methods and classifications in international level, introduced by new System of National Accounts 2008 (SNA 2008) and European System of Accounts 2010 (ESA 2010).

Definitions

Gross Domestic Product (GDP): Gross Domestic Product at market prices, is the final result of production activity of productive resident units during a year. It is calculated in two approaches:

- GDP according to production approach is equal to sum of gross added values relevant to different kinds of activities, adding taxes and subtracting subsidies on products (not distributed to sectors or branches of a certain activity);
- GDP according to expenditure approach is equal to final domestic usage of products and services (final consumption, gross fixed capital formation, changes in inventories), plus exports, minus imports.

Output: production is an activity carried out under the control, responsibility and management of an institutional unit that uses inputs of labour, capital and goods and services to produce outputs of goods and services. The total of products created during the accounting period is considered as output. There are three types of output such as: market output; output produced for own final use; non-market output.

Intermediate consumption: Intermediate consumption consists of goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services are either transformed or used up by the production services.

Gross Value Added: Gross Value Added represents the contribution of different activities in GDP and is calculated as the difference between the output and intermediate consumption.

Nominal GDP: measures the current market value of a country's gross domestic product.

Real GDP: measures the volume level of a gross domestic product after changes in prices have been taken into account. It is obtained by expressing values in terms of a base period or previous period prices.

Taxes on products and imports: Taxes on products are paid taxes per unit of some goods and services like the Value Added Tax, excise and customs' tax on imports.

Subsidies on products and imports: Subsidies on products are non-reverse payment made by public administration units to the companies in the form of a certain amount of money per unit of goods or services. Subsidies on imports consist in subsidies of goods or services payable when the product surpasses the border of economic territory or if the services were made to resident institutional units.

Final consumption: Final consumption is one of the basic components of GDP by expenditure method. It consists in goods and services used by separate families or communities and are calculated as the sum of final consumption of household, final consumption of general government and final consumption of non-profit institutions serving the households.

Final consumption of households: Final consumption of households' contains all goods and services directly used to fulfil the individual needs of resident families.

Final consumption of General government and Non Profit Institutions Serving Households (NIPSH): Is the value of non - commercial services ensured by General government and non - profit institutions to the profit of communities or groups of families. It is calculated as the difference between the general government production and NPISH s and their market production value.

Net Export: Net export is the difference between export of goods and services (fob) and import of goods and services (fob).

Gross fixed capital formation: Consists in expenses made to buy new capital or other specific expenses accomplished by resident producers in goods or services to maintain, increase or enlarge their productive activity or create new process conditions in the future.

Changes in inventories: Is defined as the difference between inventories of stocks in process and circulating assets by the end of the year and beginning of the other one. Inventories include raw material and others, products, works and services in process, not finished and finished goods, animals etc.

Basic prices: is the price receivable by the producer from the purchaser for a unit of a good or services produced as output, minus any tax payable and plus any subsidy receivable on product. It excludes any transport charges invoiced separately by the producer.

Market prices: is the price after adding taxes and deducting subsidies on products.

Current prices: Prices of reference period. They represent the price paid for goods and services during the time of production or consumption.

Constant prices: Estimation in constant prices represents the estimation in real terms, deflated with prices of a base year or of the previous year.

Annex 1. Correspondence table of economic activities levels A35 and A10, NACE Rev 2.

A35	Description	A10	Description			
A1	Agriculture, forestry and fishing	A1	Agriculture, forestry and fishing			
A2	Mining and quarrying					
А3	Manufacture of food products, beverages and tobacco products		Mining and quarrying; Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage,			
A4	Manufacture of textiles, wearing apparel and leather products					
A5	Manufacture of wood and paper products, and printing					
A6	Manufacture of coke and refined petroleum products		waste management and remediation activities			
A7	Manufacture of chemical and pharmaceutical products		; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste			
A8	Manufacture of rubber and plastic products and other non-metallic mineral products	A2	management and remediation activities			
A9	Manufacture of basic metals and fabricated metal products, except machinery and equipment					
A10	Manufacture of machinery and equipment					
A11	Manufacture of furniture; other manufacturing; repair and installation of machinery and equipment		A2a :Manufacturing (includes branches from			
A12	Electricity, gas, steam and air-conditioning supply	=	A3 to A11)			
A13	Water supply					
A14	Sewerage, waste management and remediation activities					
A15	Construction	А3	Construction			
A16	Wholesale and retail trade and repair of motor vehicles and motorcycles					
A17	Wholesale trade, except of motor vehicles and motorcycles		Wholesale and retail trade; repair of motor			
A18	Retail trade, except of motor vehicles and motorcycles	A4	vehicles and motorcycles; transportation and storage; accommodation and food service activities			
A19	Land transport and transport via pipelines					
A20	Water and air transport; warehousing					
A21	Postal and courier activities					
A22	Accommodation and food service activities					
A23	Publishing, audiovisual and broadcasting activities					
A24	Telecommunications	A5	Information and communication			
A25	Computer programming, consultancy and related activities; information service activities	7.0				
A26	Financial and insurance activities	A6	Financial and insurance activities			
A27	Real estate activities	A7	Real estate activities			
A28	Legal and accounting activities; management consultancy activities; architectural and engineering activities		Professional, scientific and technical activities;			
A29	Scientific research and development; other professional, scientific and technical activities		administrative and support service activities			
A30	Administrative and support service activities	A8				
A31	Public administration and defence; compulsory social security		Public administration and defence;			
A32	Education	A9	compulsory social security; education; human			
A33	Human health activities	1	health and social work activities			
A34	Arts, entertainment and recreation		Arts, entertainment and recreation activities			
A35	Other services and activities of households	A10	and other services			