Statistics on small and medium enterprises, 2015

Year 2015

Tirana, March 20, 2017: Statistics on small and medium enterprises (SMEs), in Albania for the year 2015, state that:

- SMEs comprise 99.9 % of active enterprises. The sectors with the highest and lowest number of enterprises in SMEs are the same as those of employment. Trade sector prevails with 43.1 %, followed by services sector with 19.3 %. Mining and quarrying sector has the lowest percentage by 0.6 % and electricity, water and waste management sector with the same percentage 0.6 %.

- SMEs comprise 81.3 % of total number of employed. Three are the sectors that engaged over 50 % of employed in small and medium enterprises. Trade sector dominates with 24.5 %, followed by services sector by16.0 % and manufacturing sector by 14.2 %. Mining and quarrying sector by 1.5 % and electricity gas, water supply and waste management sector by 2.3 %, are the sectors with the lowest number of employed in small and medium enterprises.

- SMEs realized 77.6 % of turnover. Trade sector prevails in the percentage of total turnover realized by small and medium enterprises with 44.3 %. Construction sector is the second sector with the highest percentage of 9.3 %, followed by the manufacturing sector with 8.2 %. The sector with the lowest percentage of turnover realized by small and medium enterprises is mining and quarrying with 1.4 %.

- SMEs invested 66.5 % of total investments realized during the year. Despite other indicators, the sector with the highest percentage realized in small and medium enterprises is electricity, water and waste management sector by 21.1 %. Accommodation and food service sector has the lowest percentage of investments by 1.1 %.

- SMEs realize 66.3 % of value added. Trade sector occupies the highest percentage of value added realized by small and medium enterprises with 22.2 %, followed by other services with 11.5 %, construction with 10.1 % and manufacturing industry with 10.0 %. Electricity, water and waste management and mining and quarrying sector have the lowest percentage of value added respectively by 2.2 % and 2.5 %.

Tab.1 Basic indicators and their structure by size class of enterprises, 2015

Size of enterprises	Employed		Turnover		Investments		Value added	
	No.	%	mln ALL	%	mln ALL	%	mln ALL	%
Total	**435,437**	**100.0**	**1,802,364**	**100.0**	**208,240**	**100.0**	**460,332**	**100.0**
SMEs (1-249 employed)	**353,928**	**81.3**	**1,398,669**	**77.6**	**138,504**	**66.5**	**305,113**	**66.3**
Microenterprise (1-9 employed)	181,048	41.6	435,293	24.2	21,879	10.5	101,578	22.1
Small enterprise(10-49 employed)	84,845	19.5	555,735	30.8	54,757	26.3	107,560	23.4
Medium enterprise(50-249 employed)	88,035	20.2	407,640	22.6	61,869	29.7	95,976	20.8
Big enterprise (250+ employed)	**81,509**	**18.7**	**403,695**	**22.4**	**69,735**	**33.5**	**155,219**	**33.7**

Nine from ten enterprises engaged less than 5 employed. Enterprises with 250+ employed, even though constitute only 0.1 % of enterprises, engaged 18.7 % of employed, realized 33.5 % of investment, 22.4 % of turnover and 33.7 % of value added.

Fig.1 Structure of main indicators by size class of enterprises, 2015

Micro enterprises (1-9 employed)
Small enterprises (10-49 employed)
Medium enterprises (50-249 employed)
Large enterprises (250+ employed)
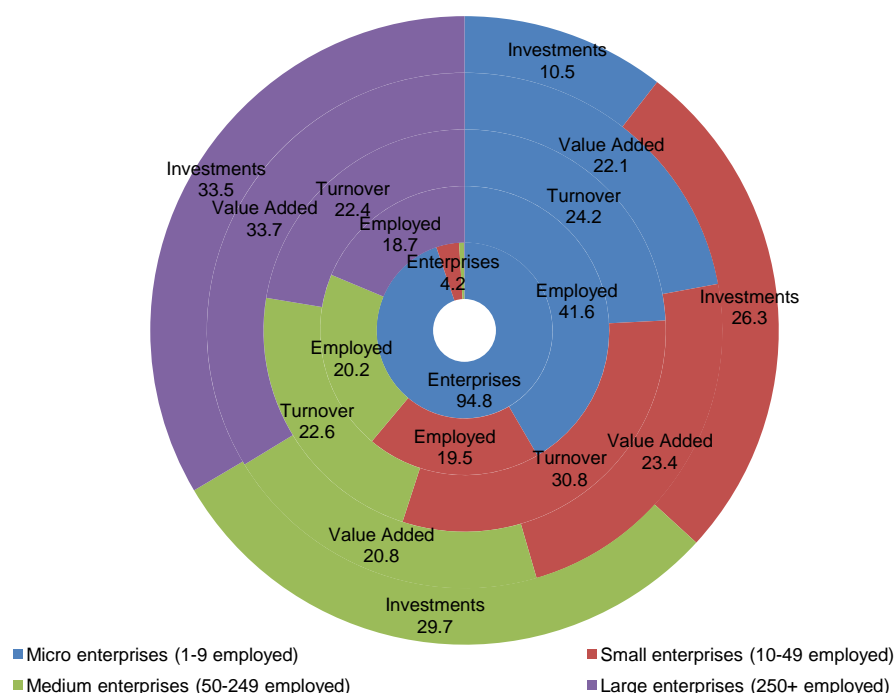
The structure of the enterprises, employment and value added in Albania and European Union (28 countries) is presented in the table below. SMEs in Albania have a higher impact due to the higher percentage of all three indicators taken into the consideration. Number of SMEs in Albania comprises 99.9% while in EU SMEs comprises 99.8 %. SMEs in Albania engaged 81.3 % of persons employed while in EU SMEs engaged 66.8 %. Value added realized by SMEs in Albania comprised 66.3 % while in EU only 57.4 % of value added is realized by SMEs.

For more information, please visit our website: http://www.instat.gov.al/en/home.aspx

Tab.2 Structure of main indicators by size class of enterprises in Albania and EU, 2015

Size of enterprises	Enterprises		Employed		Value added	
	Albania	EU (28 countries)	Albania	EU (28 countries)	Albania	EU (28 countries)
Total	100.0	100.0	100.0	100.0	100.0	100.0
SME (1-249 employed)	99.9	99.8	81.3	66.8	66.3	57.4
Microenterprise	94.8	92.8	41.6	29.5	22.1	21.2
Small enterprise	4.2	6.0	19.5	20.2	23.4	18.0
Medium enterprise	0.9	1.0	20.2	17.0	20.8	18.2
Big enterprise (250+ employed)	0.1	0.2	18.7	33.2	33.7	42.6

**Comments on external trade in goods in small and medium enterprises (SMEs), 2015**

- Only 1.9 % of small and medium enterprises perform exports as a percentage of total number of active enterprises. Mining and quarrying is the sector with the highest percentage of exporting enterprises where 25.7 % of active enterprises of this sector perform export. Accommodation and food services is the sector with the smallest number of exporting enterprises where only 0.1 % of this sector has performed export. Micro-enterprises have the lowest percentage of exporting enterprises by 0.7 %. In small enterprises, only 19.3 % of their numbers perform export, while medium enterprises perform about 43.1 % of their number.

Fig.2 Percentage of exporting enterprises by size class of enterprises, 2015
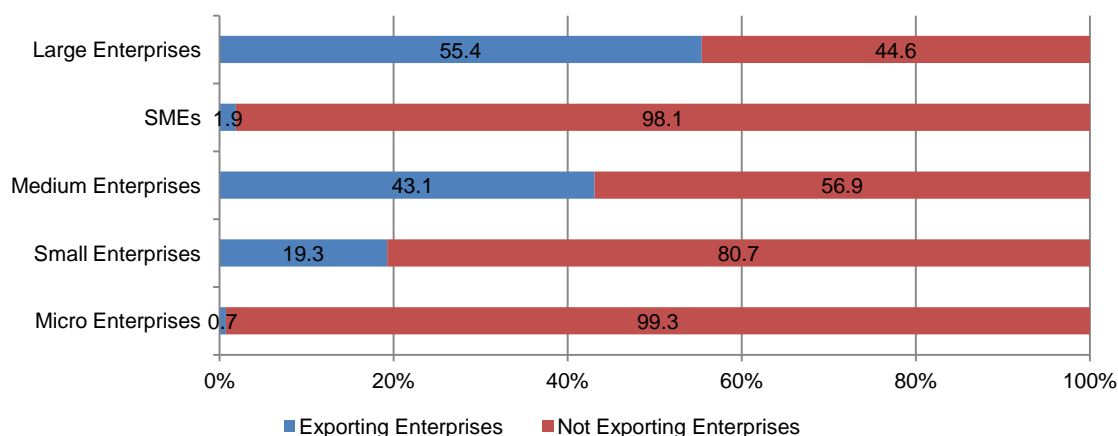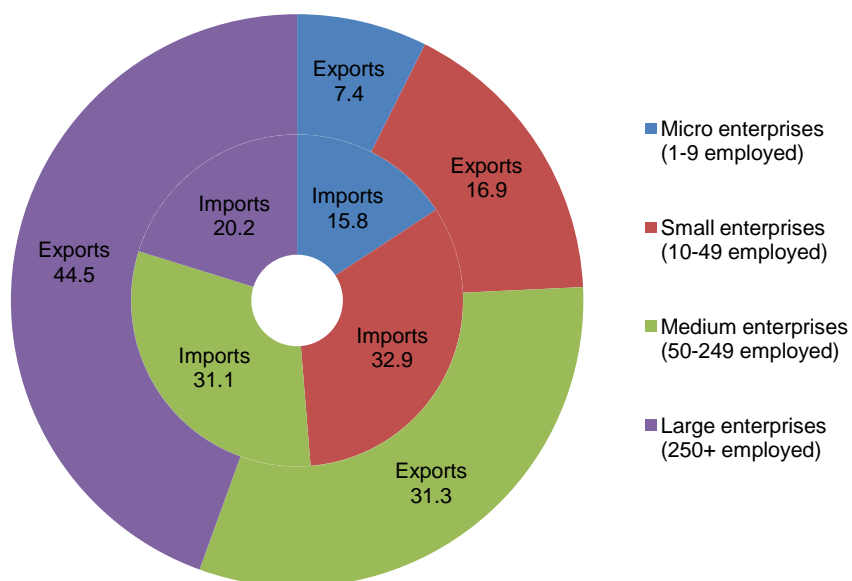

7.5 % of small and medium enterprises imports. Manufacturing sector has the highest number of importing enterprises where 17.2 % of enterprises imports. Accommodation and food services has the lowest percentage by 0.9 % of importing enterprises. The tendency of importing enterprises is the same as exporting enterprises where micro enterprises have the lowest percentage of importing enterprises by 5.2 %. In small enterprises, perform imports about 47.2 % of their number of enterprises while in medium enterprises about 70.2 % enterprises imports.

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Fig.3 Percentage of importing enterprises by size class of enterprises, 2015
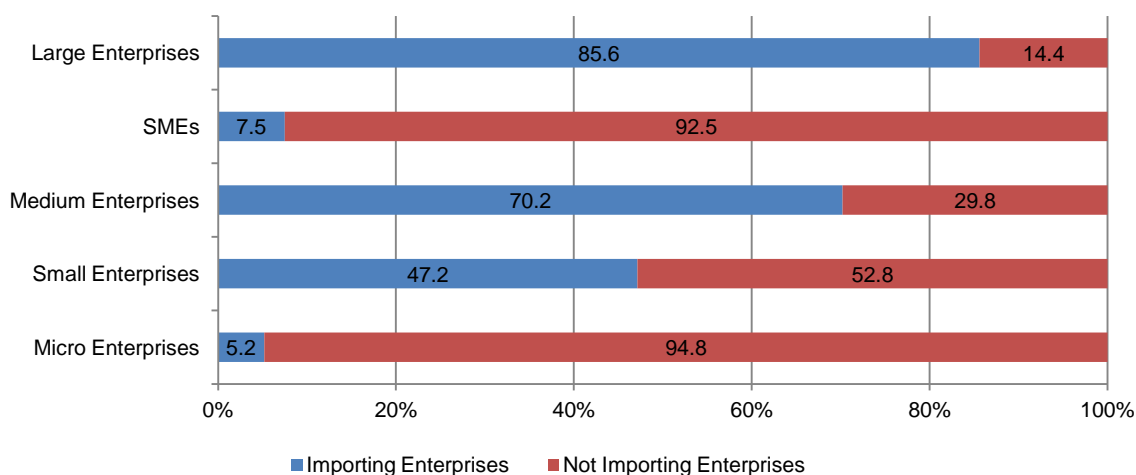
- 55.5 % of the value of exports was realized by SMEs. Manufacturing sector exported 34.8% of exports realized by SMEs while trade sector 13.2 %. The remaining 7.5 % of SMEs exports were realized by other sectors. From the analysis of the percentage of exports carried out by SMEs by size class of enterprises, resulted that 31.3 % of exports was realized by medium enterprises, 16.9 % of exports was realized by small enterprises and 7.4 % by micro-enterprises.

- 79.8 % of the value of imports was realized by SMEs. Trade sector imported 52.6 % of imports realized by SMEs and manufacturing sector 18.7 %. The remaining 8.5 % of imports was realized by enterprises in other sectors. Small enterprises with 10-49 employed realized the highest percentage of imports 32.9 %, followed by medium enterprises with 31.1 %.

Fig.4 Structure of imports and exports value by size class of enterprises, 2015

**Comments by economic activity and size class of enterprises, 2015**

Small and medium enterprises play an important role in terms of **employment**. Accommodation and food services sector has the highest percentage of employment in micro enterprises by 78.9 %. Construction sector has the highest percentage of employment in small sized enterprises with 39.0 %. Manufacturing sector has the highest percentage of employment in medium sized enterprises by 36.4 %.

Fig.5 Structure of employment by economic activity and size class of enterprises, 2015
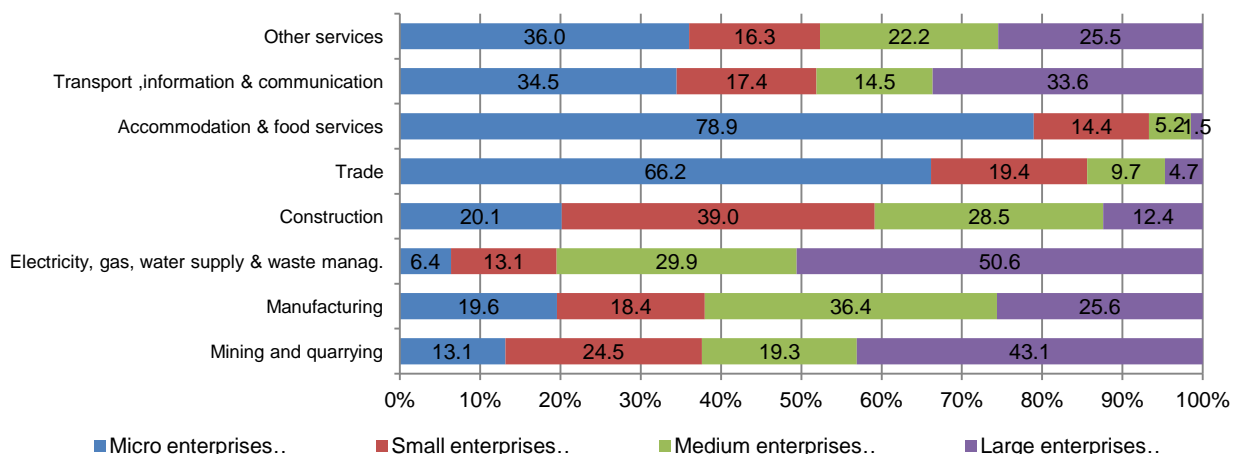
Value added has a similar pattern as employment in the analysis of value added by economic activity and employment. Accommodation and food services sector has the highest percentage of value added in small sized enterprises by 66.5 %. Value added, in trade sector, in micro and small sized enterprises are rough, respectively 37.2% and 37.0 %. Construction sector has the highest percentage of value added by 33.6 %, realized by small-sized enterprises. In manufacturing sector, medium-sized enterprises realized the highest percentage of value added by 42.3 %.

Fig.6 Structure of value added by economic activity and size class of enterprises, 2015

For more information, please visit our website: http://www.instat.gov.al/en/home.aspx
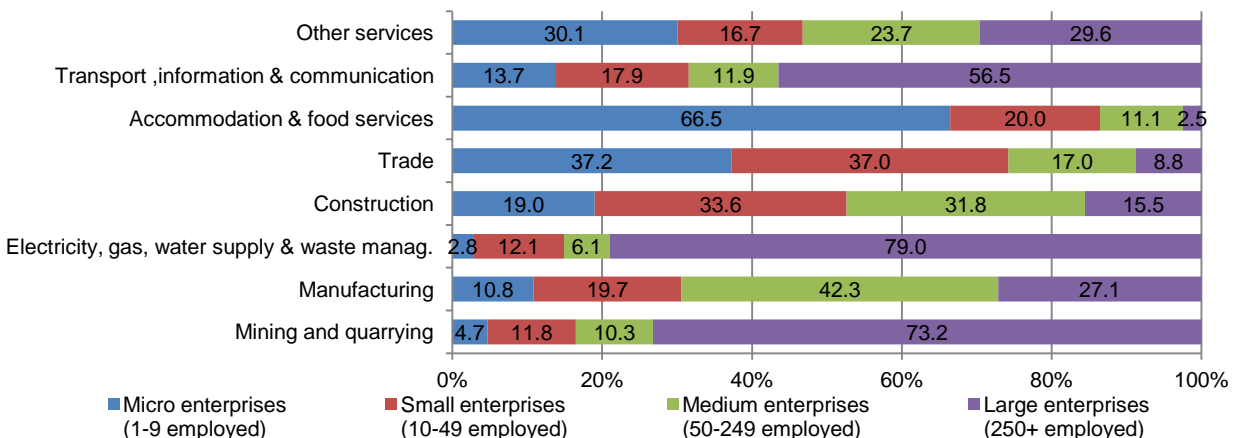
Apparent labor productivity calculated as the ratio of value added and employment stated that this indicator is higher in large enterprises with 250 and more employed, compared to small and medium enterprises. Based on economic activity, for both SMEs and large sized enterprises, the highest apparent labor productivity is in the mining and quarrying sector while the lowest apparent labor productivity is for the accommodation and food services sector.

Based on the size class of enterprises, *in micro sized enterprises*, the highest apparent labor productivity is in the construction sector while the lowest apparent labor productivity is for the accommodation and food services sector. *In small sized enterprises*, the highest apparent labor productivity is in the electricity, gas, water supply and waste management sector while the lowest apparent labor productivity is for the accommodation and food services sector. In medium sized enterprises the highest apparent labor productivity is in the mining and quarrying sector while the lowest apparent labor productivity is for the electricity, gas, water supply and waste management sector.

Tab.3 Apparent labor productivity by economic activity and size class of enterprises, 2015

Economic activities	Micro enterprises (1-9 employed)	Small enterprises (10-49 employed)	Medium enterprises (50-249 employed)	SME (1-249 employed)	Large enterprises (250+ employed)
Total	**561**	**1,268**	**1,090**	**862**	**1,904**
Goods producers	**769**	**1,166**	**1,043**	**1,017**	**2,311**
Mining and quarrying	1,307	1,762	1,950	1,721	6,215
Manufacturing	421	816	885	746	805
Electric. water sup. & waste manag.	1,056	2,230	495	1,029	3,778
Construction	1,337	1,222	1,586	1,367	1,777
Services producers	**525**	**1,342**	**1,151**	**790**	**1,486**
Trade	564	1,907	1,757	960	1,871
Accommodation & food services	279	460	705	328	553
Transport ,information & communication	618	1,593	1,282	1,018	2,609
Other services	670	824	857	760	933

SMEs **export** 9.5 % of their realized turnover or 7.3 % of total turnover. Manufacturing sector has the highest percentage of exported turnover where 56.4 % of turnover is exported. Mining and quarrying is the second sector with the highest exported turnover by 31.7 %. Accommodation and food services has the lowest percentage of exported turnover by 0.2 %.
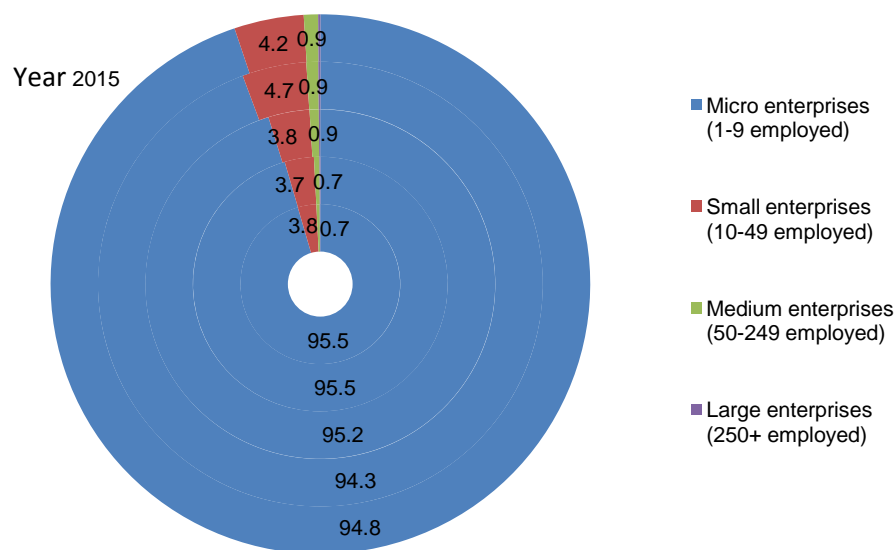
Fig.7 Turnover percentage by type and economic activity in SMEs, 2015

Fig.7 Turnover percentage by type and economic activity in SMEs, 2015

- ■ % of exports   ■ % of sales in Albania
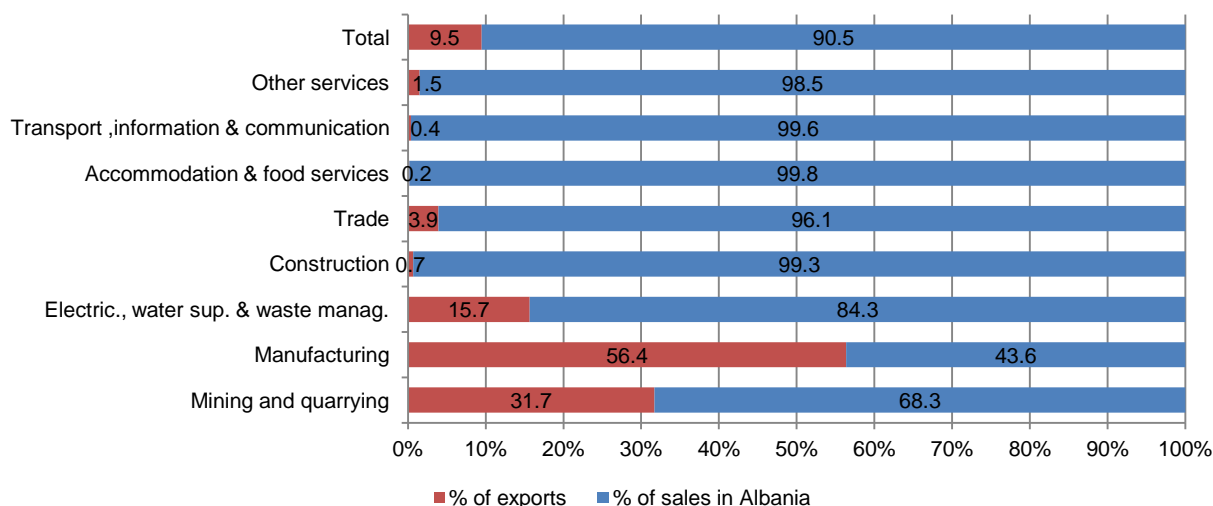
Comments on the performance of small and medium enterprises (SMEs), 2011-2015

SMEs structure has no change in number of enterprises comparing the years 2011 and 2015. The number of SMEs occupied 99.9 % of enterprises for these two years.   The number of active enterprises in 2015, increased by 22.7 % compared to 2014. Almost all the increasing contribution was given by small and medium enterprises. Comparing the number of active enterprises in 2015 with those of 2014, it is noted that small and medium enterprises in transport, information and communication sector marked a negative contribution by -1.0 p.p. Trade sector marked the highest contribution on annual growth of the number of enterprises (+10.2 p.p) followed by other services sector (+ 6.9 p.p) and accommodation and food services sector (+4.6 p.p).

Fig.8 Structure of number of enterprises, 2011 - 2015

- ■ Micro enterprises (1-9 employed)
- ■ Small enterprises (10-49 employed)
- ■ Medium enterprises (50-249 employed)
- ■ Large enterprises (250+ employed)

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The number of employed in SMEs decreased in 81.5 % in 2011 from 81.3 % that was in 2015. For **employment** indicator, small and medium enterprises of all economic sectors marked a positive contribution. SMEs contributed by +15.8p.p in the increase of 17.4 % of employed.

Comparing year 2015 with year 2014, sectors with the highest contribution to employment, from small and medium enterprises sector, were trade sector by +5.3p.p., services sector by +4.1p.p., and manufacturing sector by +2.7p.p.
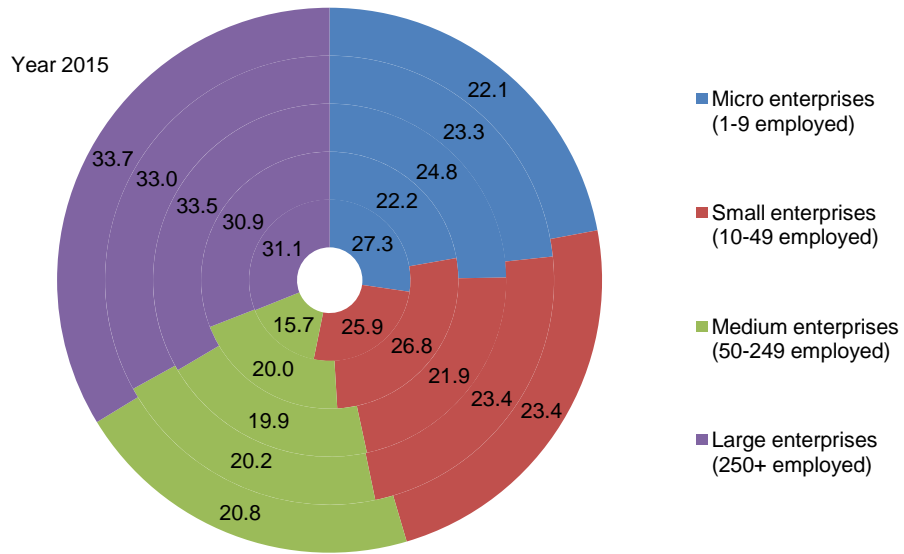
Fig.9 Structure of number of employed, 2011 - 2015
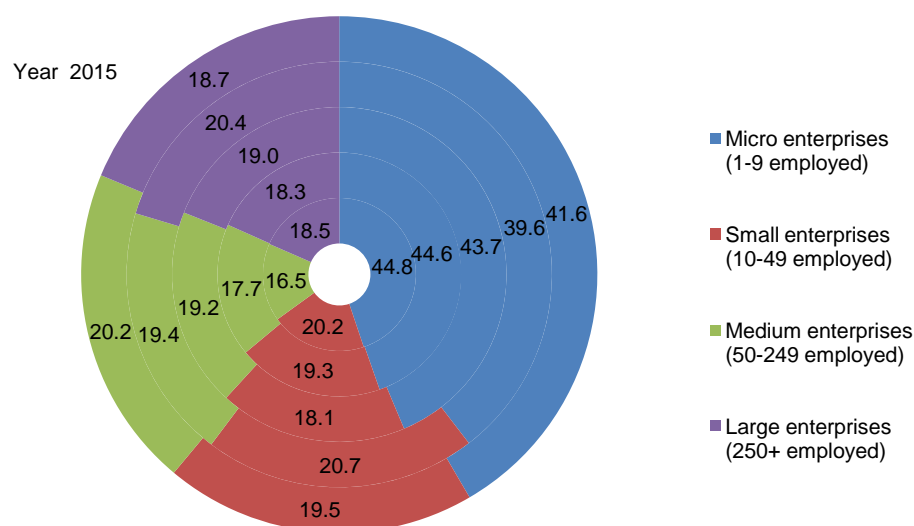
Value added has higher fluctuation compared with the other two indicators, constituting 66.3 % in 2015 from 68.9 % in 2011. These fluctuations are more visible in of small and medium enterprises sub-groups. During these five years, it is noted a contraction of micro and small enterprises. Medium and large enterprises had an improvement of employment and value added indicators.

 In 2015, small and medium enterprises had an important role in growth of 6.8 % of **value added** realized by non-agricultural private enterprises covered by SBS survey. SMEs contribution was +3.8p.p compared with +3.0p.p contribution of large enterprises with 250 and more employed. Trade sector has the largest contribution to value added growth for small and medium enterprises with +6.3p.p followed by manufacturing sector with +0.5 p.p. Sectors with negative contribution to value added growth were electricity, gas, water supply and waste management by -1,3 p.p., mining and quarrying by -1.1 p.p. and construction sector by -0.8 p.p.

Fig.10 Structure of value added, 2011 - 2015

Year 2015

Legend:
- ■ Micro enterprises (1-9 employed)
- ■ Small enterprises (10-49 employed)
- ■ Medium enterprises (50-249 employed)
- ■ Large enterprises (250+ employed)

Values shown in chart:
- Micro: 22.1, 23.3, 24.8, 22.2, 27.3
- Small: 25.9, 26.8, 21.9, 23.4, 23.4
- Medium: 15.7, 20.0, 19.9, 20.2, 20.8
- Large: 33.7, 33.0, 33.5, 30.9, 31.1

Methodological Notes

This publication presents statistics on small and medium enterprises situation (SMEs) in 2015 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, date 17.10.2002, "For small and medium enterprises", as amended, enterprises are classified in: micro, small and medium enterprises.

- 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.

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- 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.

For more information related to the methodology used in structural business survey on enterprises, please refer to the following link:

http://www.instat.gov.al/en/themes/enterprises-economic-indicators/methods/structural-business-survey.aspx

For more information related to the methodology used in external trade in goods statistics, please refer to the following link:

http://www.instat.gov.al/en/themes/external-trade.aspx

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:

http://www.instat.gov.al/en/about-us/quality-in-statistics.aspx

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.

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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

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.