

# Foreign Enterprises in Albania

## 2014-2016

### Tiranë, December 15, 2017:

Albanian Institute of Statistics (INSTAT) in collaboration with Bank of Albania, is compiling for the first time a separate publication for foreign and joint enterprises, and the impact of them in the Albanian economy.

In 2016, the foreign and joint enterprises have employed 16 % of the total employment and have contributed with 22.7 % in total Turnover.

Enterprises with 100% foreign dominance cover 71.4% of the total foreign and joint enterprises, while the enterprises with foreign dominance cover 14 % of them.

In the end of 2016, number of foreign and joint enterprises decreased by 5.1 %, compared with 2015. In 2016, the main share foreign and joint enterprises are for Italy and Greece by 56.5 % of enterprises, 60.5 % of employment, 61.1 % of exports and 47.5 % of imports.

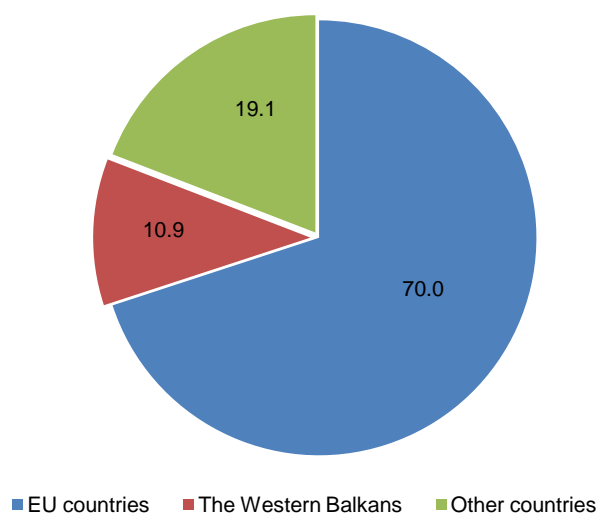
### Foreign and joint enterprises

In 2016, the enterprises from European Community countries covered approximately 2.5 % of total active enterprises and 70 % of the total foreign and joint enterprises. The enterprises from the Western Balkans origin represent 10.9 % while the other countries covered 19.1 % of total foreign and joint enterprises.

In Albanian economy, the enterprises from EU countries are dominant in other services activity (24.3 %), Trade (18.6 %) and Industry (13.6 %) of the total foreign and joint enterprises.

By the size of enterprises based on the number of employed, in 2016 small enterprises from EU countries covered 77.1 % of all EU enterprises, while the large companies covered 1.3 %. This percentage of the small and large businesses is related to economic activity where they operate.

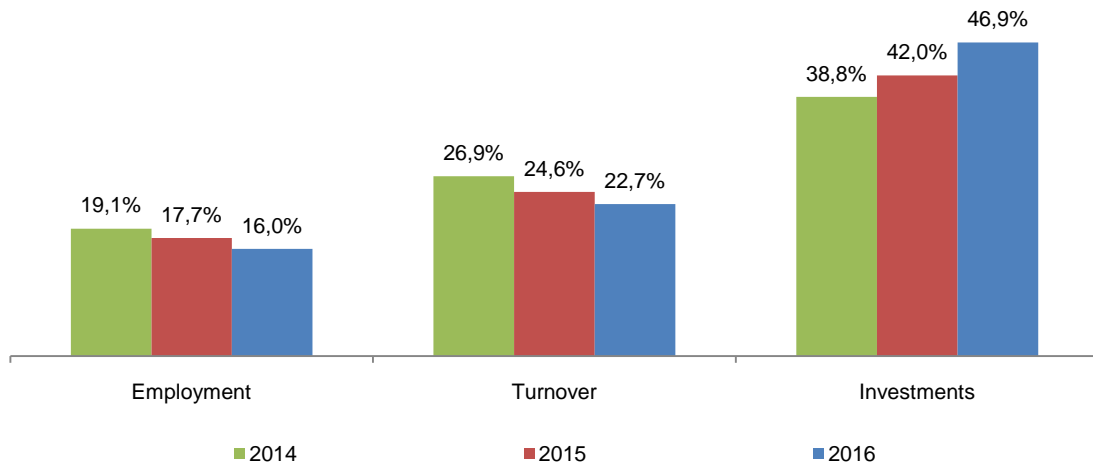
Fig.1 Structure of the foreign and joint enterprises by regions, 2016



**Main economic indicators of foreign and joint enterprises**

In 2016, the foreign and joint enterprises have employed 16 % of total employment to 17.7 % that it was in 2015. Turnover realized by foreign enterprises comprises 22.7 % of total turnover of resident enterprises in 2016, while during previous year it was 24.6 %. The percentage of the investments of the foreign enterprises was 46.9 % during 2016, while in 2015 it was 42 %.

**Fig.2 Share of the main indicators of foreign and joint enterprises in total resident enterprises**



**Foreign Direct Investments**

Foreign direct investment (FDI) is a key driver of international economic integration and globalisation. Reliable FDI statistics have always been essential for policy makers faced with the challenges of attracting and making the most of international investment. FDI stock has increased by 14% from 2015 to 2016. At the end of 2016, EU countries comprised the majority of FDI stock (59.3%), with dominant countries Greece and Netherland. The respective percentages are 21.7% and 12.6%.

**Tab.1 FDI, stock and flow by country (mil Euro)**

FDI	Stock			Flow		
	2014	2015	2016	2014	2015	2016
<b>Gjithsej</b>	<b>4,565.9</b>	<b>4,981.7</b>	<b>5,677.3</b>	<b>869.2</b>	<b>890.4</b>	<b>942.5</b>
<b>EU-28</b>	<b>2,970.0</b>	<b>3,289.3</b>	<b>3,365.8</b>	<b>268.1</b>	<b>321.9</b>	<b>241.6</b>
Austria	358.4	386.9	359.6	-11.9	23.1	23.1
United Kingdom	20.8	23.8	38.4	4.8	11.9	6.5
Germany	129.5	137.2	122.7	21.9	7.1	18.7
Greece	1,179.6	1,204.8	1,232.6	118.5	41	10.3
Italy	523.7	547.5	604.4	37.8	11.2	45.7
Others of EU	758.0	989.1	1,008.1	97.0	227.6	137.3
Switzerland	79.4	120.6	550.1	73.7	146	432.6
Canada	725.3	691.4	739.5	398.7	228	134.8
USA	88.4	94.5	80.8	35.3	3.5	10.2
Other	702.8	785.9	941	93.4	191	123.4

Source: Bank of Albania

**Trade in goods by enterprises**

The share of exports value of foreign and joint enterprises in 2016 was 48.2 percent, while in 2015 it was 58.8 percent; for imports value the share in 2016 was 29.0 percent while in 2015 it was 28.7 percent.

**Tab. 2 Share of exports / imports of foreign and joint private enterprises in total of enterprises**

Size of enterprises	Activity (NACE Rev.2)											
	2014				2015				2016			
	Total	B-E	G	Others	Total	B-E	G	Others	Total	B-E	G	Others
<b>Eksports</b>												
<b>Total</b>	<b>62.9</b>	<b>72.1</b>	<b>15.2</b>	<b>31.3</b>	<b>58.8</b>	<b>65.7</b>	<b>29.1</b>	<b>35.0</b>	<b>48.2</b>	<b>51.1</b>	<b>28.8</b>	<b>57.4</b>
1-9	37.4	49.1	29.8	23.3	56.6	51.9	64.7	19.8	47.7	58.3	44.1	21.3
10-49	21.2	29.3	8.0	59.4	30.7	41.0	12.7	30.2	25.7	27.0	16.8	51.0
50-249	50.0	53.0	26.8	1.8	47.0	50.7	c	c	47.5	48.1	11.2	86.6
250+	84.5	88.6	2.4	43.5	75.9	81.1	c	c	58.2	59.3	-	84.3
<b>Imports</b>												
<b>Total</b>	<b>30.7</b>	<b>58.3</b>	<b>12.5</b>	<b>39.3</b>	<b>28.7</b>	<b>53.1</b>	<b>12.9</b>	<b>34.5</b>	<b>29.0</b>	<b>49.3</b>	<b>13.2</b>	<b>46.9</b>
1-9	19.4	55.9	10.7	36.4	19.7	44.9	12.6	26.5	29.2	52.4	16.5	58.9
10-49	18.5	37.3	13.6	29.1	18.1	26.7	15.4	24.1	22.0	45.4	12.9	28.6
50-249	26.5	48.8	11.6	15.2	28.5	51.6	c	c	28.8	48.3	c	c
250+	62.2	70.2	15.9	67.6	53.2	69.2	c	c	43.1	52.5	c	c

Source: INSTAT

For more informations read the publication for the "Foreign Enterprises in Albania, 2014-2016" in the link:

<http://www.instat.gov.al/media/3663/foreign-enterprises-in-albania.pdf>

# Methodology

Albanian Institute of Statistics (INSTAT) compiled a separate publication for foreign enterprises in collaboration with Bank of Albania. This publication includes statistics from different units of the two institutions.

The statistics include all the enterprises that operate in Albania. Population is based in enterprises which are active in december of reference year. The clasification of enterprises is by Nomenclature of Economic Activities, NACE Rev.2. The data are based on calendar year. Fiscal year coresponds with calendar year. The clasification of enterprises by size class is based by number of employess (calculated as employed full time. For more information please refer to the below links:

**Business Register**

<http://instat.gov.al/en/themes/industry-trade-and-services/business-register/>

**Structural Business Survey**

<http://instat.gov.al/en/themes/industry-trade-and-services/structural-business-statistics/>

**Bank of Albania**

[https://www.bankofalbania.org/web/Statistics\\_Entry\\_230\\_2.php?kc=0,3,0,0,0](https://www.bankofalbania.org/web/Statistics_Entry_230_2.php?kc=0,3,0,0,0)

**International Trade in Goods**

<http://instat.gov.al/en/themes/international-trade/international-trade-in-goods/>

**Main definitions**

**An enterprise is:** "the smallest combination of legal units that is an organisational 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** 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.

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

**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.