

Annual Sector Accounts

2013 – 2015

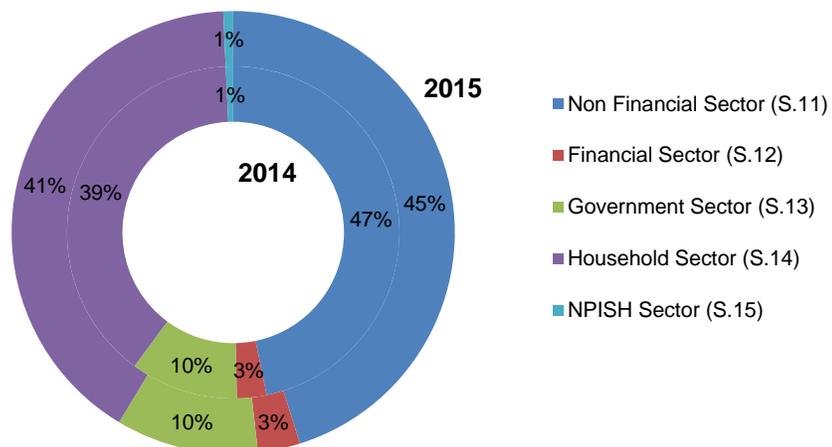
Tirana, May 30 2018: Institutional sector accounts represent a coherent overview of all economic processes and the roles of different sectors in the economy. This publication presents the first two non-financial accounts by Institutional Sectors for the years 2013 - 2015 in accordance with the European System of Accounts (ESA2010). Sector accounts show interactions between different sectors of the economy, including national economy as a whole and the rest of the world. The process of producing non-financial accounts by institutional sector relies on integrating a whole set of data that includes surveys or censuses, administrative data, extrapolations and models. Concepts, definitions and classifications are based on the European System of Accounts (ESA 2010). The basic statistical unit is the institutional unit. Institutional units are classified into five institutional sectors, Non-Financial Sector (S.11), Financial Sector (S.12), Government Sector (S.13), Household Sector (S.14) and Non profit institutions serving household Sector (S.15). These five sectors together form the total economy (S.1). Non-financial accounts are consistent with annual GDP publications.

Every economic process is described in a separate account. Accounts record economic transactions into resources, uses, and a balancing item for each account. This balancing item passes from one account to the other creating a link between them.

1. Production Account

Production account expresses transactions related to the production process. Output is recorded as a resource, Intermediate Consumption as an use. The balancing item for each sector is Gross Value Added at basic prices (B.1g). The total economy production account (S.1) is the sum of individual sectors production accounts, together with transactions for which a sectoral distribution is not possible (Taxes and Subsidies on Products). The balancing item of Production Account for the total economy is Gross Domestic Product, at market prices (B.1*g).

Figure 1: Gross Value Added structure by institutional sectors, 2014-2015



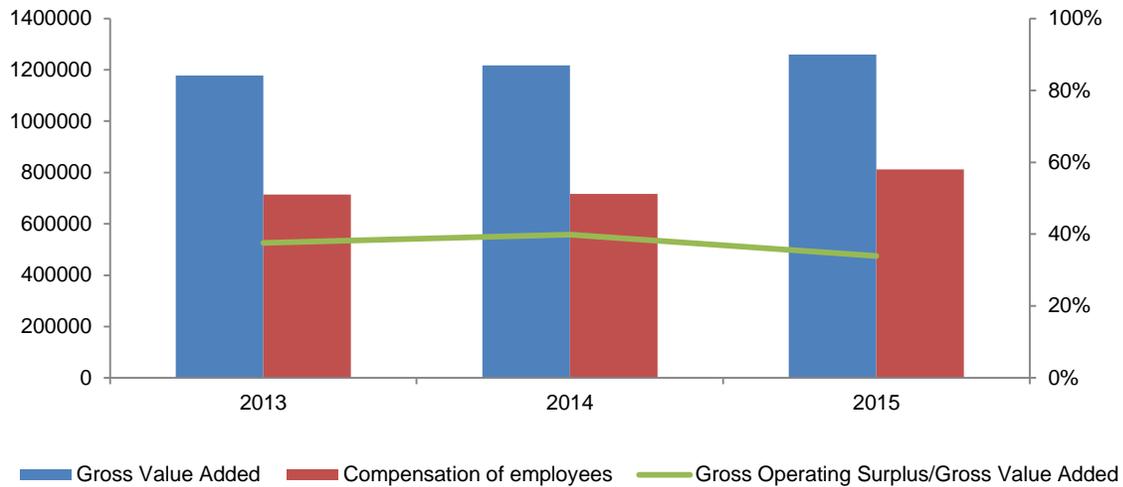
In the gross value added structure, Non-Financial Sector has the largest share by 45%, followed by Household Sector with about 41% , in 2015.

2. Generation of Income Account

This account represents the transactions through which the Gross Domestic Product at market prices is distributed to labour: (compensation of employees), taxes (tax differentiation and subsidies on production) and "gross operating surplus (B.2g) /gross mixed income (B.3g)", which is also the balancing item of this account.

Compensation of employees has the highest share of the gross value added in the economy by 64%. During the period 2013-2015, there is an increasing trend of compensation of employees, following the same trend of gross value added, for the total economy. As a result of a higher increase in compensation of employees, gross operating surplus decreased by 6 percentage points in 2015, compared to 2014.

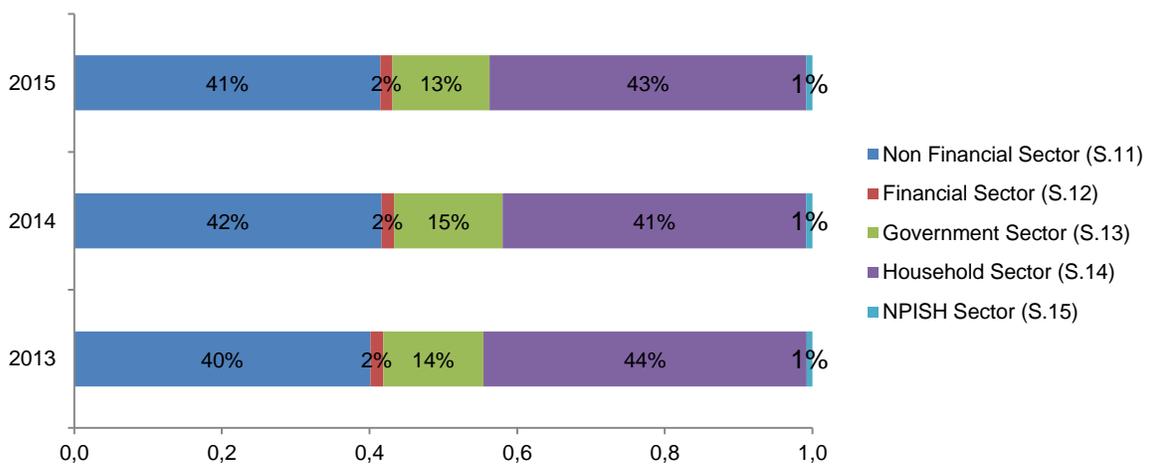
Figure 2: Compensation of employees and Gross operating surplus, 2013-2015



The Non-Financial Sector (S.11) and Household Sector (S.14) are the two largest sectors in the economy, and the compensation of employees is divided between these two sectors.

The Financial Sector (S.12) accounts for about 2% of compensation of employees and consists in a smaller number of units operating in this sector. The sector that occupies the smallest share is the Non-Profit Institutions serving households by 1%.

Figure 3: Structure of the compensation of employees, 2013-2015



Tab.1 Annual Sector Accounts year 2013

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)	
PRODUCTION ACCOUNT													
						P.1	Output	2,246,280	1,326,137	49,376	156,019	695,050	19,697
11,439	228,217	33,396	19,017	776,514	1,068,583	P.2	Intermediate Consumption						
8,259	466,832	122,623	30,359	549,624	1,177,697	B.1g	Gross Value Added						
						D.21- D.31	Taxes less subsidies on products	172,354					
						B.1g* (1)	Gross Domestic Product (GDP)						
								1,350,051					
<i>(1) Gross Domestic Product (GDP) is gross value added plus taxes less subsidies on products (D21-D31)</i>													
GENERATION OF INCOME ACCOUNT													
						B.1g/B.1g*(2)	Gross Value Added / Gross Domestic Product	1,350,051	549,624	30,359	122,623	466,832	8,259
5,587	312,771	96,925	12,381	286,593	714,257	D.1	Compensation of employees						
								175,722					
31	2,092	53	247	18,530	20,953	D.21	Taxes on products						
						D.29	Other taxes on production						
						D.31	Subsidies on products	3,368					
2,640	151,969	25,644	17,731	244,501	442,487	B.2g/B.3g (3)	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>													

Tab.2 Annual Sector Accounts year 2014

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)	
PRODUCTION ACCOUNT													
						P.1	Output	2,252,545	1,308,503	55,430	169,033	698,197	21,382
12,298	217,083	41,563	20,270	743,487	1,034,701	P.2	Intermediate Consumption						
9,084	481,114	127,469	35,160	565,015	1,217,843	B.1g	Gross Value Added						
						D.21-D.31	Taxes less subsidies on products	177,461					
								1,395,305	B.1g* (1)	Gross Domestic Product (GDP)			
<i>(1) Gross Domestic Product (GDP) is gross value added plus taxes less subsidies on products (D21-D31)</i>													
LIOGARIA E GJENERIMIT TË TË ARDHURAVE													
						B.1g/B.1g*(2)	Gross Value Added / Gross Domestic Product	1,395,304	569,500	35,160	127,469	477,011	8,703
5,557	293,455	105,390	12,098	300,083	716,583	D.1	Compensation of employees						
								183,439	D.21	Taxes on products			
225	478	127	222	13,921	14,972	D.29	Other taxes on production						
									D.31	Subsidies on products	5,978		
2,921	183,078	21,953	22,840	255,496	486,287	B.2g/B.3g (3)	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>													

Tab.2 Annual Sector Accounts year 2015

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)	
PRODUCTION ACCOUNT													
						P.1	Output	2,334,763	1,296,265	61,076	169,831	784,101	23,490
14,420	271,741	38,915	22,101	727,860	1,075,036	P.2	Intermediate Consumption						
9,070	512,360	130,916	38,975	568,405	1,259,727	B.1g	Gross Value Added						
						D.21- D.31	Taxes less subsidies on products	174,580					
						B.1g* (1)	Gross Domestic Product (GDP)	1,434,307					
<i>(1) Gross Domestic Product (GDP) is gross value added plus taxes less subsidies on products (D21-D31)</i>													
LIOGARIA E GJENERIMIT TË TË ARDHURAVE													
						B.1g/B .1g*(2)	Gross Value Added / Gross Domestic Product	1,434,307	568,405	38,975	130,916	512,360	9,070
6,406	348,625	106,703	13,378	336,783	811,896	D.1	Compensation of employees						
						D.21	Taxes on products	179,181					
142	419	519	257	18,751	20,088	D.29	Other taxes on production						
						D.31	Subsidies on products	4,601					
2,521	163,316	23,694	25,339	212,871	427,743	B.2g/B .3g (3)	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>													

Information for the user

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.