

Foreign Businesses in Albania

Period 2016 -2018

Tirana, December 19, 2019: Albanian Institute of Statistics (INSTAT) in collaboration with Bank of Albania, has compiled a publication for foreign and joint enterprises, and the impact of them in the Albanian economy.

In the end of 2018, number of foreign and joint enterprises decreased by 0.6 %, compared with 2017. In 2018, the main share foreign and joint enterprises are for Italy and Greece by 52,8 % of enterprises, 60.6 % of employment, 52.3 % of exports and 53.2 % of imports.

Enterprises with 100% foreign dominance cover 65.6 % of the total foreign and joint enterprises, while the enterprises with foreign dominance cover 13.7 % of them.

In 2018, enterprises originating from European Union countries account for 2.5 % of total active enterprises in Albania, and 64.8% of foreign and joint ventures.

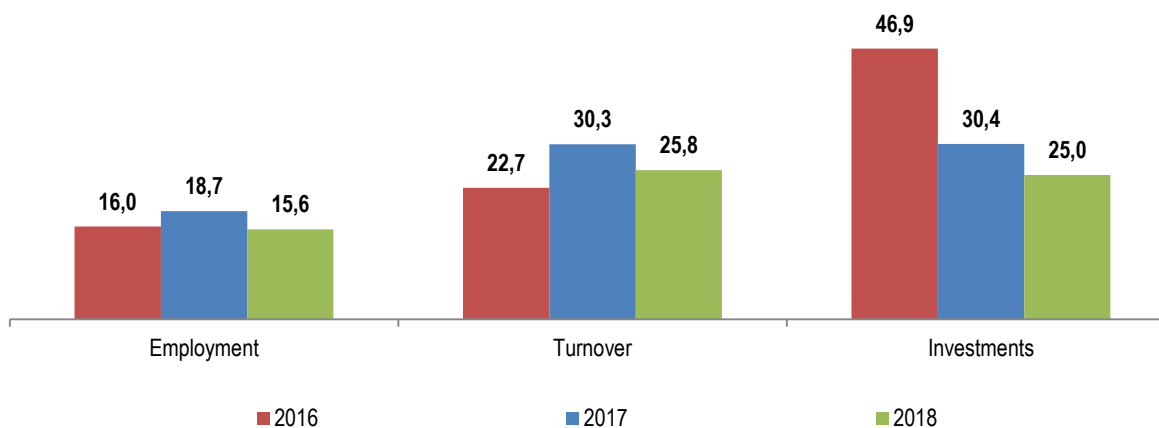
Enterprises from Western Balkan countries represent 10.3 % and enterprises from other countries represent 24.9 % of foreign and joint ventures.

Main economic indicators of foreign and joint enterprises

In 2018, the foreign and joint enterprises have employed 15.6 % of total employment in Albania from 18.7 % in 2017. Turnover realized by foreign and joint enterprises comprises 25.8 % of total turnover of resident enterprises in 2018, while during previous year it was 30.3 %.

The percentage of the investments of the foreign enterprises was 25.0 % during 2018, while in 2017 it was 30.4 %.

Fig. 1 Share of the main indicators of foreign and joint enterprises in total resident enterprises, 2016-2018



Trade in goods by enterprises

The share of exports value of foreign and joint enterprises was 50.9 % in 2018, while in 2017 it was 49.2 %. In 2018, these enterprises realised 27.5 % of total imports, from 28.8 % that was in 2017.

Foreign Direct Investments

FDI stock has increased by 17.8 % from 2017 to 2018. At the end of 2018, EU countries comprised the majority of FDI stock (54.7%), with dominant countries Greece and Netherland. The respective percentages are 15.1 % and 13.2 %.

DI flow has increased by 13.3 % in 2018 compared with 2017. In 2018, USA has been the largest growth by almost 4 times, while Germany declined by 1 time, compared to 2017.

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

FDI	Stock			Flow		
	2016	2017	2018	2016	2017	2018
Total	5,677.3	6,456.1	7,602.8	942.5	899.9	1,019.6
<i>EU-28</i>	3,365.8	3,672.2	4,155.3	241.6	351.2	420.5
Austria	359.6	447.5	505.0	23.1	55.0	56.1
United Kingdom	38.4	51.2	62.1	6.5	9.0	7.9
Germany	122.7	111.5	148.5	18.7	-20.4	21.2
Greece	1,232.6	1,216.8	1,149.0	10.3	27.2	-27.8
Italy	604.4	610.1	699.2	45.7	61.6	52.9
Netherland	718	826.8	1,007.2	-	-	-
Other EU countries	290.1	408.2	584.3	137.3	218.8	310.1
Switzerland	550.1	893.7	1,315.8	432.6	338.6	354.9
Canada	739.5	883.8	1,000.6	134.8	149.1	83.4
USA	80.8	79.1	102.8	10.2	3.3	13.7
Other	941.0	927.3	1,028.3	123.4	57.7	147.1

Metodology

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/Statistika_230_1.php

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 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 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.