

Foreign Businesses in Albania

Period 2017 - 2019

Tiranë, December 24, 2020: The following publication on “Foreign Businesses in Albania” contains information on the main indicators of foreign and joint enterprises operating in Albania, for the reference year 2017-2019.

In 2019, the number of foreign and joint enterprises operating in Albania was 6,443, while this was 6,259 at the end of 2018 and 6,295 at the end of 2017. The main shares of foreign and joint enterprises are from Italy and Greece by 53.4 % of enterprises, 60.9 % of employment, 53.5 % of exports and 49.2 % of imports.

In the time reference year 2017-2019 the enterprises from European Community countries covered at average 65.6 % of the total foreign and joint enterprises while the enterprises from the Western Balkans origin represent 10.9 % of these enterprises.

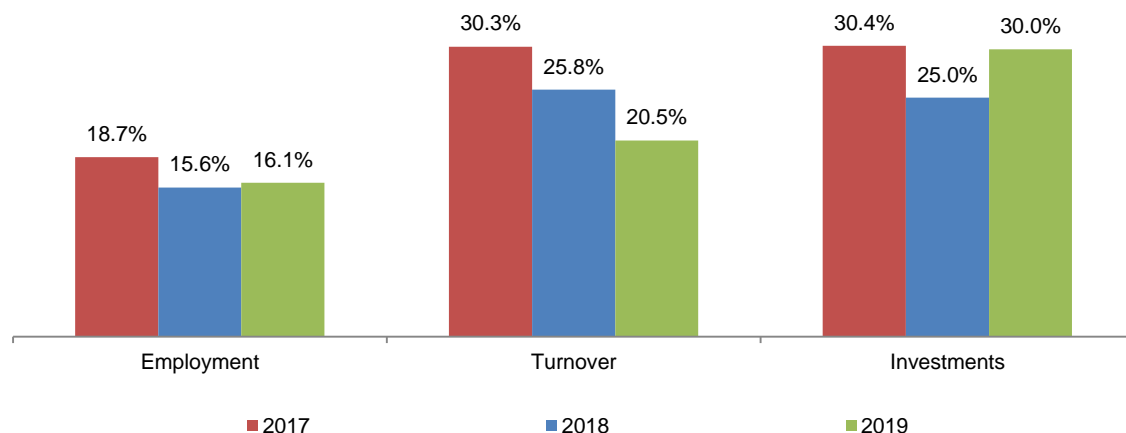
In Albanian economy, foreign and joint enterprises from the European Community countries are dominant in other services activity (25.1 %), trade (15.8 %) and industry (10.9 %) of the total foreign and joint enterprises.

In the time reference year 2017-2019, enterprises from EU countries with 1-9 employed covered 85.1 % of all EU enterprises, while enterprises with 250+ employed covered 1.2 %.

Main economic indicators of foreign and joint enterprises

In 2019, the foreign and joint enterprises have employed 16.1 % of total employment to 15.6 % and 18.7 % that it was in 2018 and 2017. Turnover realized by foreign enterprises comprises 20.5 % of total turnover of resident enterprises in 2019, while during 2018 and 2017 it was respectively 25.8 % and 30.3%. The percentage of the investments of the foreign enterprises was 30.0 % during 2019, while in 2018 and 2017 it was 25.0 % and 30.4 %.

Fig.1 Share of the main indicators of foreign and joint enterprises in total resident enterprises, 2017-2019



Source: INSTAT

Trade in goods by enterprises

In the period 2017 - 2019, exports of goods of foreign and joint enterprises represent an average of 50.4 % of total exports of goods. While imports of goods of these enterprises represent an average of 27.0 % of total imports of goods.

Foreign Direct Investments

DI stock has increased by 26.2 % in 2019 compared with 2017. At the end of 2019, EU countries comprised the majority of DI stock (55.3 %), with dominant countries Netherland and Italy, by 15.3 % and 9.4 %, respectively.

DI flow has increased by 5.2 % in 2019 compared with 2019. In 2019, Italy has been the largest growth by almost 2 times, while Switzerland declined by 44.6 %, compared to 2019.

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

FDI	Stock			Flow		
	2017	2018	2019	2017	2018	2019
Total	6,456.1	7,602.8	8,147.5	899.9	1,019.6	1,072.3
<i>EU-28</i>	3,672.2	4,155.3	4,508.5	351.2	420.5	586.5
Austria	447.5	505.0	545.8	55.0	56.1	43.4
United Kingdom	51.2	62.1	78.5	9.0	7.9	17.5
Germany	111.5	148.5	147.1	-20.4	21.2	19.1
Greece	1,216.8	1,149.0	500.2	27.2	-27.8	-9.2
Italy	610.1	699.2	764.8	61.6	52.9	118.8
Netherland	826.8	1,007.2	1,245.4	-	-	-
Other EU countries	408.2	584.3	1,226.9	218.8	310.1	396.9
Switzerland	893.7	1,315.8	1,495.2	338.6	354.9	196.7
Canada	883.8	1,000.6	1,115.2	149.1	83.4	112.8
U.S.A.	79.1	102.8	81.8	3.3	13.7	20.0
Other	927.3	1,028.3	946.7	57.7	147.1	156.3

Source: Bank of Albania

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/Statistics/External_sector_statistics/Foreign_Direct_Investments/

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.