

# Statistics on small and medium enterprises, 2019

## Year 2019

**Tirana, March 11, 2021:** Statistics on small and medium enterprises (SMEs) based on the results of Structural Survey of Enterprises, for the year 2019, state that:

- 99.8 % of active enterprises are SMEs, the same percentage as in 2018.
- 81.6 % of total number of employed are employed from SMEs, from 79.8 % in 2018.
- 78.9 % of turnover was realized from SMEs compared with 77.4 % realized in 2018.
- 68.2 % of total investments were realized from SMEs from 70.6 % invested in 2018.

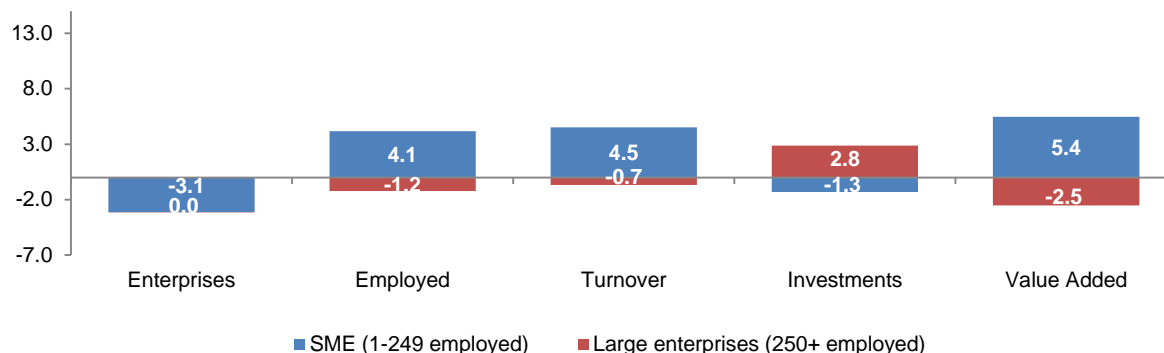
**Tab.1 Basic indicators and their structure by size class of enterprises, 2019**

Enterprises size class	Enterprises		Employed		Turnover		Investments		Value Added	
	no.	%	no.	%	mIn ALL	%	mIn ALL	%	mIn ALL	%
<b>Total</b>	<b>104,090</b>	<b>100</b>	<b>530,853</b>	<b>100</b>	<b>2,263,752</b>	<b>100</b>	<b>241,821</b>	<b>100</b>	<b>582,083</b>	<b>100</b>
<b>SME (1-249 employed)</b>	<b>103,911</b>	<b>99.8</b>	<b>433,184</b>	<b>81.6</b>	<b>1,786,978</b>	<b>78.9</b>	<b>164,951</b>	<b>68.2</b>	<b>421,466</b>	<b>72.4</b>
Micro enterprises	96,924	93.1	196,403	37.0	474,255	20.9	27,863	11.5	130,770	22.5
Small enterprises	5,736	5.5	114,451	21.6	729,171	32.2	78,938	32.6	143,274	24.6
Medium enterprises	1,251	1.2	122,330	23.0	583,552	25.8	58,150	24.0	147,422	25.3
<b>Large enterprises (250+ employed)</b>	<b>179</b>	<b>0.2</b>	<b>97,669</b>	<b>18.4</b>	<b>476,774</b>	<b>21.1</b>	<b>76,870</b>	<b>31.8</b>	<b>160,617</b>	<b>27.6</b>

- In number of enterprises, trade sector has the highest percentage of SMEs with 40.1 %, while electricity gas, water supply and waste management sector has the lowest percentage with 0.6 %.
- In number of employed, trade sector employed 28.5 % of SMEs, while the sector with the lowest number of employed in SMEs is mining and quarrying sector by 1.8 %.
- In the percentage of turnover, trade sector prevails with 52.4 %, while the sector with the lowest percentage of turnover realized by SMEs is mining and quarrying sector with 2.4 %.
- In the percentage of investment, the sector with the highest percentage of investment realized in SMEs is electricity gas, water supply and waste management sector by 31.4 %. On the other hand, mining and quarrying sector has the lowest percentage of investments by 2.2 %.

- Enterprises with 250+ employed, even though constitute only 0.2 % of enterprises, engaged 18.4 % of employed, realized 31.8 % of investment and 21.1 % of turnover.

**Fig.1 Contribution of SMEs and large enterprises to annual change of main indicators, 2019/2018**



The three main indicators of SMEs in Albania compared to the EU are:

- the percentage of SMEs is 99.8 %, the same as in EU;
- the percentage of employed in this group of enterprises is 81.6 % in Albania from 66.7 % in EU;
- the value added realized by SMEs in Albania comprises 72.4 % from 56.5 % in EU (tab. 2).

**Tab.2 Structure of main indicators by size class of enterprises in Albania and EU, 2019**

Enterprises size class	Enterprises (%)		Employed (%)		Value Added (%)	
	Albania	EU*	Albania	EU*	Albania	EU*
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>SME (1-249 employed)</b>	<b>99.8</b>	<b>99.8</b>	<b>81.6</b>	<b>66.7</b>	<b>72.4</b>	<b>56.5</b>
Micro enterprises	93.1	93.1	37.0	29.9	22.5	21.0
Small enterprises	5.5	5.8	21.6	20.0	24.6	17.5
Medium enterprises	1.2	0.9	23.0	16.7	25.3	17.9
<b>Large enterprises (250+ employed)</b>	<b>0.2</b>	<b>0.2</b>	<b>18.4</b>	<b>33.3</b>	<b>27.6</b>	<b>43.5</b>

\* 28 countries of EU

**Note:** The data for EU countries are considered preliminary because of being in revision process.

### Comments on Foreign Trade in Goods in Small and Medium Enterprises (SMEs), 2019

- 3.1 % of small and medium enterprises export goods in 2019 from 2.5 % in the previous year. The exported value of goods is 59.4 % of total exports. Regarding SMEs, the sector with the highest percentage of exporting enterprises is the mining and quarrying industry, where 23.7 % of the active enterprises of this sector export.

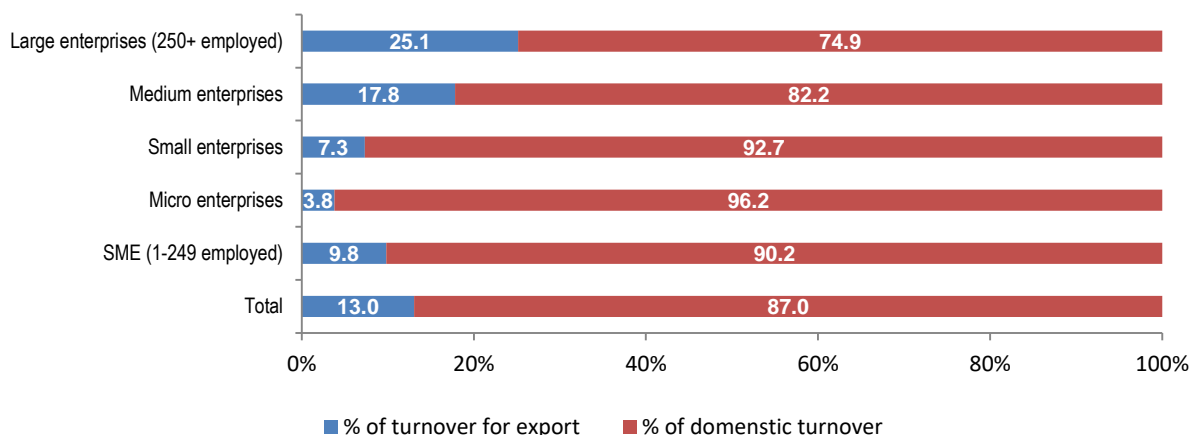
- 10.8 % of SMEs import goods, from 8.8 % that was in 2018. They constitute 78.0 % of total import value for 2019. For SMEs, the sector with the highest percentage of importers is the mining and quarrying industry with 24.2 %.

**Tab.3 Structure of foreign trade in goods indicators, by size class of enterprises, 2019**

Enterprises size class	Exporting Enterprises (%)	Importing Enterprises (%)	Exports Value (%)	Imports Value (%)
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>SME (1-249 employed)</b>	<b>97.0</b>	<b>98.7</b>	<b>59.4</b>	<b>78.0</b>
Micro enterprises (1-9 employed)	50.7	67.7	6.1	15.4
Small enterprises (10-49 employed)	31.4	23.4	18.1	30.0
Medium enterprises (50-249 employed)	14.9	7.6	35.2	32.6
<b>Large enterprises (250+ employed)</b>	<b>3.0</b>	<b>1.3</b>	<b>40.6</b>	<b>22.0</b>

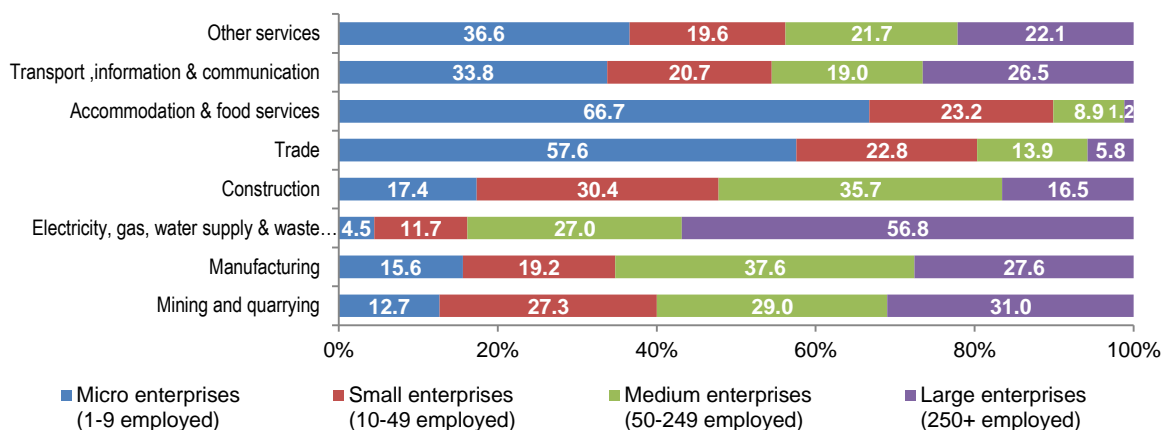
- 9.8 % of turnover was exported from SMEs. Medium enterprises perform the highest percentage of exports to turnover realized by them 17.8 %. Micro-enterprises export the lowest value, where 3.8 % of turnover is exported.

**Fig.2 Percentage of turnover for export and domestic by size class of enterprises, 2019**



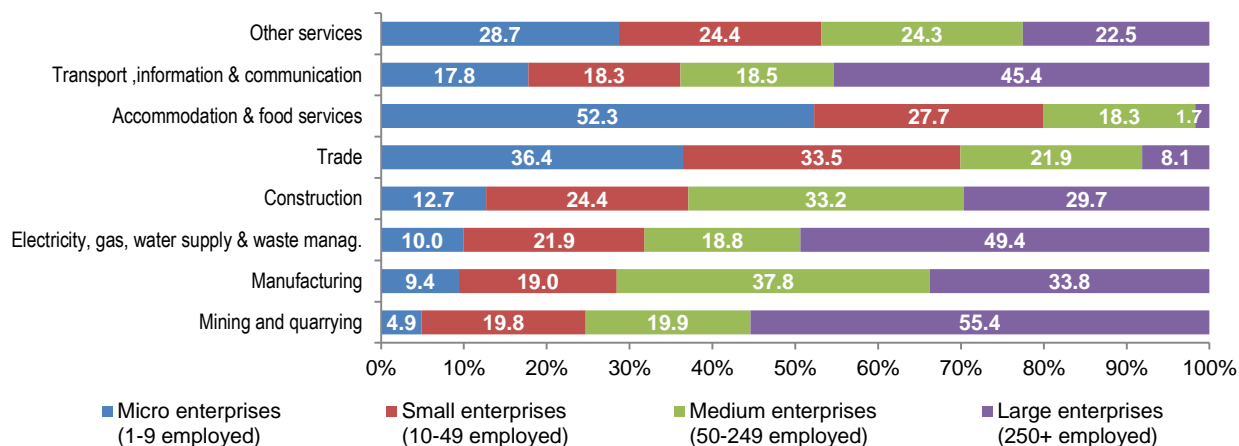
Micro-enterprises have the highest percentage of **employment** rate in accommodation and food services sector by 66.7 %. Small enterprises have the highest percentage of employment rate in construction sector by 30.4 %. Medium-sized enterprises have the highest employment rate in the manufacturing industry sector by 37.6%.

**Fig.3 Structure of employment by economic activity and size class of enterprises, 2019**



Micro-enterprises have the highest percentage of **value added** in the accommodation and food services sector by 52.3 %. Small enterprises have the highest percentage in trade sector by 33.5 %. Medium enterprises have the highest percentage of value added in manufacturing industry 37.8 %.

**Fig.4 Structure of value added by economic activity and size class of enterprises, 2019**



# Methodology

This publication presents statistics on small and medium enterprises situation (SMEs) 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.

- 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/industry-trade-and-services/structural-business-statistics/#tab4>

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/international-trade/international-trade-in-goods/#tab4>

### **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/media/2940/revision\\_policy\\_2018.pdf](http://www.instat.gov.al/media/2940/revision_policy_2018.pdf)

### **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.

**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 sent 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.