

#### Introduction

Albania is a country located in Southeastern Europe in the Balkan Peninsula with an Adriatic and Ionian coastline. Neighboring countries include Greece, Macedonia,



Montenegro, and Kosovo. Albania has a strategic location along the Strait of Otranto linking to the Mediterranean Sea. The government system is a republic; the chief of state is the president, and the

head of government is the prime minister. Albania, having transitioned from a centrally-planned state in the 1990s, is an open-market economy in which the prices of goods and

services are determined in a free price system. Albania is a member of the Central European Free Trade Agreement (CEFTA).

> Location: Southern Europe Capital City: Tirana (+1 GMT) Chief of State: President Bajram Begaj Head of Govt.: Prime Minister Edi Rama Currency: Lek (ALL)

- Major Languages: Albanian 98.8% (official derived from Tosk dialect), Greek 0.5%, other 0.6% (including Macedonian, Romani, Vlach, Turkish, Italian, and Serbo-Croatian), unspecified 0.1% (2011 est.)
- Primary Religions: Muslim 56.7%, Roman Catholic 10%, Orthodox 6.8%, atheist 2.5%, Bektashi (a Sufi order) 2.1%, other 5.7%, unspecified 16.2% (2011 est.)

## Calling Code: 355

Voltage: 220

## **Key Websites**

Main Government Page: kryeministria.al

# Albania

## **Key Economic Facts**

| Income Level (by per capita<br>GNI):                                       | Upper Middle Income        |  |
|--|----------------------------|--|
| Level of Development:  | In Transition              |  |
| GDP, PPP (current international \$):                                       | \$51.49 billion (2022)     |  |
| GDP growth (annual %):   | 4.84% (2022)               |  |
| GDP per capita, PPP (current international \$):                            | \$18,551.72 (2022)         |  |
| External debt stocks, total (DOD, current US\$):                           | \$11,086,175,521.50 (2021) |  |
| Manufacturing, value added (% of GDP):                                     | 6.55% (2022)               |  |
| Current account balance (BoP, current US\$):                               | -\$1.13 billion (2022)     |  |
| Inflation, consumer prices<br>(annual %):                                  | 6.73% (2022)               |  |
| Labor force, total:  | 1,381,652 (2022)           |  |
| Unemployment, total (% of<br>total labor force) (modeled ILO<br>estimate): | 11.81% (2022)              |  |
| Imports of goods and services (current US\$):                              | \$9.03 billion (2022)      |  |
| Exports of goods and services (current US\$):                              | \$7.07 billion (2022)      |  |
| GDP Composition %  |                            |  |
| Agriculture Services   | Industry Manufacturing     |  |



\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy. Rankings

| Index   | Rank      |
|---|-----------|
| Corruption Perceptions Index                    | 109 / 178 |
| Global Competitiveness Index                    | 81 / 141  |
| Global Enabling Trade Index                     | 60 / 136  |
| Index of Economic Freedom                       | 49 / 176  |
| International Logistics Performance Index (LPI) | 88 / 160  |
| Inward FDI Potential Index                      | 85 / 139  |
| KOF Index of Globalization                      | 76 / 185  |
| Networked Readiness Index (NRI)                 | 84 / 139  |

## Risk Assessment (Provided by Coface)

**Country rating: B** - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Commercia

**Business Climate rating: B -** The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

## Strengths

- Labour cost competitiveness and potential productivity gains
- · Effective monetary policy to control inflation
- · Floating exchange rate regime
- Mining, energy, and tourism potential
- Proximity to the Italian market (Strait of Otranto)
- Commencement of EU accession negotiations in July 2022

## Weaknesses

- Underdeveloped road, tourism, and energy infrastructure (hydroelectricity dependent on rainfall), low public investment
- Large informal economy, corruption, and organised crime, with European consequences, detrimental to state revenues and attractiveness
- Private investment concentrated in residential sector
- Low value-added exports, overshadowed by imports and limited diversification: tourism, clothing, foodstuffs, especially to Italy
- Brain drain and dependence on expatriate remittances (9% of GDP in 2022)
- Private consumption central to growth, despite poverty and unemploymen

## U.S. Embassy

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https://al.usembassy.gov