

## 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:** <p>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.)</p>

**Primary Religions:** <p>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.)</p>

**Calling Code:** 355

**Voltage:** 220

## Key Websites

Main Government Page: [kryeministria.al](http://kryeministria.al)

## Key Economic Facts

Income Level (by per capita 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 (annual %):	6.73% (2022)
Labor force, total:	1,381,652 (2022)
Unemployment, total (% of total labor force) (modeled ILO 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 %



*\*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: D** - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

**Business Climate rating: C** - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

### Strengths

- Candidate for European Union membership, Stabilisation and Association Agreement
- Mineral (oil, chromium, copper, iron-nickel, silicates, coal), hydroelectric and tourism potential
- Long coastline
- Abundant and inexpensive labour
- Flexible exchange rate coupled with a strong lek against the euro and substantial reserves

### Weaknesses

- Small, open and poorly diversified economy
- Unfavourable demography: ageing and emigration
- Large albeit shrinking informal economy (40% of GDP), which undermines government revenues
- Poverty, low priority given to education, low-skilled workforce
- Dependence on rainfall: agriculture (one-fifth of GDP for 42% of jobs) and hydroelectricity (98% of electricity), and exposure to seismic risk
- Inefficient (though improving) court system and administration
- Corruption and organized crime, in some cases linked to drug trafficking

## U.S. Embassy

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