

## 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

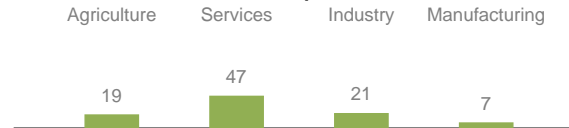
## Key Websites

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

**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 unemployment

## U.S. Embassy

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