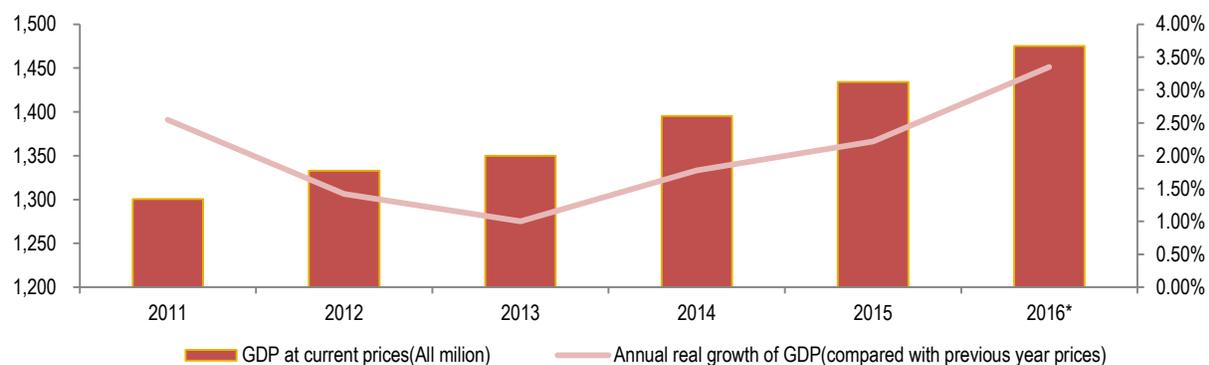


# Gross Domestic Product, 2016

## Final estimates 2015, Semi-final 2016

**Tirana, April 03 2018:** During year 2016, Albanian economy performed a real GDP growth rate by 3.35 % compared with year 2015, after a growth rate by 2.22 % in year 2015 compared with year 2014.

Fig. 1 GDP and real growth rate, 2011 - 2016



According to data on annual basis, GDP at current prices was estimated ALL 1,475,251 million (EUR 10.7 Billion) in the year 2016 and ALL 1,434,307 million (EUR 10.3 Billion) amounted in the year 2015. In 2016, GDP per capita amounted to ALL 513 thousand (or EUR 3,734) from ALL 498 thousand (or EUR 3,563) in year 2015.

Tab. 1 Main macroeconomic indicators (2015 - 2016 me at current prices)

Indicators	Years	
	2015*	2016**
Gross Domestic Product at current prices (in ALL millions)	1,434,307	1,475,251
Gross National Income (in ALL millions)	1,451,307	1,499,165
Annual real growth of GDP at constant prices compared to previous year (in %)	2.22	3.35
GDP deflator (in %)	0.6	-0.5
Average annual population (in thousand inhabitants)	2,881	2,876
Gross Domestic Product per capita	In ALL thousand	498
	EURO	3,563
	USD	3,953

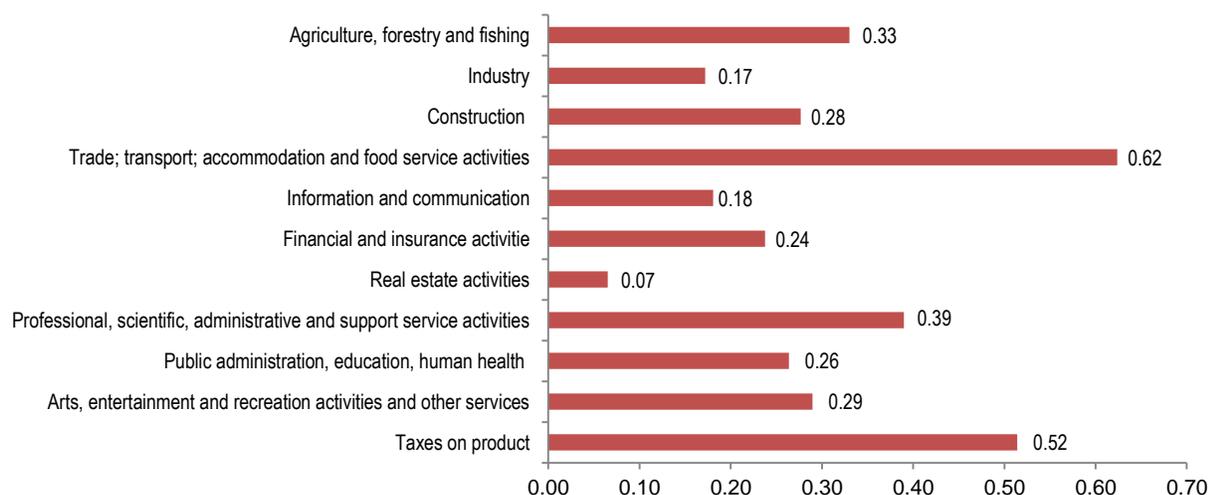
2015\* Final data

2016\*\* Semi-final data

According to GDP *by production approach*, the main contribution to this growth is driven by the branches of the economy such as “Trade, transport, accommodation and food services” by 0.62 percentage point, “Professional, scientific, administrative and support service” by 0.39 percentage point, “Agriculture, forestry and fishing” by 0.33 percentage point, “Arts, entertainment and other services” by 0.29 percentage point, “Construction” by 0.28 percentage point and “Public administration, education and human health” by 0.26 percentage point.

Net Taxes on products contributed respectively by 0.52 percentage point.

**Fig. 2 Contribution of the main branches of the economy to real growth rate of GDP 2016, in %**



Related to GDP structure by economic activities, *Services* continue to represent the main share in the economy for year 2016, by 46.7 % of GDP, and an increase by 4.43 % in real terms. *Industry* and *Construction* constitutes 21.1 % of GDP, which in real terms increased respectively: *Industry* by 1.34 %, and *Construction* 3.1 %. *Agriculture, hunting and forestry* with 19.9 % share of GDP, increased by 1.67 % in real terms.

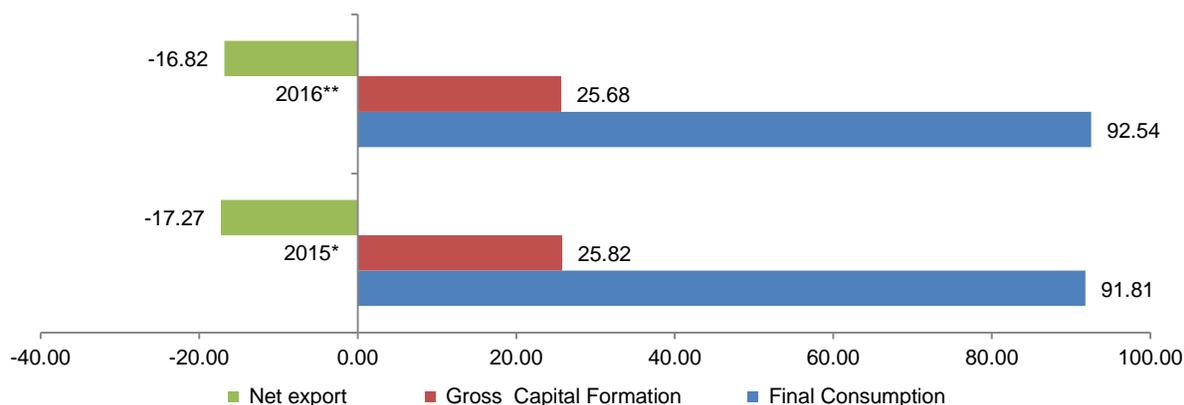
Gross Domestic Product deflator was -0.5 %.

According to GDP by expenditure approach, *Final consumption* constitutes a major share in the economy, with 92.54 %. This component rose by 3.68 % in nominal terms and 2.94 % in real terms. In the total Final Consumption, final consumption of households occupies the largest share, of 80.45 %, followed by the final consumption of General Government with 11.25 % and final consumption of non-profit institutions serving households (NPISH) with 0.85 %.

In 2016, *gross fixed capital formation*, which constitutes 24.54 % of GDP, rose by 3.38 % in nominal terms and 3.34 % in real terms compared with 2015.

Exports of goods and services increased by 9.10 % in nominal terms and 11.34 % in real terms, while imports of goods and services increased by 5.65 % in nominal terms and 6.95 % in real terms compared with 2015.

Fig. 3 Structure of GDP by expenditure approach, in %



Tab. 2 Economic indicators by activities

A10	Economic activities	Values at current prices (In ALL millions)		Values at previous year prices	Real growth (%)	GDP structure (%)		Contribution
		2015*	2016**	2016**	2016**	2015*	2016**	2016**
A1	Agriculture, forestry and fishing	283,709	293,674	288,446	1.67	19.78	19.91	0.33
A2	Industry	184,396	179,869	186,860	1.34	12.86	12.19	0.17
2a	Manufacturing Industry	81,347	83,528	84,867	4.33	5.67	5.66	0.25
A3	Construction	127,762	131,863	131,729	3.10	8.91	8.94	0.28
A4	Trade; transport; accommodation and food service activities	224,079	234,650	233,025	3.99	15.62	15.91	0.62
A5	Information and communication	42,644	45,418	45,237	6.08	2.97	3.08	0.18
A6	Financial and insurance activities	38,975	35,776	42,383	8.74	2.72	2.43	0.24
A7	Real estate activities	85,615	85,839	86,550	1.09	5.97	5.82	0.07
A8	Professional, scientific, administrative and support service activities	79,569	86,267	85,163	7.03	5.55	5.85	0.39
A9	Public administration, education, human health	158,685	161,576	162,470	2.39	11.06	10.95	0.26
A10	Arts, entertainment and recreation activities and other services	34,292	39,044	38,448	12.12	2.39	2.65	0.29
<b>GVA at basic prices</b>		<b>1,259,726</b>	<b>1,293,975</b>	<b>1,300,311</b>	<b>3.22</b>	<b>87.83</b>	<b>87.71</b>	<b>2.83</b>
Taxes on product		174,580	181,276	182,076	4.29	12.17	12.29	0.52
<b>GDP AT MARKET PRICES</b>		<b>1,434,307</b>	<b>1,475,251</b>	<b>1,482,387</b>	<b>3.35</b>	<b>100.00</b>	<b>100.00</b>	<b>3.35</b>

2015\* Final data

2016\*\* Semi-final data

**Tab. 3 Gross Domestic Product by Expenditure Approach**

GDP indicators	Value		GDP at previous year prices	Real growth (%)	GDP structure (%)		Contribution
	<i>In ALL million</i>						
	2015*	2016**	(2016/2015)	2016**	2015*	2016**	2016**
<b>Final Consumption</b>	1,316,771	1,365,270	1,355,420	2.94	91.81	92.54	2.69
<b>Final Consumption of the Households</b>	1,146,558	1,186,805	1,175,941	2.56	79.94	80.45	2.05
<b>Final Consumption of General Government</b>	159,361	165,938	166,846	4.70	11.11	11.25	0.52
Individual consumption	77,022	77,277	78,039	1.32	5.37	5.24	0.07
Collective consumption	82,339	88,661	88,807	7.85	5.74	6.01	0.45
<b>Consumption of NPISHs</b>	10,853	12,527	12,633	16.40	0.76	0.85	0.12
<b>Gross Fixed Capital Formation</b>	350,164	361,989	361,862	3.34	24.41	24.54	0.82
<b>Change in inventories</b>	20,160	16,814	17,076	-15.30	1.41	1.14	-0.22
<b>Statistical discrepancy</b>	-5,138	-20,649	-4,289		-0.36	-1.40	
<b>Net export</b>	-247,651	-248,173	-247,682	-0.01	-7.27	-16.82	-0.00
<b>Exports of goods and services (f.o.b)</b>	391,098	426,693	435,451	11.34	27.27	28.92	3.09
Exports of goods	107,849	97,938	101,635	-5.76	7.52	6.64	-0.43
Exports of services	283,249	328,756	333,815	17.85	19.75	22.28	3.53
<b>Imports of goods and services (f.o.b)</b>	638,749	674,866	683,133	6.95	44.53	45.75	3.09
Imports of goods	428,797	455,354	462,889	7.95	29.90	30.87	2.38
Imports of services	209,951	219,512	220,244	4.90	14.64	14.88	0.72
<b>GROSS DOMESTIC PRODUCT</b>	1,434,307	1,475,251	1,482,387	3.35	100.00	100.00	3.35

2015\* Final data

2016\*\* Semi-final data

# Information for Users

## Methodology and classification

The GDP estimations are harmonised with concepts and definitions of European System of Accounts (ESA 2010) and System of National Accounts (SNA 2008). Both these methodologies are the latest updates of ESA 1995 and SNA 1993. The European System of National Accounts and Regional Accounts is the framework for the measurement of economic and financial activities of the economic system, their components and the links between them for a given period of time (usually quarterly up to one year). Transactions made by the economic agents related to other resident or non-resident units in an economic territory are object of measurements in National Accounts.

The classifications used in the National Accounts are as follow:

- Nomenclature of the economic activities REV.2 (NACE Rev.2).
- Nomenclature of Products by Activity (CPA);
- Classification of individual consumption by purpose (COICOP);
- Classification of the functions of the government (COFOG).

## Data sources

Various statistical and administrative sources are used for the estimation of GDP. Data could be statistical products of INSTAT or administrative data from different national institutions such as Ministries, General Directorate of Taxes and Customs, National Registration Centre, Bank of Albania, Financial Supervisory Authority, National Agency of Natural Resources, etc. By comparing these sources with each other, it is obtained a clear picture of the economy which is comprehensive, consistent, coherent and fully integrated.

The statistical sources include data gathered from various records and surveys on entities or households, among which it could be mentioned: Business Register; Population and Housing Census; Structural Business Survey; Retail Trade Survey; Household Budget Survey; Labour Force Survey; Living Standard Measurement Survey; Price Statistics Survey, etc.

Administrative sources include administrative data collected by other institutions for various purposes, among which it could be mentioned: The annual financial statements; Value added tax (VAT); Monetary financial statistics; Balance of Payments; Government fiscal statistics; Foreign trade statistics; Data on electricity and energy products; etc.

## Stage of publication and revision policies

Estimates of annual GDP pass through two stages of calculations and publications.

- The first stage includes semi-final estimates of the annual accounts of the GDP for the year “t” which are done at the period t+15 months.
- The second stage includes the final estimates of GDP for the year (t). In this stage, when the data set of the year (t+1) is received, the data of the year (t) is reviewed once again in order to incorporate any changes made to the year (t) and to ensure the consistency of the two consecutive years. During this stage is performed the final balancing at product level between the two methods of GDP.

The published data are revised based on revision policies of the national accounts. The annual estimates of the GDP and its components are subject of two types of revisions: routine and major revisions.

### *Routine revisions:*

Annual routine revisions are as a result of updates of annual available data sources with the latest data of a given year ‘t’.

### *Major revisions:*

Major revisions are linked with incorporation of new statistical and administrative data sources; improvement of statistical techniques and methods of national accounts data compilation; changes in definitions, methods and classifications in international level, introduced by new System of National Accounts 2008 (SNA 2008) and European System of Accounts 2010 (ESA 2010).

## Definitions

**Gross Domestic Product (GDP):** Gross Domestic Product at market prices, is the final result of production activity of productive resident units during a year. It is calculated in two approaches:

- **GDP according to production approach** is equal to sum of gross added values relevant to different kinds of activities, adding taxes and subtracting subsidies on products (not distributed to sectors or branches of a certain activity);
- **GDP according to expenditure approach** is equal to final domestic usage of products and services (final consumption, gross fixed capital formation, changes in inventories), plus exports, minus imports.

**Output:** production is an activity carried out under the control, responsibility and management of an institutional unit that uses inputs of labour, capital and goods and services to produce outputs of goods and services. The total of products created during the accounting period is considered as output. There are three

types of output such as: market output; output produced for own final use; non-market output.

**Intermediate consumption:** Intermediate consumption consists of goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services are either transformed or used up by the production services.

**Gross Value Added:** Gross Value Added represents the contribution of different activities in GDP and is calculated as the difference between the output and intermediate consumption.

**Nominal GDP:** measures the current market value of a country's gross domestic product.

**Real GDP:** measures the volume level of a gross domestic product after changes in prices have been taken into account. It is obtained by expressing values in terms of a base period or previous period prices.

**Taxes on products and imports:** Taxes on products are paid taxes per unit of some goods and services like the Value Added Tax, excise and customs' tax on imports.

**Subsidies on products and imports:** Subsidies on products are non-reverse payment made by public administration units to the companies in the form of a certain amount of money per unit of goods or services. Subsidies on imports consist in subsidies of goods or services payable when the product surpasses the border of economic territory or if the services were made to resident institutional units.

**Final consumption:** Final consumption is one of the basic components of GDP by expenditure method. It consists in goods and services used by separate families or communities and are calculated as the sum of final consumption of household, final consumption of general government and final consumption of non-profit institutions serving the households.

**Final consumption of households:** Final consumption of households' contains all goods and services directly used to fulfil the individual needs of resident families.

**Final consumption of General government and Non Profit Institutions Serving Households (NIPSH):** Is the value of non-commercial services ensured by General government and non-profit institutions to the profit of communities or groups of families. It is calculated as the difference between the general government production and NPISH's and their market production value.

**Net Export:** Net export is the difference between export of goods and services (fob) and import of goods and services (fob).

**Gross fixed capital formation:** Consists in expenses made to buy new capital or other specific expenses accomplished by resident producers in goods or services to maintain, increase or enlarge their productive activity or create new process conditions in the future.

**Changes in inventories:** Is defined as the difference between inventories of stocks in process and circulating assets by the end of the year and beginning of the other one. Inventories include raw material and others, products, works and services in process, not finished and finished goods, animals etc.

**Basic prices:** is the price receivable by the producer from the purchaser for a unit of a good or services produced as output, minus any tax payable and plus any subsidy receivable on product. It excludes any transport charges invoiced separately by the producer.

**Market prices:** is the price after adding taxes and deducting subsidies on products.

**Current prices:** Prices of reference period. They represent the price paid for goods and services during the time of production or consumption.

**Constant prices:** Estimation in constant prices represents the estimation in real terms, deflated with prices of a base year or of the previous year.