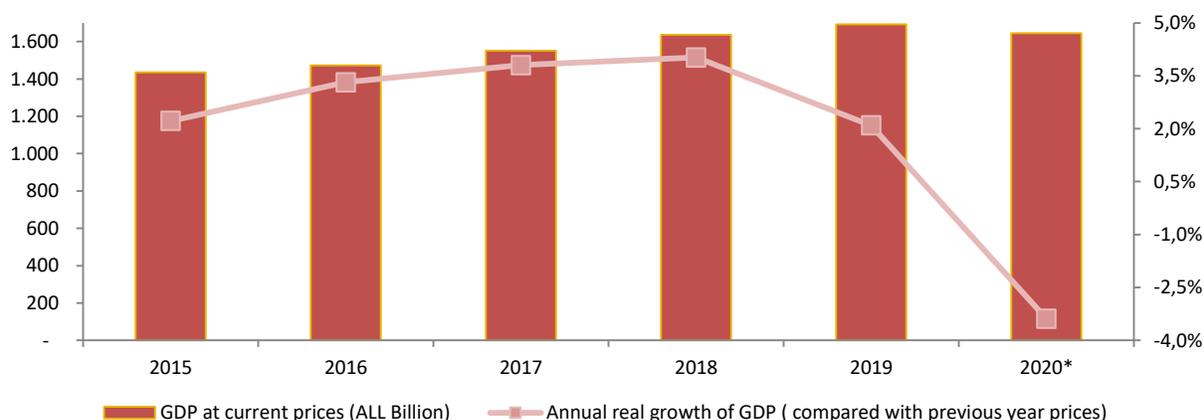


Gross Domestic Product, 2020

Final estimates 2019, Semi-final 2020

Tirana, March 31 2022: During year 2020, the real GDP growth rate of Albanian economy is -3.48% compared with 2019, after a growth rate by +2.09% in 2019 compared with 2018.

Fig.1 GDP and real growth rate, 2015 – 2020



According to data on annual basis, GDP at current prices was estimated ALL 1,644,077 million (EUR 13.3 Billion) in the year 2020 and ALL 1,691,903 million (EUR 13.8 Billion) amounted in the year 2019. In 2020, GDP per capita amounted to ALL 579 thousand (or EUR 4,681) from ALL 593 thousand (or EUR 4,818) in year 2019.

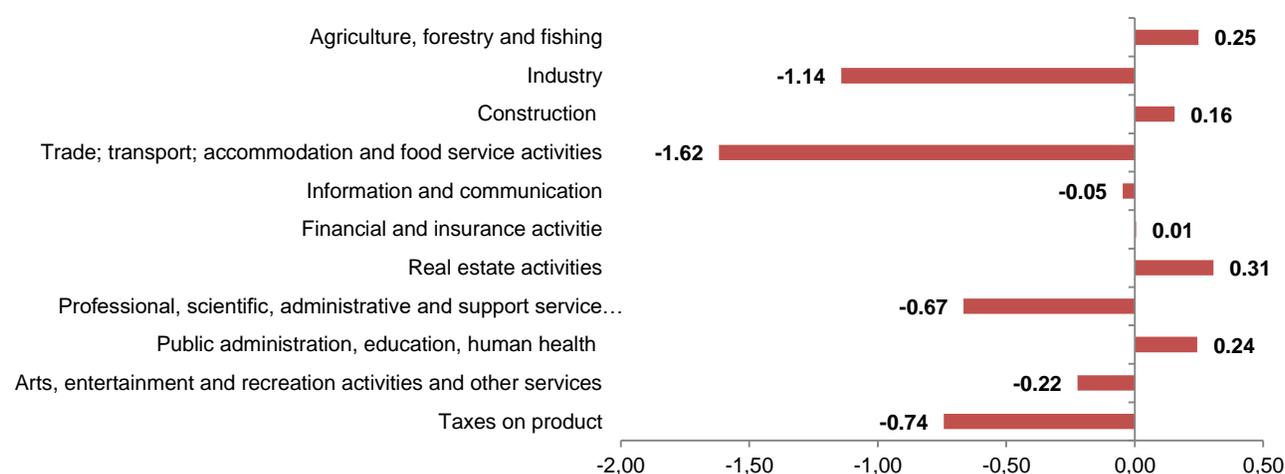
Tab.1 Main macroeconomic indicators

Indicators	Years		
	2019	2020*	
Gross Domestic Product at current prices (in ALL millions)	1,691,903	1,644,077	
Gross National Income (in ALL millions)	1,669,759	1,616,720	
Annual real growth of GDP at constant prices compared to previous year (in %)	2.09	-3.48	
GDP deflator (in %)	1.26	0.68	
Average annual population (in thousand inhabitants)	2,854	2,838	
Gross Domestic Product per capita	In ALL thousand	593	579
	EURO	4,818	4,681
	USD	5,396	5,332

According to GDP *by production approach*, the main contribution to this growth is driven by the economic activities such as “Agriculture, forestry and fishing” by 0.25 percentage points; “Construction” by 0.16 percentage points; “Public administration, education, human health” by 0.24 percentage points; “Real estate activities” by 0.31 percentage points; “Financial and insurance activities” by 0.01 percentage points; “Information and communication” by -0.05 percentage points; “Professional, scientific, administrative and support service” by -0.67 percentage points; “Industry” by -1.14 percentage points, and “Trade, transport, accommodation and food service activities” by -1.62 percentage points.

Net Taxes on products contributed respectively by -0.74 percentage points.

Fig. 2 Contribution of the main branches of the economy to real growth rate of GDP 2019, in %

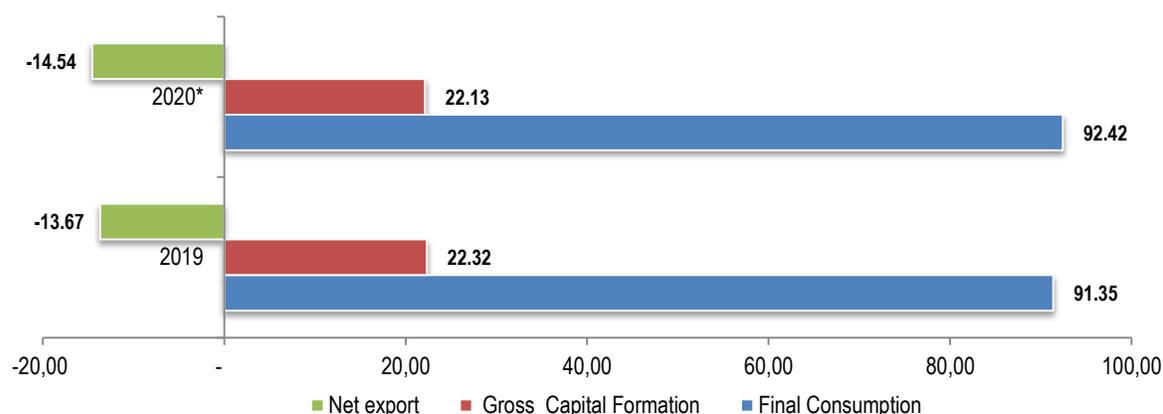


Related to GDP structure 2020, by economic activities, *Services* represented the main share in the economy with 48.39 % of GDP, and decreased by -4.13 % in real terms. *Industry* and *Construction* comprised 20.01 % of GDP, increased in real terms respectively: *Industry* by -9.48%, and *Construction* +1.81 %. *Agriculture, hunting and forestry* with 19.3 % share of GDP, increased by 1.35 % in real terms.

Gross Domestic Product deflator was 0.68 %.

According to GDP *by expenditure approach*, *Final consumption* constitutes a major share in the economy, with 92.42%. This component decreased by -1.69% in nominal terms and -3.02 % in real terms. In the total Final Consumption, final consumption of households occupies the largest share, of 79.87 %, followed by the final consumption of General Government with 11.87 % and final consumption of non-profit institutions serving households (NPISH) with 0.67 %. In 2020, *gross fixed capital formation*, which constitutes 22.75 % of GDP, decreased by -0.92 % in nominal terms and -1.14 % in real terms compared with 2019.

Exports of goods and services decreased by -29.52 % in nominal terms and -27.86 % in real terms, while *imports of goods and services* decreased by -19.52 % in nominal terms and -19.79 % in real terms compared with 2019.

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
		2019	2020*	2020-	2020*	2019	2020*	2020*
A1	Agriculture, forestry and fishing	311,130	316,722	315,327	1.35	18.39	19.26	0.25
A2	Industry	203,911	181,049	184,581	(9.48)	12.05	11.01	(1.14)
2a	Manufacturing Industry	105,849	99,270	99,369	(6.12)	6.26	6.04	(0.38)
A3	Construction	144,953	147,908	147,579	1.81	8.57	9.00	0.16
A4	Trade; transport; accommodation and food service activities	285,249	265,810	257,878	(9.60)	16.86	16.17	(1.62)
A5	Information and communication	50,493	49,985	49,702	(1.57)	2.98	3.04	(0.05)
A6	Financial and insurance activities	36,730	34,220	36,823	0.25	2.17	2.08	0.01
A7	Real estate activities	94,736	102,207	99,919	5.47	5.60	6.22	0.31
A8	Professional, scientific, administrative and support service activities	114,433	104,828	103,152	(9.86)	6.76	6.38	(0.67)
A9	Public administration, education, human health	197,674	201,995	201,793	2.08	11.68	12.29	0.24
A10	Arts, entertainment and recreation activities and other services	39,689	36,511	35,910	(9.52)	2.35	2.22	(0.22)
	GVA at basic prices	1,478,999	1,441,237	1,432,665	(3.13)	87.42	87.66	(2.74)
	Taxes on product	212,904	202,840	200,333	(5.90)	12.58	12.34	(0.74)
	GDP AT MARKET PRICES	1,691,903	1,644,077	1,632,998	(3.48)	100.00	100.00	(3.48)

2019 Final data

2020* Semifinal data

Tab.3 Gross Domestic Product by Expenditure Approach

GDP indicators	Value In ALL million		GDP at previous year prices	Real growth (%)	GDP structure (%)		Contribution
	2019	2020*	(2020/2019)	2020*	2019	2020*	2020*
Final Consumption	1,545,506	1,519,416	1,498,783	-3.02	91.35	92.42	-2.76
Final Consumption of the Households	1,340,230	1,313,148	1,292,926	-3.53	79.21	79.87	-2.80
Final Consumption of General Government	191,980	195,196	194,788	1.46	11.35	11.87	0.17
Individual consumption	88,070	90,834	89,850	2.02	5.21	5.52	0.11
Collective consumption	103,910	104,362	104,938	0.99	6.14	6.35	0.06
Consumption of NPISHs	13,296	11,072	11,069	-16.75	0.79	0.67	-0.13
Gross Fixed Capital Formation	377,519	374,045	373,217	-1.14	22.31	22.75	-0.25
Change in inventories	11,831	7,383	7,443		0.70	0.45	
Statistical discrepancy	-11,659	-17,656	-18,170		-0.69	-1.07	
Net export	-231,294	-239,111	-228,275	1.31	-13.67	-14.54	0.18
Exports of goods and services (f.o.b)	529,638	373,271	382,073	-27.86	31.30	22.70	-8.72
Exports of goods	111,511	98,184	108,619	-2.59	6.59	5.97	-0.17
Exports of services	418,128	275,087	273,454	-34.60	24.71	16.73	-8.55
Imports of goods and services (f.o.b)	760,932	275,087	610,348	-19.79	44.97	16.73	-8.90
Imports of goods	498,054	612,382	466,191	-6.40	29.44	37.25	-1.88
Imports of services	262,879	145,082	144,157	-45.16	15.54	8.82	-7.02
GROSS DOMESTIC PRODUCT	1,691,903	1,644,077	1,632,998	-3.48	100.00	100.00	-3.48

2019 Final data

2020* Semifinal data

Methodology

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 Business 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 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.