

Gross Domestic Product, 2014

Final estimates 2013, Semi-final 2014

Tirana, May 31, 2016: INSTAT presents to users final annual results of Gross Domestic Product (GDP)¹ for the year 2013 and semi-final results for the year 2014.

According to data on annual basis, GDP at current prices was estimated ALL 1,394,419 million (EUR 10.0 Billion) in the year 2014 and ALL 1,350,053 million (EUR 9.6 Billion) amounted in the year 2013. In 2014, GDP per capita amounted to ALL 482 thousand (or EUR 3,443) from ALL 466 thousand (or EUR 3,323) in year 2013.

During year 2014, Albanian economy performed a real GDP growth rate by +1.83 % compared with year 2013, after a growth rate by +1.00 % in year 2013 compared with year 2012.

According to GDP *by production approach*, the main contribution to this growth is driven by the branches of the economy such as “Professional services and Administrative services” by 0.80 percentage point, “Industry, Electricity and Water” by 0.54 percentage point, “Other services” by 0.49 percentage point, “Public administration, Education and Health” by 0.45 percentage point, “Agriculture, Forestry and Fishing” by 0.38 percentage point and “Trade, transport, accommodation and food services” by 0.36 percentage point. The branch that gave a negative contribution is “Construction” by -1.28 percentage point. Net Taxes on products contributed respectively by -0.02 percentage point.

Related to GDP structure by economic activities, *Services* continue to represent the main share in the economy for year 2014, by 45.7 % of GDP and they increased by +4.92 % in real terms. *Industry* and *Construction* realized 21.5 % of Gross Domestic Products, but during year 2014 *Industry* rose by +4.26 % in real terms, meanwhile *Construction* decreased by -12.44 %. *Agriculture, hunting and forestry* with 20.0 % share of GDP, grew by 1.96 % in real terms.

Gross Domestic Product deflator was +1.4 %.

According to GDP by expenditure approach, *Final consumption* constitutes a major share in the economy, with 93.0%. This component rose by +5.53% in nominal terms and + 3.41% in real terms. In the total Final

¹ The time series of annual GDP, 1996-2007, revised according to the new methodology ESA 2010 will be published on 07 June 2016.

Consumption, final consumption of households occupies the largest share, of 87.10 %, followed by the final consumption of General Government with 12,32 % and final consumption of non-profit institutions serving households (NPISH) with 0,58 %. As a result of the introducing new data sources, NPISH estimates have changed by +0.27 percentage points in the total group structure. This change has affected the 2008-2014 time series.

In 2014, *gross fixed capital formation*, which constitutes 24.6% of GDP, decreased by -2.63 % in nominal terms and -3.97 % in real terms compared with 2013.

Exports of goods and services rose by +1.46 % in nominal terms and +1.79% in real terms, while *imports of goods and services* rose by +3.87 % in nominal terms and +4.58% in real terms compared with 2013. Starting from 2013 onwards, data on exports and imports of goods and services are estimated according to the Sixth Manual of the Balance of Payments, BPM6.

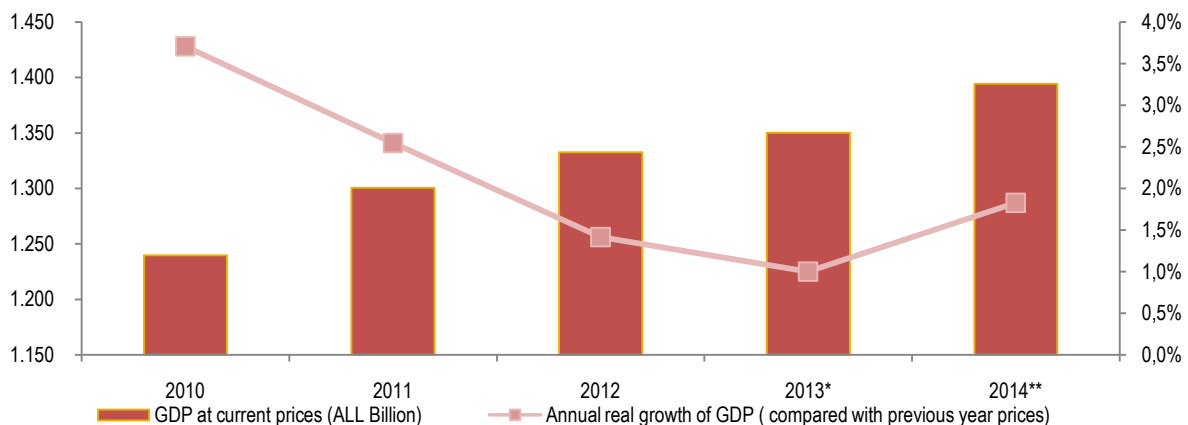
Tab.1 Main macroeconomic indicators (2013-2014 me at current prices)

Indicators	Years		
	2013*	2014**	
Gross Domestic Product at current prices (in ALL millions)	1,350,053	1,394,419	
Gross National Income (in ALL millions)	1,353,012	1,377,713	
Annual real growth of GDP at constant prices compared to previous year (in %)	1.00	1.83	
GDP deflator (in %)	0.3	1.4	
Average annual population (in thousand inhabitants)	2,897	2,894	
Gross Domestic Product per capita	In ALL thousand	466	482
	EURO	3,323	3,443
	USD	4,411	4,569

2013* Final data

2014** Semi-final data

Fig 1. GDP and real growth rate, 2010-2014

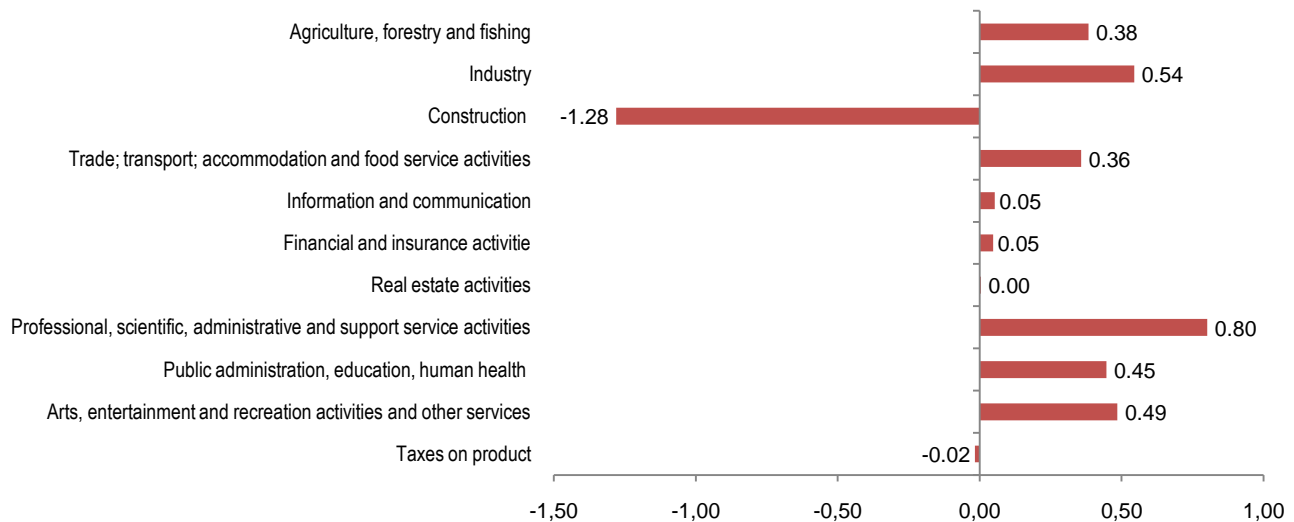


Tab2. Economic indicators by activities, at level A10

A10	Economic Activities NACE Rev. 2	Values at current prices (In ALL millions)		Values at previous year prices	Real growth (%)	GDP structure (%)		Contribution (%)
		2013*	2014**	2014**	2014**	2013*	2014**	2014**
A1	Agriculture, forestry and fishing	264,140	278,924	269,323	1.96	19.6	20.0	0.38
A2	Industry	172,462	178,543	179,808	4.26	12.8	12.8	0.54
A2a	Of which: Manufacturing Industry	68,310	73,603	74,010	8.34	5.1	5.3	0.42
A3	Construction	138,878	121,402	121,594	-12.44	10.3	8.7	-1.28
A4	Trade; transport; accommodation and food service activities	223,588	230,501	228,417	2.16	16.6	16.5	0.36
A5	Information and communication	27,934	28,577	28,658	2.59	2.1	2.0	0.05
A6	Financial and insurance activities	30,359	35,160	30,995	2.09	2.2	2.5	0.05
A7	Real estate activities	85,843	85,816	85,901	0.07	6.4	6.2	0.00
A8	Professional, scientific, administrative and support service activities	58,453	70,390	69,282	18.53	4.3	5.0	0.80
A9	Public administration, education, human health	149,943	155,059	155,971	4.02	11.1	11.1	0.45
A10	Arts, entertainment and recreation activities and other services	26,098	32,560	32,647	25.10	1.9	2.3	0.49
GVA at basic prices		1,177,698	1,216,933	1,202,596	2.11	87.2	87.3	1.84
Net Taxes on product		172,354	177,487	172,124	-0.13	12.8	12.7	-0.02
GDP AT MARKET PRICES		1,350,053	1,394,419	1,374,721	1.83	100.0	100.0	1.83

2013* Final data

2014** Semi-final data

Fig. 2 Contribution of the main branches of the economy to real growth rate of GDP 2014, in %

Tab.3 Nominal growth rates and structure of GDP at market prices, 2013-2014

A19	Economic Activities NACE Rev. 2	Values at current prices (In ALL millions)		Nominal growth rate (%)	GDP structure (%)	
		2013*	2014**	(2014**/2013*)	2013*	2014**
A1	Agriculture, forestry and fishing	264,140	278,924	5.60	19.6	20.0
A2	Mining and quarrying	66,516	69,085	3.86	4.9	5.0
A3	Manufacturing	68,310	73,603	7.75	5.1	5.3
A4	Electricity, gas, steam and air conditioning supply	27,795	25,850	-7.00	2.1	1.9
A5	Water supply; sewerage, waste management and remediation activities	9,841	10,005	1.67	0.7	0.7
A6	Construction	138,878	121,402	-12.58	10.3	8.7
A7	Wholesale and retail trade; repair of motor vehicles and motorcycles	147,932	154,294	4.30	11.0	11.1
A8	Transportation and storage	42,569	41,594	-2.29	3.2	3.0
A9	Accommodation and food service activities	23,214	24,342	4.86	1.7	1.7
A10	Information and communication	37,807	38,849	2.76	2.8	2.8
A11	Financial and insurance activities	30,359	35,160	15.81	2.2	2.5
A12	Real estate activities	85,843	85,816	-0.03	6.4	6.2
A13	Professional, scientific and technical activities	29,453	35,098	19.17	2.2	2.5
A14	Administrative and support service activities	29,000	35,292	21.70	2.1	2.5
A15	Public administration and defense; compulsory social security	54,086	57,149	5.66	4.0	4.1
A16	Education	60,873	59,797	-1.77	4.5	4.3
A17	Human health and social work activities	34,984	38,114	8.95	2.6	2.7
A18	Arts, entertainment and recreation	11,331	17,121	51.10	0.8	1.2
A19	Other service activities	14,767	15,439	4.56	1.1	1.1
	GVA at basic prices	1,177,698	1,216,933	3.33	87.2	87.3
	Net taxes on product	172,354	177,487	2.98	12.8	12.7
	GDP AT MARKET PRICES	1,350,053	1,394,419	3.29	100.0	100.0

2013* Final data

2014** Semi-final data

Tab.4 GDP at current prices, previous year prices and real growth, 2013-2014

A19	Economic Activities NACE Rev. 2	Values at current prices (In ALL millions)		Values at previous year prices	Real growth (%)
		2013*	2014**	2014**	2014**
A1	Agriculture, forestry and fishing	264,140	278,924	269,323	1.96
A2	Mining and quarrying	66,516	69,085	74,149	11.48
A3	Manufacturing	68,310	73,603	74,010	8.34
A4	Electricity, gas, steam and air conditioning supply	27,795	25,850	21,451	-22.82
A5	Water supply; sewerage, waste management and remediation activities	9,841	10,005	10,198	3.63
A6	Construction	138,878	121,402	121,594	-12.44
A7	Wholesale and retail trade; repair of motor vehicles and motorcycles	147,932	154,294	152,934	3.38
A8	Transportation and storage	42,569	41,594	41,371	-2.81
A9	Accommodation and food service activities	23,214	24,342	23,964	3.23
A10	Information and communication	37,807	38,849	38,806	2.64
A11	Financial and insurance activities	30,359	35,160	30,995	2.09
A12	Real estate activities	85,843	85,816	85,901	0.07
A13	Professional, scientific and technical activities	29,453	35,098	34,546	17.29
A14	Administrative and support service activities	29,000	35,292	34,736	19.78
A15	Public administration and defense; compulsory social security	54,086	57,149	57,832	6.93
A16	Education	60,873	59,797	58,186	-4.41
A17	Human health and social work activities	34,984	38,114	39,954	14.21
A18	Arts, entertainment and recreation	11,331	17,121	17,330	52.94
A19	Other service activities	14,767	15,439	15,318	3.73
	GVA at basic prices	1,177,698	1,216,933	1,202,596	2.11
	Net taxes on product	172,354	177,487	172,124	-0.13
	GDP AT MARKET PRICES	1,350,053	1,394,419	1,374,721	1.83

2013* Final data

2014** Semi-final data

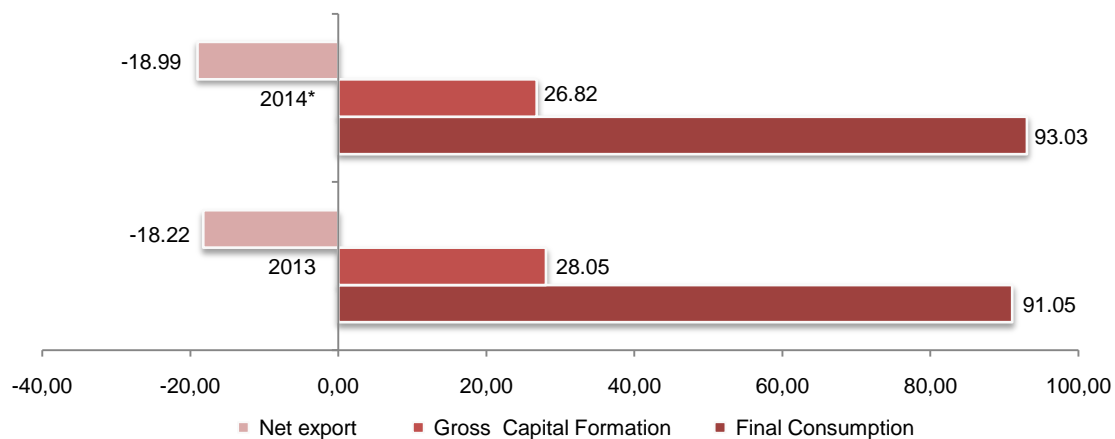
Tab.5 Gross Domestic Products by Expenditure Approach by current prices

GDP indicators	Value		Nominal growth rate (%)	GDP structure (%)	
	In ALL million			2013*	2014**
	2013*	2014**	(2014/2013)	2013*	2014**
Final Consumption	1,229,289	1,297,286	5.5	91.1	93.0
Final Consumption of the Households	1,073,609	1,129,915	5.2	79.5	81.0
Final Consumption of General Government	148,850	159,788	7.3	11.0	11.5
Individual consumption	74,359	80,060	7.7	5.5	5.7
Collective consumption	74,491	79,729	7.0	5.5	5.7
Consumption of NPISHs	6,830	7,583	11.0	0.5	0.5
Gross Fixed Capital Formation	352,088	342,844	- 2.6	26.1	24.6
Change in inventories	26,636	31,154	17.0	2.0	2.2
Statistical discrepancy	- 11,985	- 12,010		- 0.9	- 0.9
Net export	- 245,975	- 264,855	7.7	- 18.2	- 19.0
Exports of goods and services (f.o.b)	387,975	393,657	1.5	28.7	28.2
Exports of goods	147,409	130,401	- 11.5	10.9	9.4
Exports of services	240,566	263,257	9.4	17.8	18.9
Imports of goods and services (f.o.b)	633,950	658,512	3.9	47.0	47.2
Imports of goods	425,049	440,461	3.6	31.5	31.6
Imports of services	208,901	218,051	4.4	15.5	15.6
GROSS DOMESTIC PRODUCT	1,350,053	1,394,419	3.3	100.9	100.9

2013* Semi-final data

2014** Preliminary data on annual basis

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

For more information, visit INSTAT website: <http://www.instat.gov.al/>

Tab.6 Gross Domestic Products by Expenditure Approach by constant prices

GDP indicators	Value		GDP at previous year prices (2014/2013)	Real growth (%)
	In ALL million			
	2013*	2014**		2014**
Final Consumption	1,229,289	1,297,286	1,271,257	3.41
Final Consumption of the Households	1,073,609	1,129,915	1,105,373	2.96
Final Consumption of General Government	148,850	159,788	158,368	6.39
Individual consumption	74,359	80,060	78,316	5.32
Collective consumption	74,491	79,729	80,052	7.47
Consumption of NPISHs	6,830	7,583	7,515	10.03
Gross Fixed Capital Formation	352,088	342,844	338,101	- 3.97
Change in inventories	26,636	31,154	30,458	14.35
Statistical discrepancy	- 11,985	- 12,010	2,971	24.79
Net export	- 245,975	- 264,855	- 268,067	8.98
Exports of goods and services (f.o.b)	387,975	393,657	394,924	1.79
Exports of goods	147,409	130,401	130,430	- 11.52
Exports of services	240,566	263,257	264,495	9.95
Imports of goods and services (f.o.b)	633,950	658,512	662,991	4.58
Imports of goods	425,049	440,461	446,948	5.15
Imports of services	208,901	218,051	216,042	3.42
GROSS DOMESTIC PRODUCT	1,350,053	1,394,419	1,374,721	1.83

2013* Semi-final data

2014** Preliminary data on annual basis

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 three stages of calculations and publications.

- The first stage is the preliminary estimate of annual GDP, by both methods, within eleven months after the end of the year (t+11) and is based on preliminary data sources of the annual Structural Business Survey and administrative sources.
- The second stage includes semi-final estimates of the annual accounts of the GDP for the year “t” within six months after the preliminary assessment (t+17). Semi-final calculations are based on data sources more complete and therefore almost entirely on direct methods.
- The third stage includes the final estimates of GDP for the year (t). In this third 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”. Estimation of GDP of year “t” pass through three above stages of compilation until to final estimations. The first annual preliminary estimates on annual basis of the current year are available 11 months after the end of the reporting year (at the beginning of December of year t+1). Annual preliminary estimations are based on preliminary data of annual survey and other administrative sources. Preliminary results are revised after six months in order to obtain semi-final estimates. At the same time there are also revised the estimates of the previous year (t-1) in order to transform the estimates from semi-final to final.

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.