Statistics on small and medium enterprises, 2016

Year 2016

Tirana, March 13, 2018: Statistics on small and medium enterprises (SMEs) based on the results of Structural Survey of Enterprises, for the year 2016, state that:
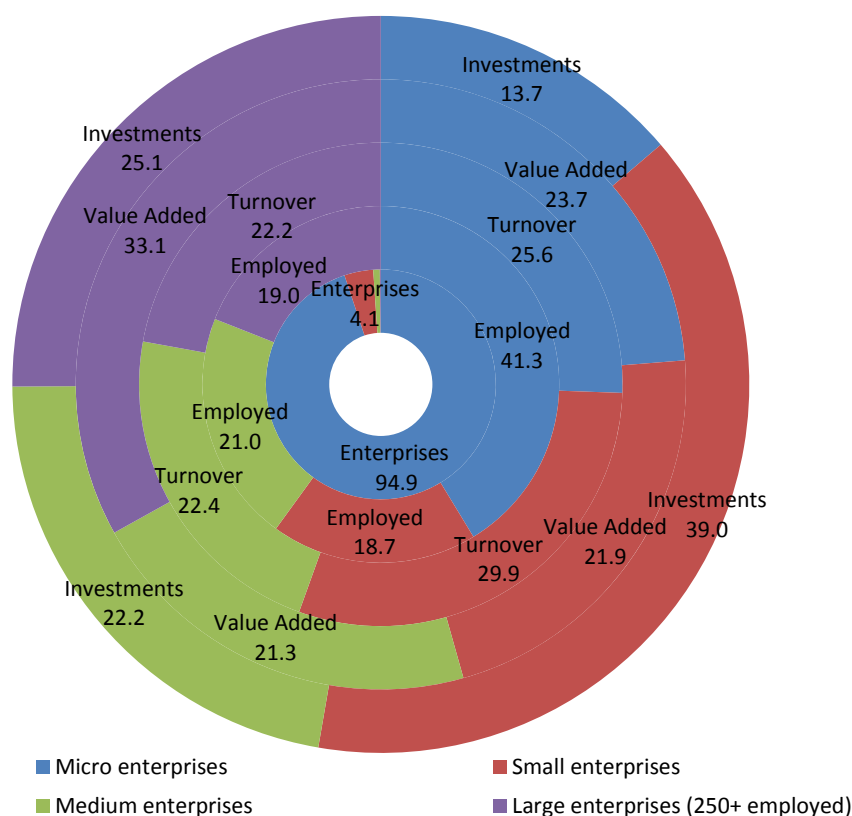
- 99.9% of *active enterprises* are SMEs, the same percentage with the previous year. The sector with the highest number of enterprises in SMEs is the trade sector with 41.5 %, followed by services sector with 20.0 %. Mining and quarrying sector has the lowest percentage of the number of active enterprises with 0.5 % followed by electricity gas, water supply and waste management sector with 0.6 %.

- *81,0 %* of *total number of employed* are employed from SMEs, from 81.3 % in the previous year. Trade sector employed 23.0% of SMEs, followed by services sector by 16.1% and manufacturing sector by 15.1%. The sectors with the lowest number of employed in SMEs are mining and quarrying sector by 1.3% and electricity gas, water supply and waste management sector by 2.2 %.

- 77.8 % of *turnover* was realized from SMEs compared with 77.6 % realized in the previous year. Trade sector prevails in the percentage of total turnover realized by SMEs with 43.4%. Followed by construction sector with 8.9% and manufacturing sector with 8.6 %. The sector with the lowest percentage of turnover realized by SMEs is mining and quarrying sector with 1.3 %.

- 74.9 % of *total investments* were realized from SMEs. This percentage is increased compared with the previous year where the SMEs invested 66.5 % of total investment. The sector with the highest percentage of investment realized in SMEs is electricity, water and waste management sector by 34.5 %. On the other hand, mining and quarrying sector has the lowest percentage of investments by 2.1 %.

- 66.9 % of *value added* was realized from SMEs compared with 66.3 % realized in the previous year. Trade sector occupies the highest percentage of value added realized by SMEs with 19.7 %, followed by other services with 12.5 %, manufacturing sector with 10.4 % and construction with 10.2 %. Mining and quarrying and electricity, water and waste management sector have the lowest percentage of value added respectively by 2.0 % and 3.4 %.

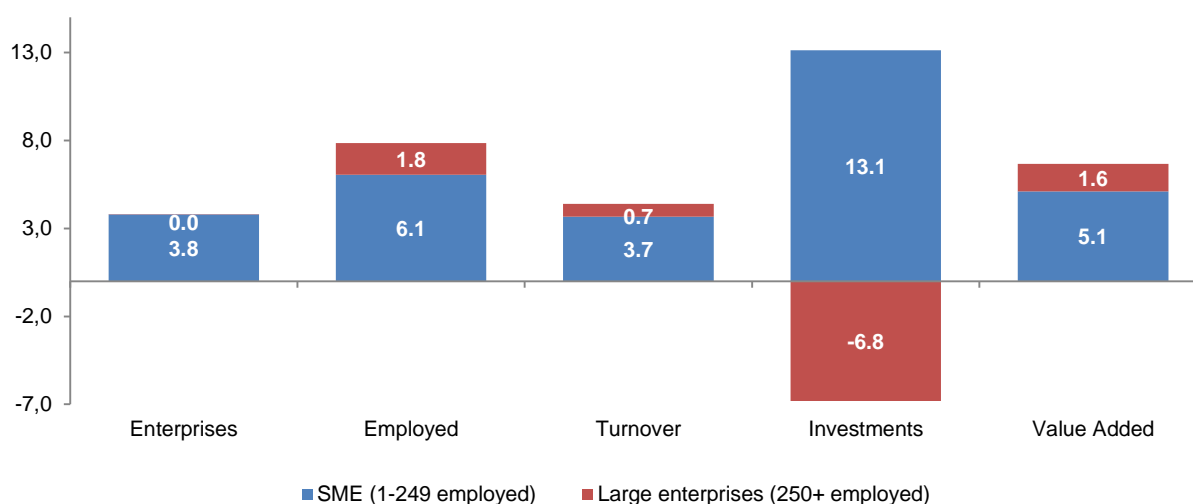**Tab.1 Basic indicators and their structure by size class of enterprises, 2016**

Enterprises size class	Enterprises		Employed		Turnover		Investments		Value Added	
	no.	%	no.	%	mlln ALL	%	mlln ALL	%	mlln ALL	%
Total	**108,526**	**100**	**469,665**	**100**	**1,881,662**	**100**	**221,404**	**100**	**491,026**	**100**
SME (1-249 employed)	**380,302**	**99.9**	**380,302**	**81.0**	**1,464,739**	**77.8**	**165,844**	**74.9**	**328,591**	**66.9**
Micro enterprises	102,965	94.9	194,015	41.3	480,991	25.6	30,397	13.7	116,583	23.7
Small enterprises	4,413	4.1	87,796	18.7	563,124	29.9	86,318	39.0	107,491	21.9
Medium enterprises	996	0.9	98,491	21.0	420,624	22.4	49,130	22.2	104,518	21.3
Large enterprises (250+ employed)	**152**	**0.1**	**89,363**	**19.0**	**416,923**	**22.2**	**55,559**	**25.1**	**162,435**	**33.1**

Nine from ten enterprises engaged less than 5 employed. Enterprises with 250+ employed, even though constitute only 0.1% of enterprises, engaged 19.0% of employed, realized 25.1% of investment, 22.2% of turnover and 33.1% of value added.

Fig.1 Structure of main indicators by size class of enterprises, 2016

Compared to the previous year, all indicators taken into consideration have increased for small and medium enterprises.

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Fig.2 Contribution of SMEs and large enterprises to annual change of main indicators, 2016/2015

The table below shows the structure of enterprises, employment and value added in Albania and European Union (28 countries). From comparison of Albania with European Union, the impact of small and medium enterprises is more important in Albania as it has a higher percentage in all three indicators taken into consideration. The number of enterprises in SMEs in Albania is 99.9% from 99.8% in EU, the number of employed in this group of enterprises is 81.0% in Albania from 66.6% in EU. The value added realized by SMEs in Albania comprises 66.9% from 56.8% in EU.

Tab.2 Structure of main indicators by size class of enterprises in Albania and EU, 2016

Enterprises size class	Enterprises		Employed		Value Added	
	Albania	EU (28 country)	Albania	EU (28 country)	Albania	EU (28 country)
Total	**100**	**100.0**	**100**	**100.0**	**100**	**100.0**
SME (1-249 employed)	**99.9**	**99.8**	**81.0**	**66.6**	**66.9**	**56.8**
Micro enterprises	94.9	93.0	41.3	29.8	23.7	20.9
Small enterprises	4.1	5.8	18.7	20.0	21.9	17.8
Medium enterprises	0.9	0.9	21.0	16.7	21.3	18.2
Large enterprises (250+ employed)	**0.1**	**0.2**	**19.0**	**33.4**	**33.1**	**43.2**

Comments on Foreign Trade in Goods in Small and Medium Enterprises (SMEs), 2016

- 2.4% of small and medium enterprises *export* constituting 62.1 % of export value. The number of exporting enterprises increased by 0.5% compared with 2015. The sector with the highest percentage of exporting enterprises is the mining and quarrying industry, where 25.9% of the active

enterprises of this sector export. The sector with the smallest number of exporting enterprises is the accommodation and food services sector, where less than 0.1% of enterprises in this sector have exported.
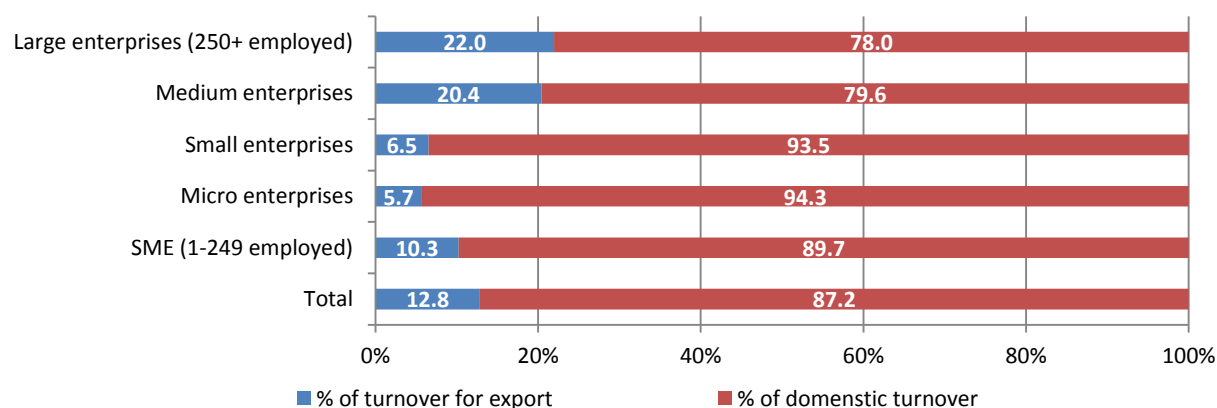
- 7.4 % of SMEs import, from 7.5% of importing SMEs in 2015 constituting 82.5 % of import value for 2016. For SMEs, the sector with the highest percentage of importers is the electricity, water and waste management sector with 23.5 %. The accommodation and food services sector is the sector with the lowest percentage of importing enterprises of 0.9%.

Tab.3 Structure of foreign trade in goods indicators, by size class of enterprises, 2016

Enterprises size class	No of Exporting Enterprises	No of Importing Enterprises	Exports Value	Imports Value
Total	**100**	**100**	**100**	**100**
SME (1-249 employed)	96.8	98.4	62.1	82.5
Micro enterprises (1-9 employed)	49.0	63.0	11.4	15.3
Small enterprises (10-49 employed)	32.0	26.9	15.2	35.8
Medium enterprises (50-249 employed)	15.8	8.5	35.6	31.4
Large enterprises (250+ employed)	3.2	1.6	37.9	17.5

- 10.3% of turnover was exported from SMEs. Medium enterprises perform the highest percentage of exports to turnover realized by them 20.4%. Micro-enterprises export the lowest value, where 5.7% of turnover is exported.

Fig.3 Percentage of turnover for export and domestic by size class of enterprises, 2016
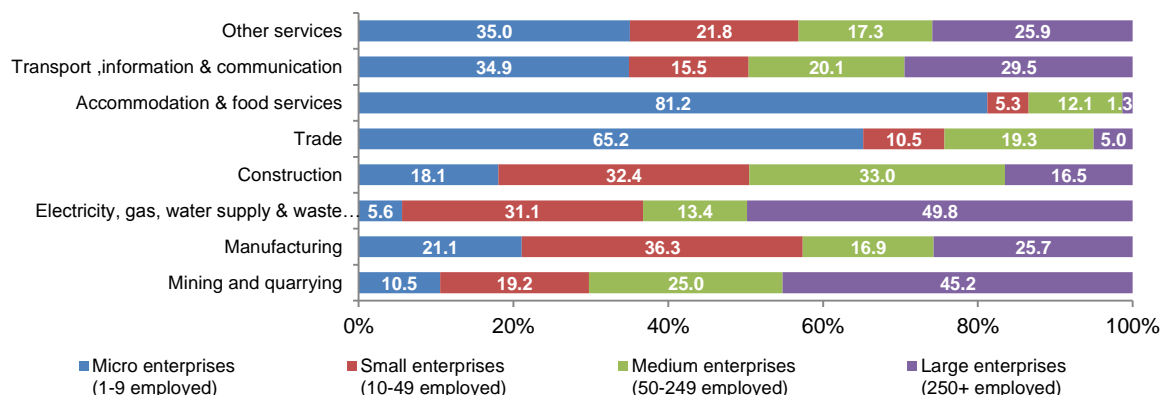

- % of turnover for export ■ % of domenstic turnover

Comments by economic activity and enterprise size class, 2016

Small and medium enterprises play an important role in terms of **employment**. The accommodation and food services sector has the highest percentage of micro-enterprises employment (81.2%).

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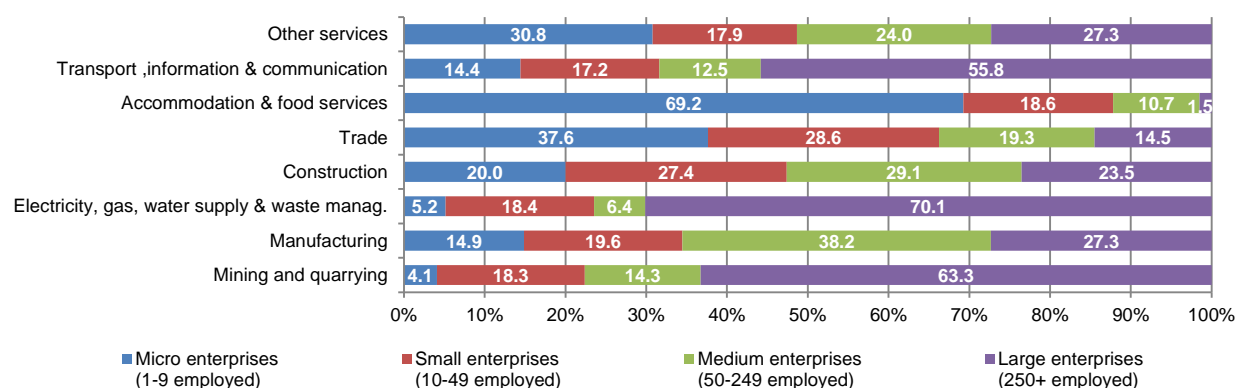
Manufacturing sector has the highest percentage of employment in small enterprises by 36.3%. The highest percentage of employment in medium enterprises by 33.0% is performed by construction.

Fig.4 Structure of employment by economic activity and size class of enterprises, 2016

Value added has a similar attitude to employment in the analysis of value added by economic activity and employment for microenterprises. The highest percentage of value added in micro-enterprises is realized in the accommodation and food services sector (69.2%). The trade sector has the highest percentage (28.6%) realized by small enterprises. Medium enterprises realized the highest percentage of value added (38.2%) realized by manufacturing industry.

Fig.5 Structure of value added by economic activity and size class of enterprises, 2016

The apparent productivity of employed measured as a ratio of value added to employment shows that this indicator is higher in large enterprises with 250 more employed, compared to small and medium enterprises. According to economic activities, in SMEs with 1-249 employees, the highest productivity is realized in mining and quarrying sector. Meanwhile, the lowest productivity is realized in the accommodation and food services sector.

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From the analysis of small and medium enterprises' subsections, the sector with the highest productivity is the electricity, gas, water supply & waste management sector for *micro and small enterprises*, while accommodation and food services sector has the lowest productivity. Regarding to the *medium enterprises*, trade sector has the highest productivity, while electricity, gas, water supply & waste management sector has the lowest productivity.

Tab.4 Apparent labor productivity by economic activity and size class of enterprises (thousand ALL/employed), 2016

Economic Activity	Micro enterprises (1-9 employed)	Small enterprises (10-49 employed)	Medium enterprises (50-249 employed)	SME (1-249 employed)	Large enterprises (250+ employed)
Total	**601**	**1,224**	**1,061**	**864**	**1,818**
Goods producers	**924**	**1,341**	**948**	**1,056**	**1,954**
Mining and quarrying	942	1,783	1,816	1,633	3,405
Manufacturing	520	856	777	722	785
Electricity, gas, water supply & waste manag.	2,483	3,701	553	1,613	3,812
Construction	1,795	1,346	1,455	1,485	2,314
Services producers	**542**	**1,147**	**1,212**	**775**	**1,670**
Trade	573	1,471	1,820	893	2,858
Accommodation & food services	288	517	677	337	385
Transport ,information & communication	688	1,425	1,348	1,043	3,156
Other services	731	860	918	816	876

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Methodology

This publication presents statistics on small and medium enterprises situation (SMEs) in 2016 based on the results of Structural Survey of Enterprises. Structural Business Survey (SBS) aims to provide information on the structure of the economic, financial and main characteristics of active enterprises in the country according to the economic activity and size class of enterprises.

Based on Law No. 10042, date 22.12.2008, for some changes and additions in Law No. 8957, date 17.10.2002 "For small and medium enterprises", as amended, the enterprises are classified as: micro, small and medium enterprises.

Small and medium enterprises are treated for statistical purposes according to the number of employed (measured as employed on a full-time basis), which are classified as follows:

- micro enterprises: enterprises with 1 to 9 employed.
- small enterprises: enterprises with 10 to 49 employed.
- medium enterprises: enterprises with 50 to 249 employed.

The main aim of structural business statistics is to show the structure of the business sector by economic activity through main indicators. Data are presented for the total business sector by economic activities and by size class of enterprises. Statistics comprise all enterprises that produce goods or services for the market in Albania, for all legal forms (there are not included financial, agricultural and fishing activities). Population consists of all enterprises that according to statistical register were active in December of the reference year. Classification of enterprises is done according to Classification of Economic Activities, NACE Rev.2. Data are collected for calendar year. The fiscal year always corresponds to the calendar year. Enterprises are classified on size classes by number of employed (measured as employed on a full-time basis). Enterprises with 1-9 employed are surveyed by sample survey. Enterprises with 10 and more employed are surveyed exhaustively. The data are collected directly from enterprises.

The classification of enterprises is done according to number of employed (measured as employed on a full-time basis). Based on Law No. 10042, date 22.12.2008, for some changes and additions in Law No. 8957, date 17.10.2002, "For small and medium enterprises", as amended, enterprises are classified in: micro, small and medium enterprises.

- Micro and small and medium category (SMEs) include enterprises where are engaged less than 250 employed and realized turnover and / or annual balance-sheet total not exceeding than 250 million ALL

- Small enterprise is an enterprise which engages less than 50 employed and which has a turnover and / or annual balance sheet total not exceeding 50 million ALL.

- Micro enterprise is an enterprise which engages less than 10 employed and which has a turnover and / or annual balance sheet total not exceeding 10 million ALL.

For more information related to the methodology used in structural business survey on enterprises, please refer to the following link:

For more information, please visit our website: http://www.instat.gov.al/en/home.aspx

http://www.instat.gov.al/en/themes/industry-trade-and-services/structural-business-statistics/#tab4

For more information related to the methodology used in external trade in goods statistics, please refer to the following link:
http://www.instat.gov.al/en/themes/international-trade/international-trade-in-goods/#tab4

Data revision

SBS final data are revised when:
• It is implemented a new classification of activities
• There are methodological changes
• Revised weights
SBS try to follow standard guidelines and principles on revisions made in cooperation with the technical assistance received from the best practices of EU countries. SBS revision policies are conducted in accordance with policies set by INSTAT revision policy. For more refer to the link:
http://www.instat.gov.al/media/2940/revision_policy_2016.pdf

Definition of indicators

Enterprise
An enterprise is: "the smallest combination of legal units that is an organizational unit producing goods or services which benefits from a certain degree of autonomy in decision- making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations (local unit)".

Turnover
Turnover comprises the totals amount invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties. This variable can be found in other publication as net sales.

Employed

Employed is defined as the total number of persons who work in the observation unit including proprietors, employees and unpaid family workers.

Investments
Investments during the reference period includes the goods, whether bought from third parties or produced for own use, having a useful life of more than one year including non-produced tangible goods such as land.

Production

The production is an activity exercised under the control and responsibility of an institutional unit (enterprise), which combines the sources of labor forces, capital and raw materials to produce goods and perform services.
The value of production is based on:

Incomes from the sale of goods and services (turnover) realized by the enterprise:

(±) Changes in stocks of work in progress, finished goods and work on contract
(±) Changes in goods and services purchased for resale in the same condition as received
(–) Purchases of goods and services purchased for resale in the same condition as received
(+) Capitalized production
(+) Subsidies.

Intermediate consumption

Intermediate consumption represents the value of products or services transformed or totally consumed during the production process. The uses of fixed assets in work are not taken in consideration.

Value added at basic prices

Value added at basic prices is calculated as difference between production value and intermediate consumption.

Exports
Goods in general are goods destined to be send to a third country subject to customs regime or outside processing arrangements, or re-exported following inside processing.

Imports
Goods in general are goods coming from a third country and are directly unloaded or placed to a warehouse according to the customs procedures to accomplish free zones processing, active or customs processing.