Albania Investment Council
Improving Transparency and Investment Climate

An Overview of Albania's Economic Development Indicators

Secretariat of the Investment Council

July 2026

This is a summary of the main macroeconomic indicators in Albania published by official sources or international organizations.

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Table of Contents

- ➢ National Accounts
- ➢ International Trade
- ➢ Labour Market
- ➢ Investments
- ➢ Monetary Indicators

Main Macroeconomic Indicators

Economic Growth QI 2026 - The Albanian economy continues to maintain a steady growth rate, with GDP +3.7% in Q1 2026. Growth is mainly supported by Public Administration (+13.9%), Real Estate (+9.0%) and Professional Services (+7.3%), while Industry (-2.2%) and Agriculture (-0.5%) continue to contract.

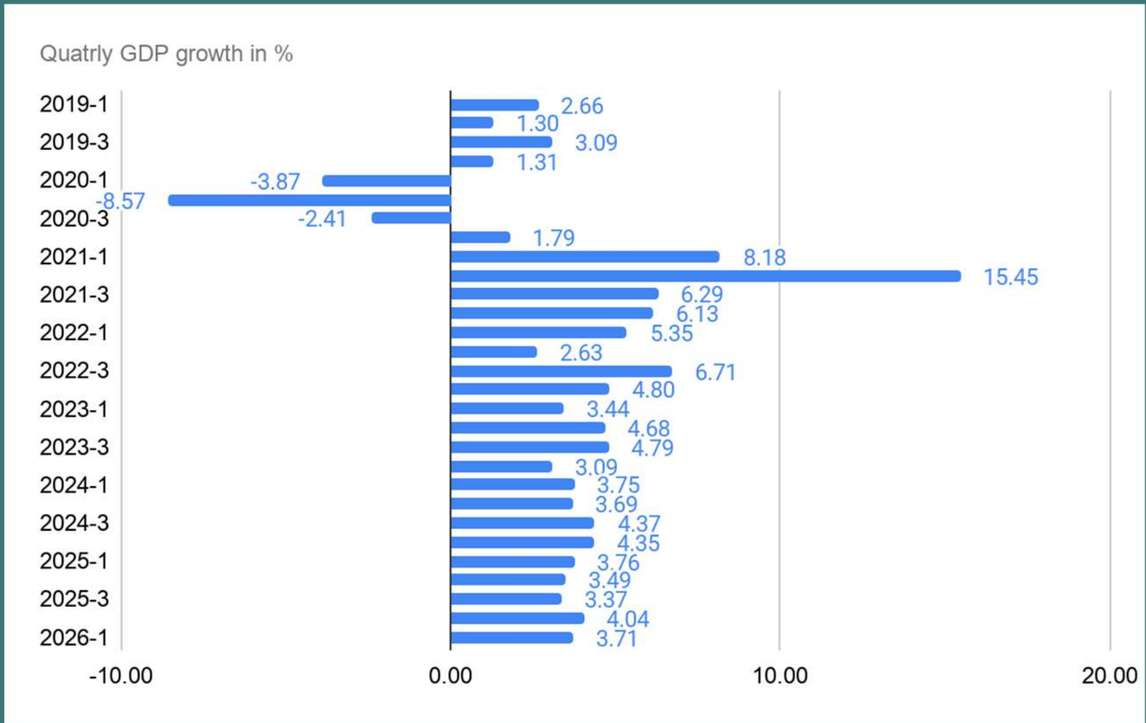
Foreign Trade - Foreign trade remains a challenge, with exports of 193 billion lek (+6%), imports of 450 billion lek (+4%) and a trade deficit of 256 billion lek (+3%).

Inflation and Exchange Rates - Macroeconomic stability has been maintained, with average inflation of 2.7%, while the lek continues to strengthen (95.8 ALL/EUR and 82.1 ALL/USD on average during 6M 2026).

Labor Market - The labor market continues to improve, with unemployment at 8.4%, labor force participation at 76.2%, and an average wage of 90,119 lekë (+7.4%), although productivity and labor shortage challenges remain.

Credit and Foreign Direct Investment (FDI) - Financing of the economy continues to expand, with 978 billion lekë credit to the economy and FDI +11.9% in Q1 2026. However, 43% of FDI flows are oriented towards real estate, indicating a concentration of investments in sectors not necessarily with high productivity.

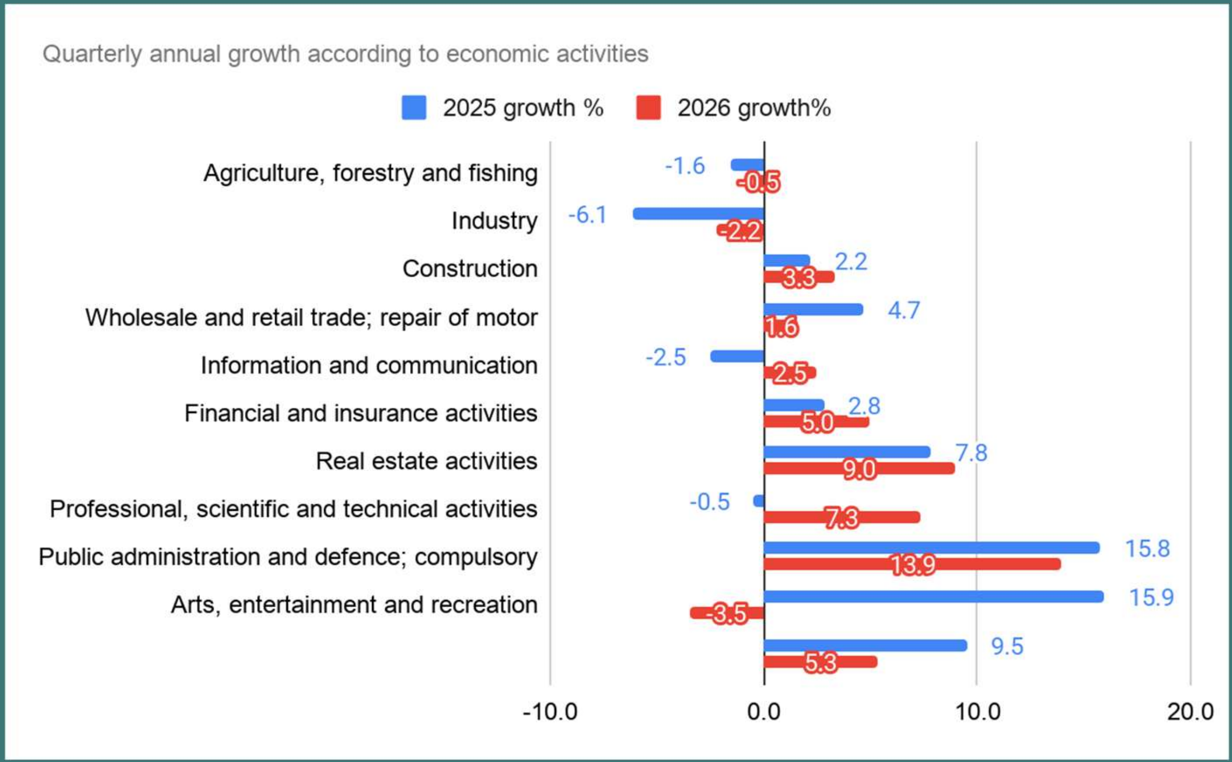
Economic Growth Performance



Gross Domestic Product (GDP) in the first quarter of 2026 is estimated to grow by 3.71%, compared to the first quarter of 2025. A year earlier, this growth was 3.76%.

Source: INSTAT, July 2025

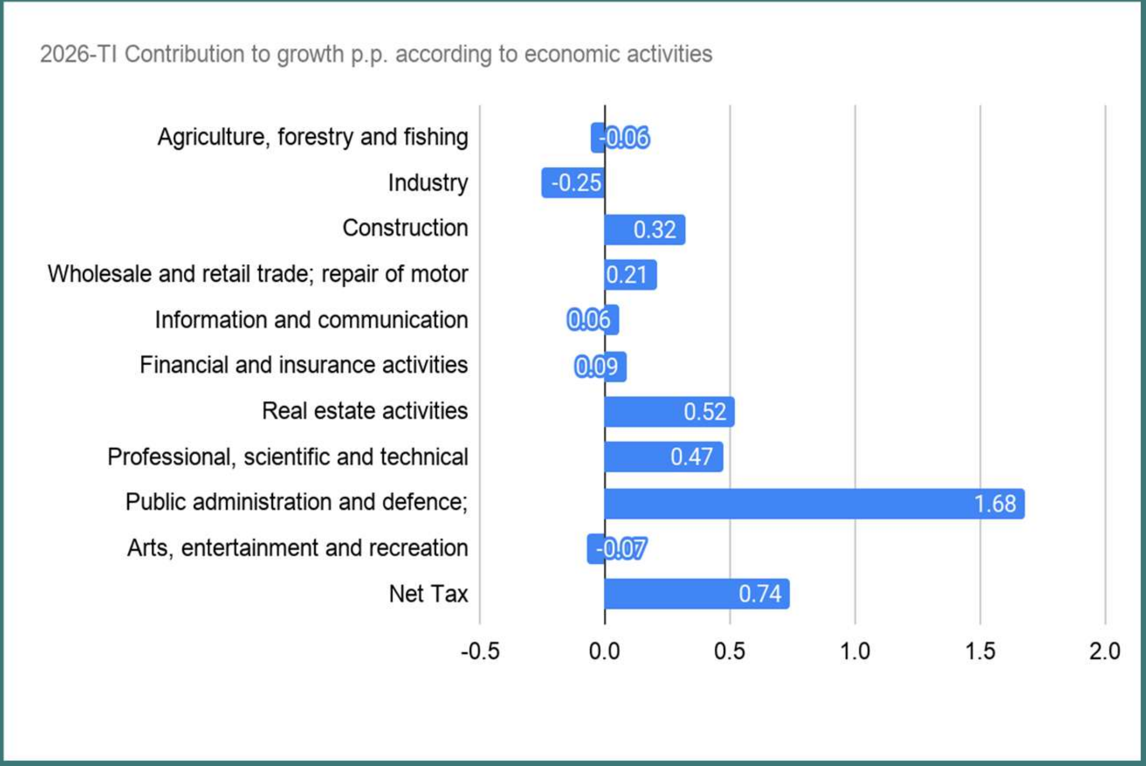
Economic Growth (Quarterly)



In terms of annual performance by economic activity, the highest growth was recorded in public administration, education and health, (13.93%), followed by real estate activities (8.99%). Professional activities and administrative services grew by 7.32%, while financial and insurance activities increased by 5.00%. Other activities that recorded positive growth included construction (+3.30%) and trade, transport, accommodation and food services (+1.61%). On the other hand, industry, energy and water contracted by 2.17%, while agriculture, forestry and fishing declined by 0.49%. Arts, entertainment and recreation and other service activities also recorded a decrease of 3.48%. Meanwhile, net taxes on products increased by 5.40%, contributing positively to overall economic growth.

Source: INSTAT

Contribution to Economic Growth (Quarterly)

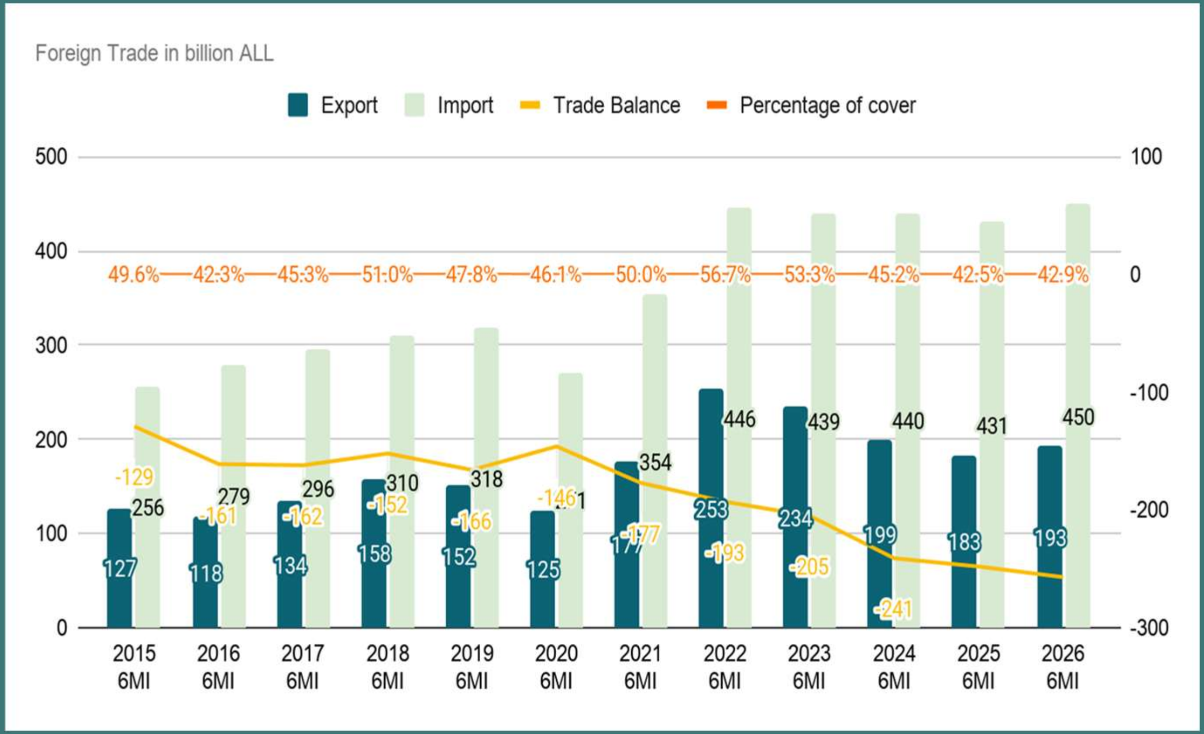


The contribution to GDP growth by economic activity was led by public administration, education and health, which added 1.68 percentage points (p.p.), followed by real estate activities (+0.52 p.p.), professional, scientific and administrative services (+0.47 p.p.), construction (+0.32 p.p.), trade, transport, accommodation and food services (+0.21 p.p.), financial and insurance activities (+0.09 p.p.), and information and communication (+0.06 p.p.).

In contrast, industry, energy and water exerted the largest negative impact on growth (-0.25 p.p.), followed by arts, entertainment and recreation and other service activities (-0.07 p.p.) and agriculture, forestry and fishing (-0.06 p.p.). Meanwhile, net taxes on products made a positive contribution of 0.74 percentage points to overall GDP growth.

Source: INSTAT

Circulation of Goods in Foreign Trade



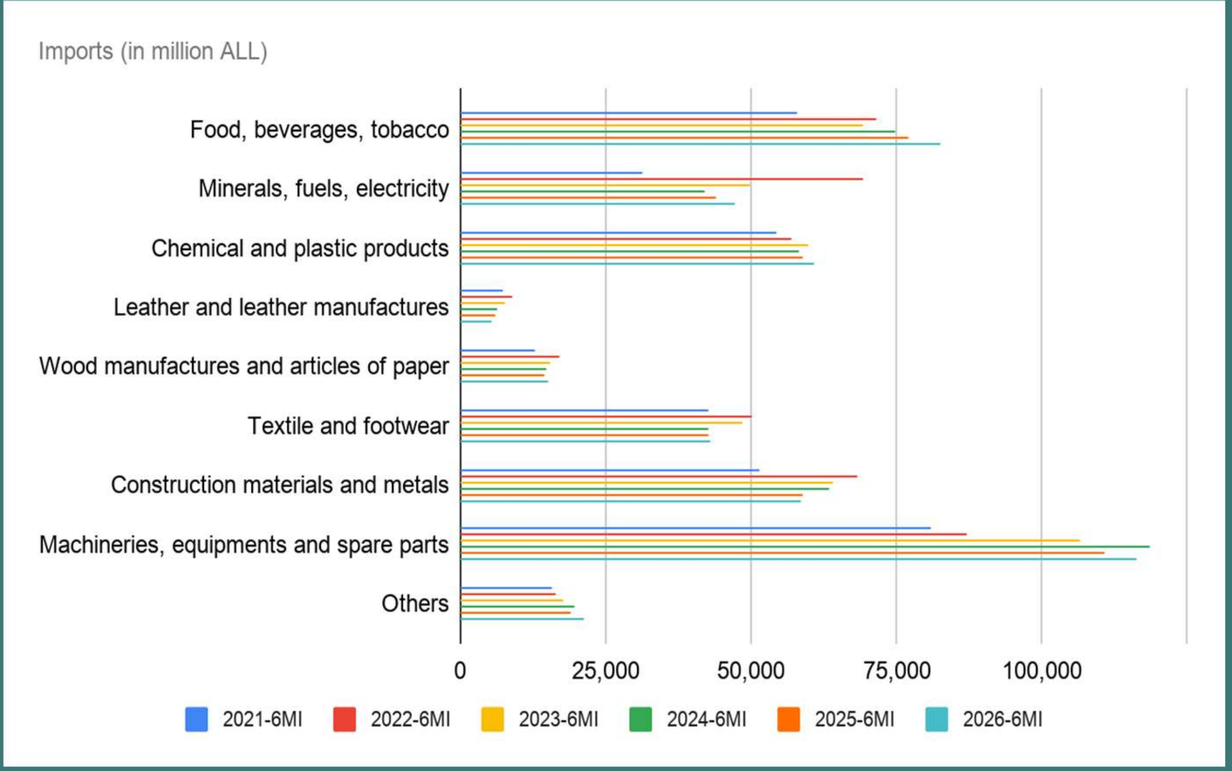
During the first six months of 2026, exports of goods totaled 193 billion lek, representing a 6% increase compared to the same period of the previous year.

Meanwhile, imports reached 450 billion lek, recording an increase of 4% year-on-year.

As a result, the trade deficit widened to 256 billion lek, marking an increase of 3% compared to the first six months of 2025.

Source: INSTAT

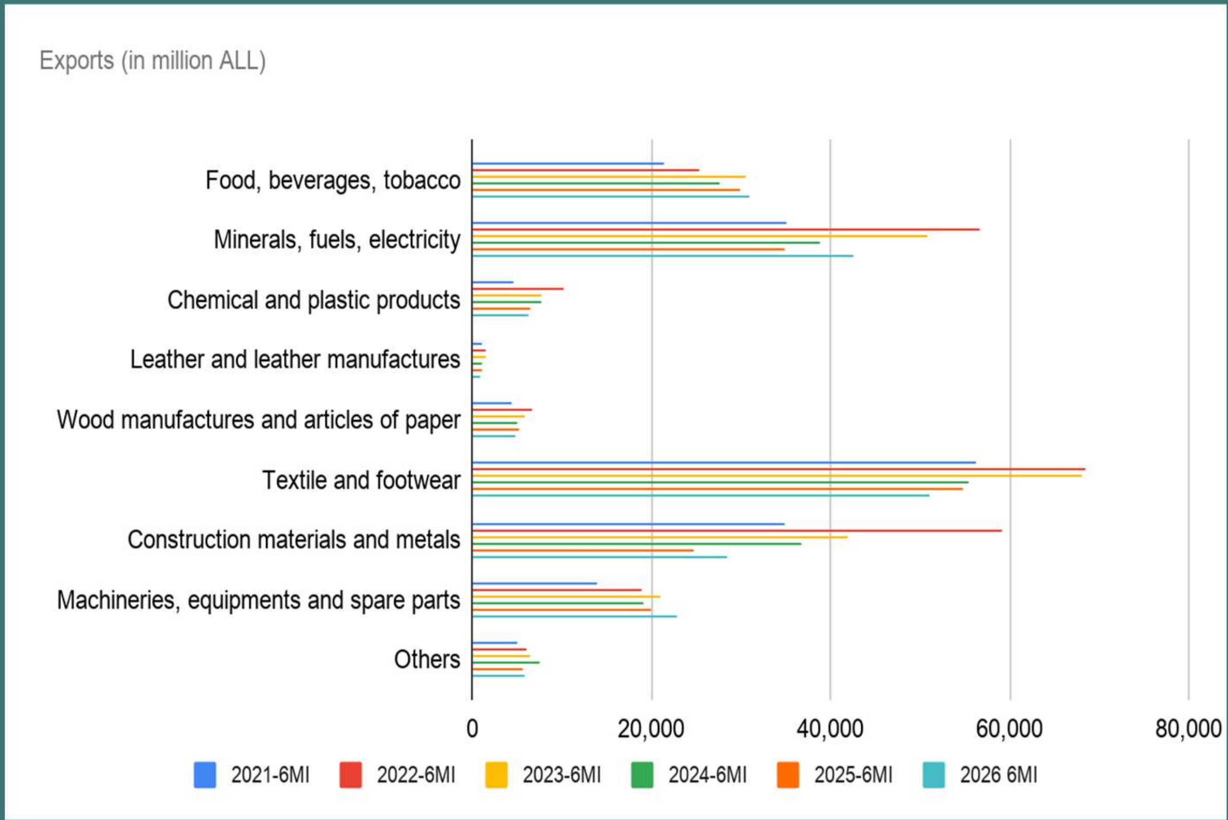
Circulation of Goods in Foreign Trade



During the first six months of 2026, imports of goods increased by 4% compared to the same period of the previous year. Growth was recorded across almost all major import groups, with the exception of “Leather and articles thereof” and “Construction materials and metals”, which registered a decline.
By trading partner, the largest increases in imports were recorded from Russia (+42.7%), Switzerland (+24.9%), and China (+22.97%) compared to the same period of 2025. In contrast, imports declined significantly from Spain (-14.7%), North Macedonia (-14.05%), and Austria (-16.08%).

Source: INSTAT

Circulation of Goods in Foreign Trade



During the first half of 2026, exports increased by 6% compared to the same period in 2025.

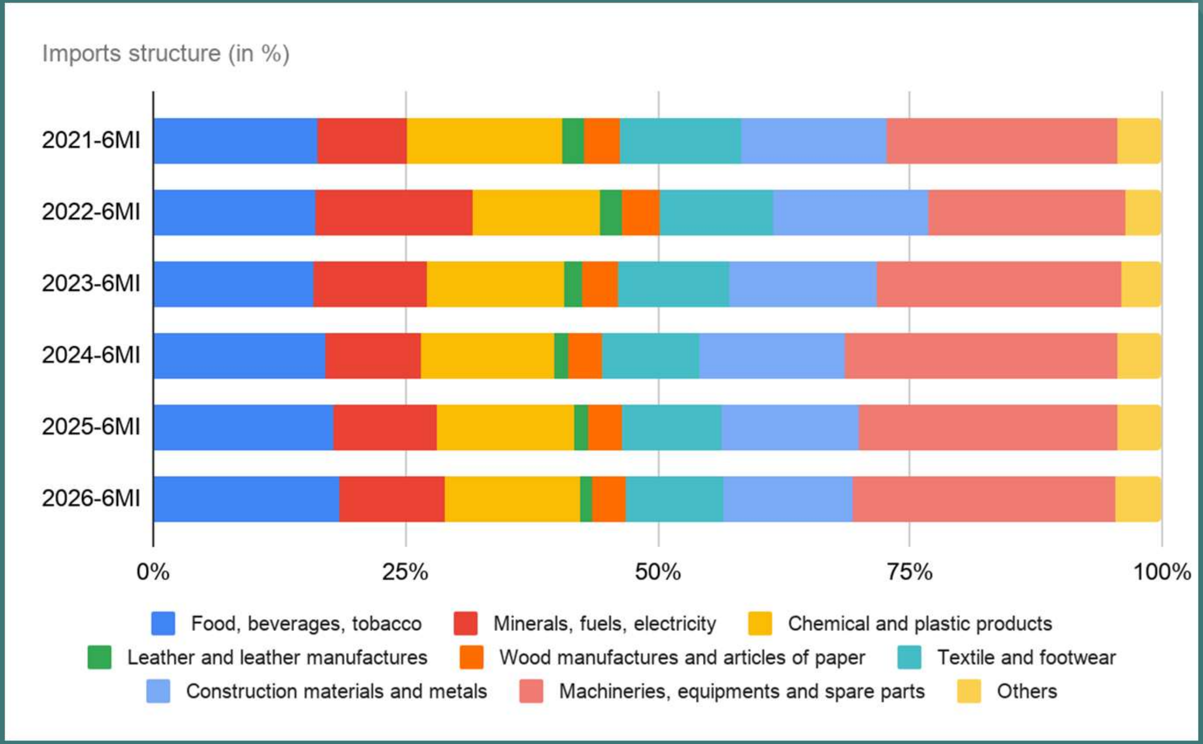
The growth in exports was mainly driven by "Minerals, fuels and electricity" (21.94%), followed by "Construction materials and metals" (+14.87%) and "Machinery, equipment and spare parts" (+14.48%). In contrast, exports of "Leather and articles thereof" and "Wood and paper products" recorded a decline compared to the first half of 2025.

By destination market, Albania registered the largest increases in exports towards the United States, Türkiye, and Croatia Meanwhile, exports to Spain, Ukraine, Russia, and Switzerland declined during the first six months of 2026.

Source: INSTAT

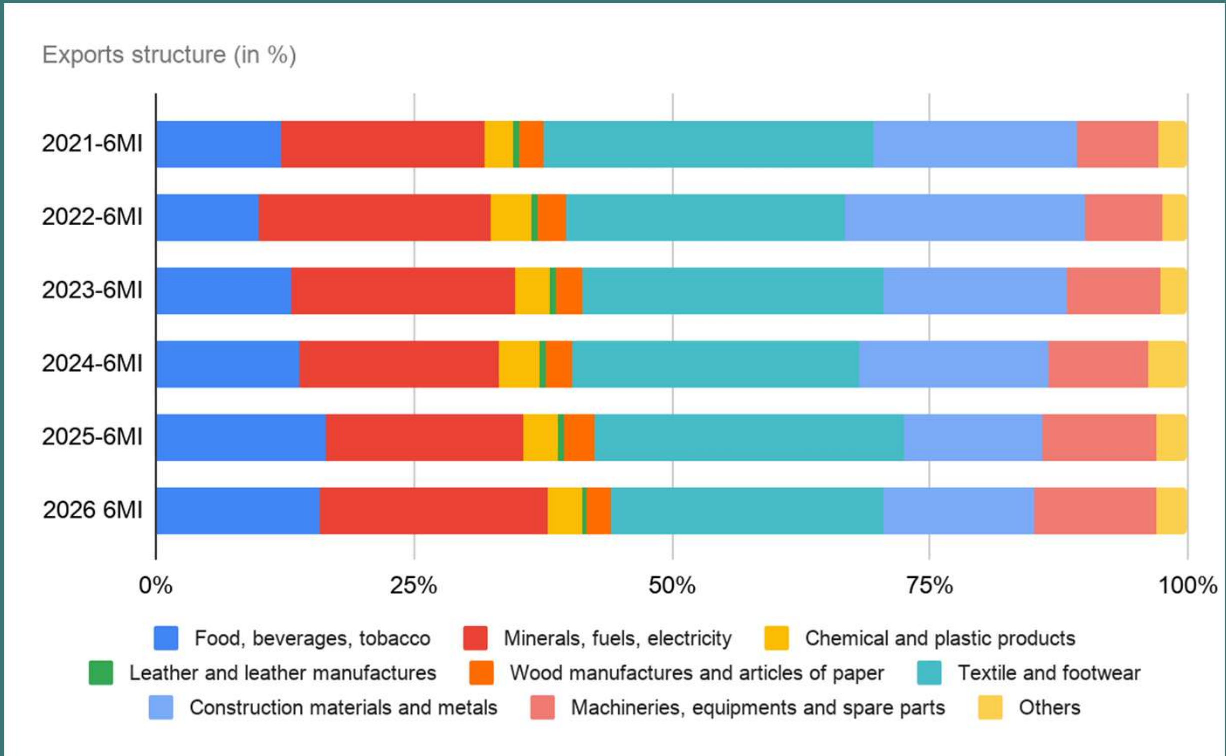
Imports of Goods

The structure of goods imports during the first six months of 2026 was dominated by machinery and equipment, food, beverages and tobacco products, chemical and plastic products, and construction materials and metals, which represented the main import categories during this period.



Source: INSTAT, July 2025

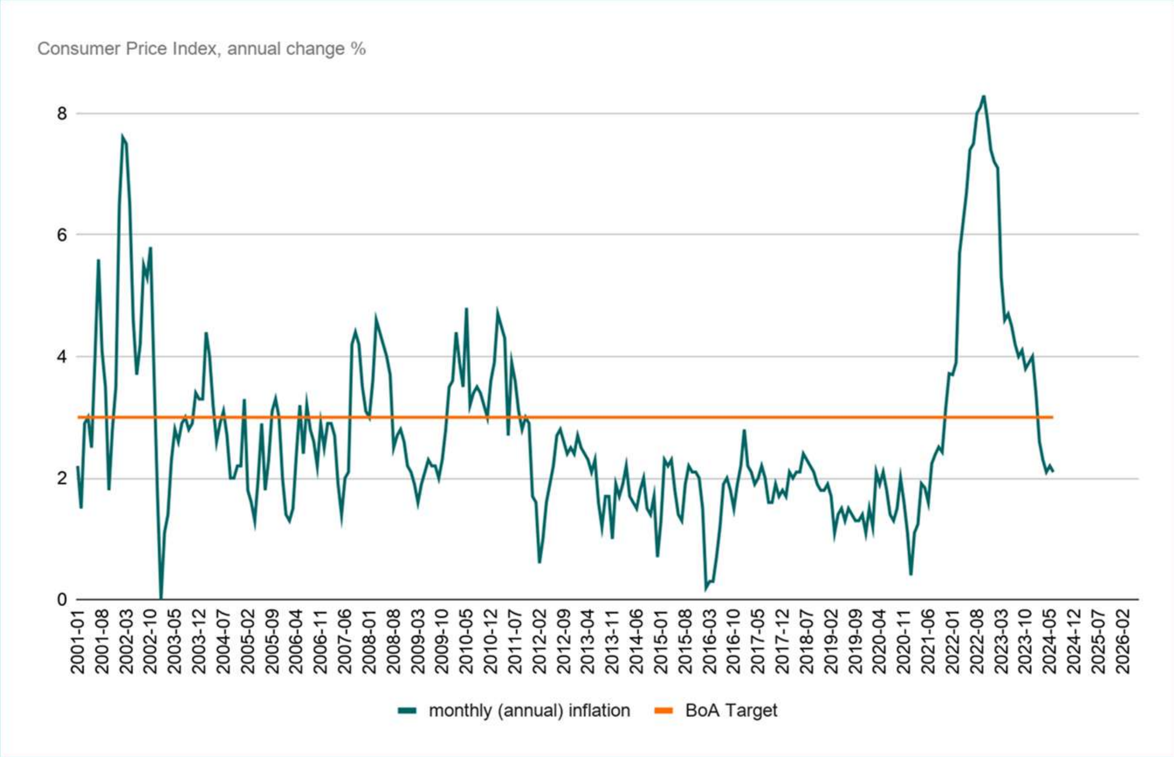
Exports of Goods



The structure of exports by product has shown a shift since 2025, with an increasing contribution from minerals, fuels and electricity, food, beverages and tobacco products, and machinery, equipment and spare parts. Meanwhile, the share of textiles and footwear as well as construction materials and metals in total exports has declined.

Source: INSTAT, July 2025

Consumer Price Index



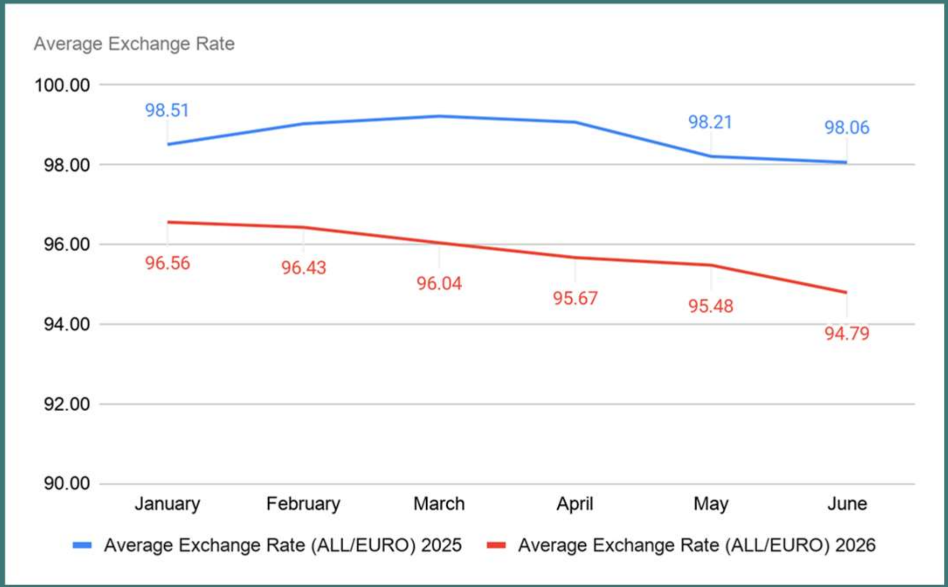
During the first half of 2026, the average annual inflation rate reached 2.7%, increasing from 2.1% recorded in the same period of the previous year.

As illustrated in the chart, the monthly annual inflation rate remained consistently below the Bank of Albania's target of 3% from the end of 2011 onwards. However, inflationary pressures intensified from November 2021, when inflation exceeded the Bank of Albania's target and reached significantly higher levels, a trend that continued until October 2022.

Meanwhile, we have an increase in inflation above the BoA target in May and June 2026.

Source: INSTAT

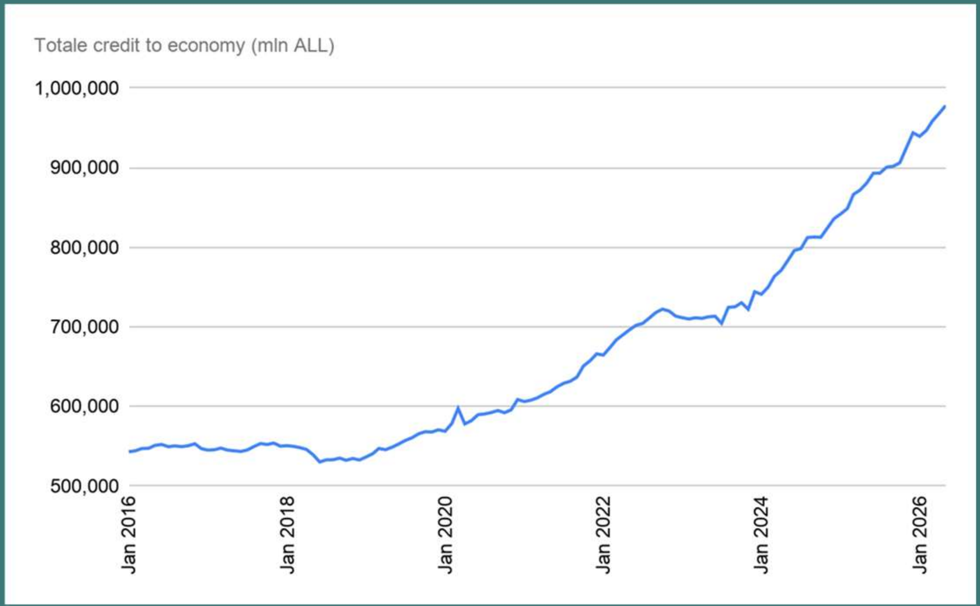
Exchange Rate

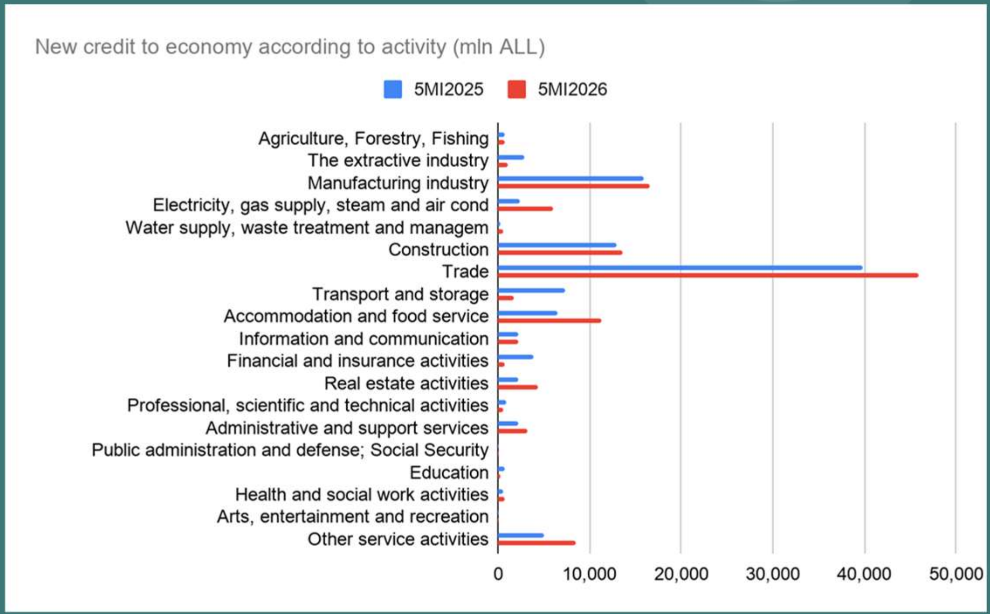


In the first half of 2026, the average exchange rate for the lek against the euro was 95.83, down from 98.68 during the same period last year. Similarly, the average exchange rate for the lek against the US dollar was 82.1, compared to 90.4 a year earlier. The lek continues to strengthen against the country's two major foreign currencies.

Source: Bank of Albania

Credit to Economy

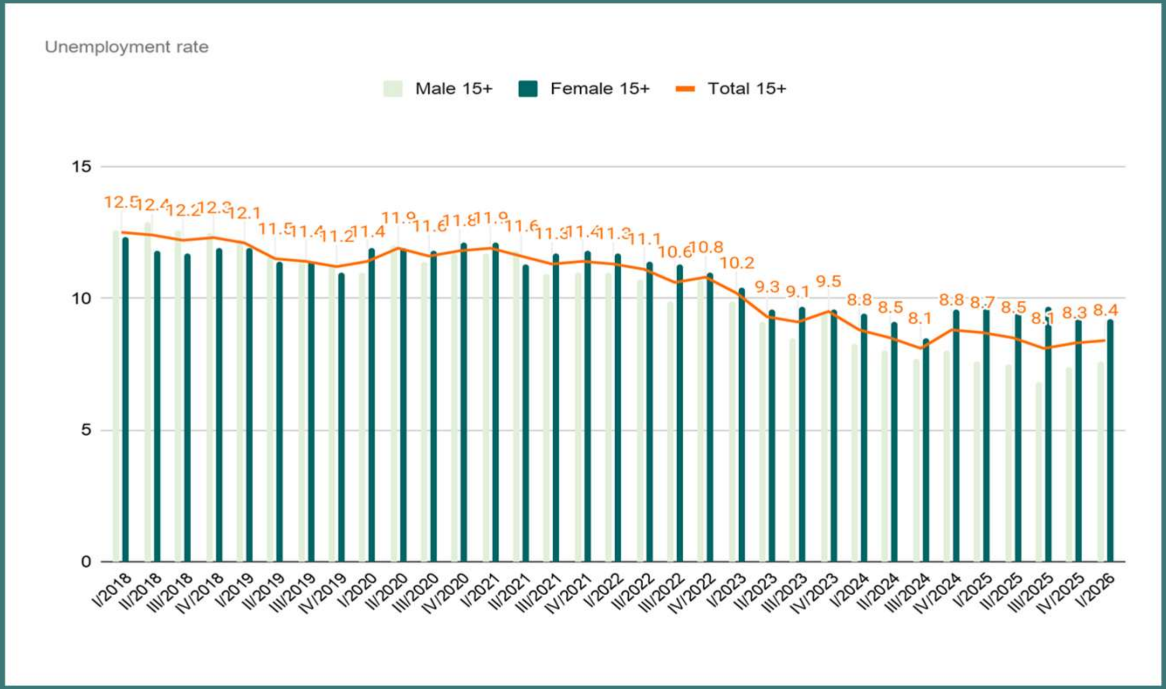




In May 2026, total credit to the economy reached 978 billion lek. The majority of new credit during the first five months of 2026 was directed towards wholesale and retail trade, construction and manufacturing, and accommodation, continuing the trend observed in the previous year. During this period, total new credit to private non-financial corporations increased by 11%, reaching 118 billion lek.

Source: Bank of Albania

Labor Force

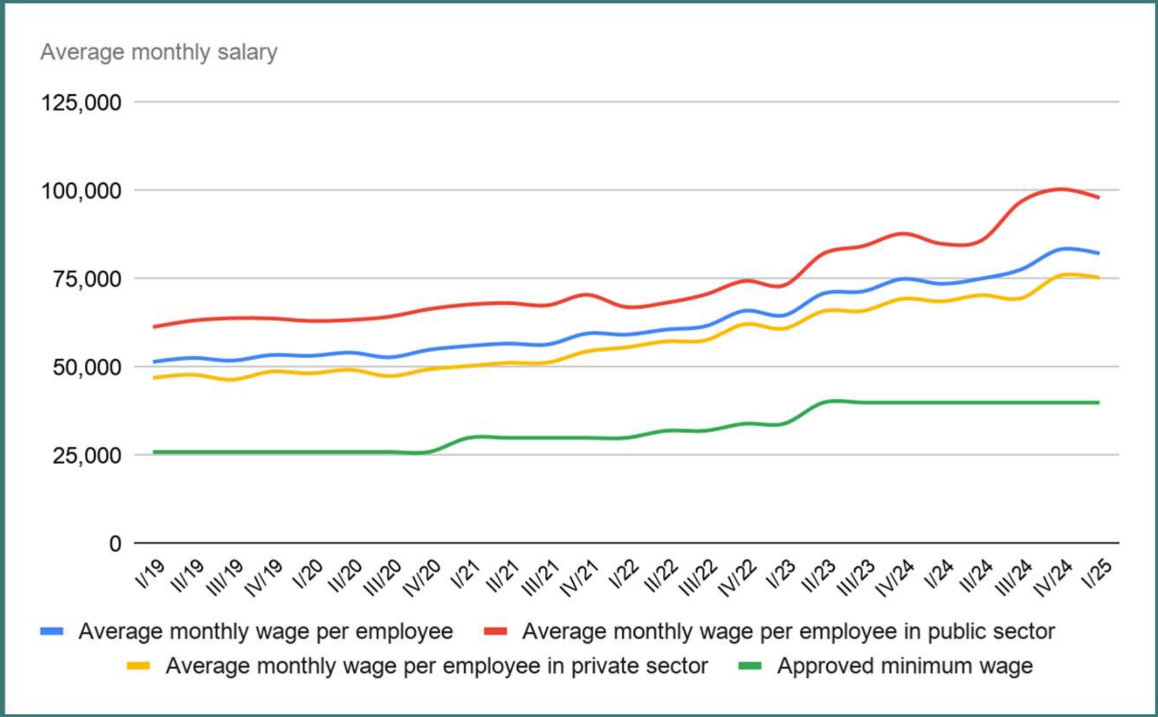


The official unemployment rate for individuals aged 15+ was 8.4%, reflecting a decrease of 0.3 percentage points compared to the first quarter of 2025 and 0.1 percentage points compared to the previous quarter. The rate remains higher among women aged 15+ than among men in the same age group.

In the first quarter of 2026, the labor force participation rate for the age group 15-64 reached 76.2%, an increase of 0.5 percentage points compared to the same period in 2025 and 0.3 percentage points compared to the fourth quarter of 2025.

Source: INSTAT

Average Wage and Minimum Wage



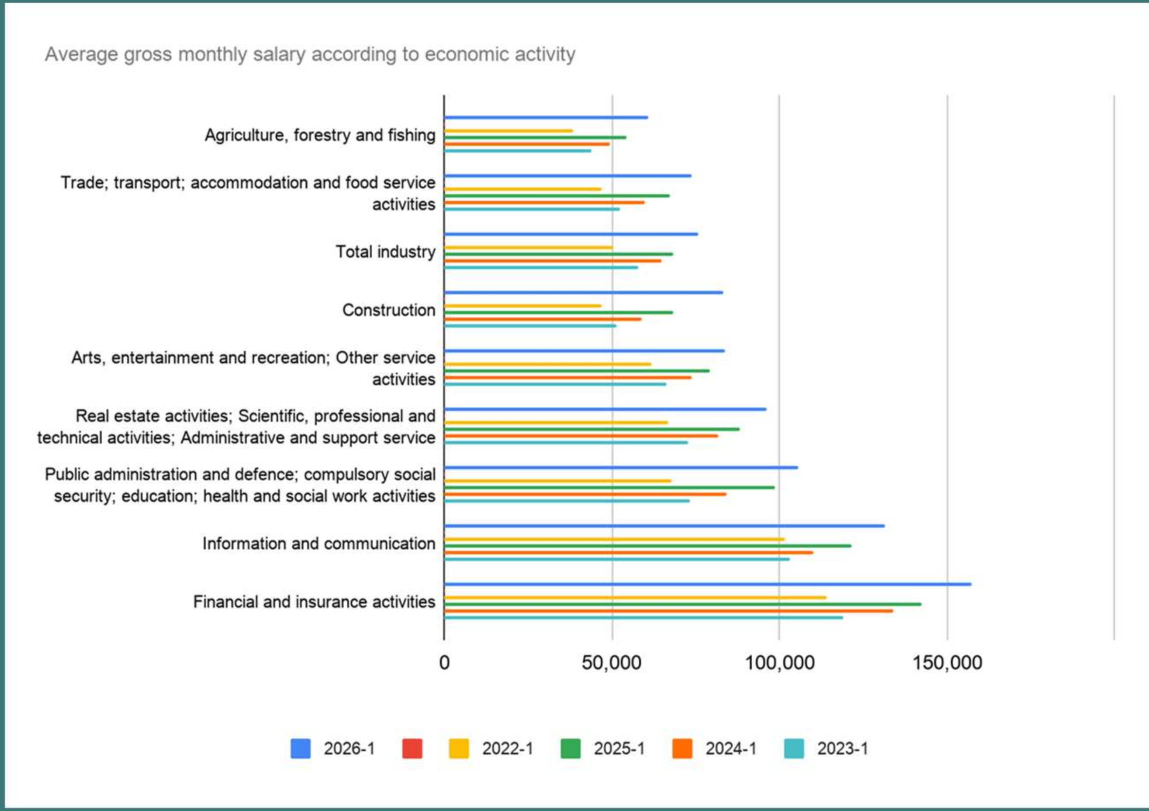
In the first quarter of 2026, the average salary was reported at 90,119 lekë, reflecting an increase of 7.4% compared to the same period last year.

The average monthly salary in the private sector reached 83,912 lekë, marking an increase of 11.5% year-on-year. Meanwhile, public sector employees earned an average monthly salary of 105,390 lekë, representing an increase of 7.6% compared to the first quarter of 2025.

Note: Data are averages of quarterly figures published by INSTAT.

Source: INSTAT

Average Salary by Sectors (in ALL)

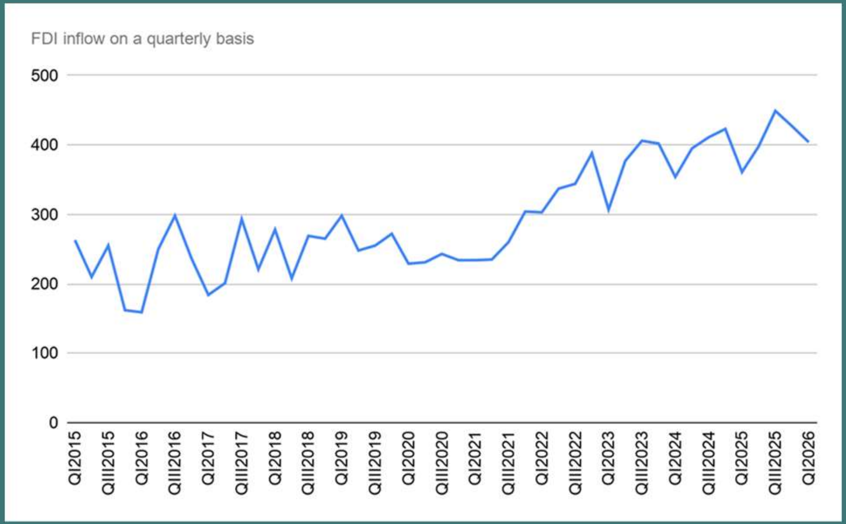


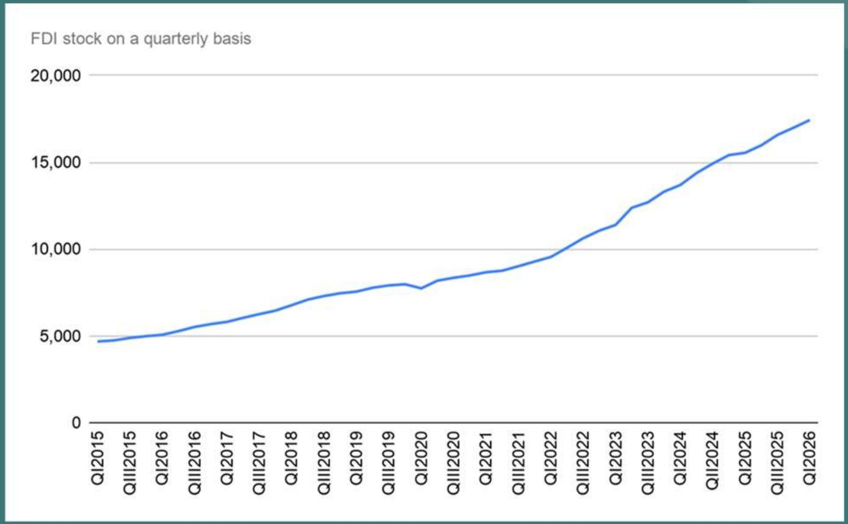
The highest salaries continue to be recorded in the "Financial and Insurance Activities" sector, which saw an increase of 10.5% compared to the first quarter of 2025, followed by the "Information and Communication" sector with an increase of 8.5% during the same period.

The lowest salaries were reported in the "Agriculture, Forestry and Fishing" sector; however, this sector still experienced an increase of 11.8% compared to the first quarter of 2025.
The largest year-on-year salary increase was observed in the Construction activity with 16%.

Source: INSTAT

Foreign Direct Investments





In the first quarter of 2026, foreign direct investment (FDI) inflows increased by 11.9% compared to the same period last year, but fell by 5.3% compared to the fourth quarter of 2025. Meanwhile, the stock of FDI for the period January-March 2026 increased by 12% year-on-year, reaching 17,437 million euros, and marked an increase of 2.6% compared to the fourth quarter of 2025.

Source: Bank of Albania

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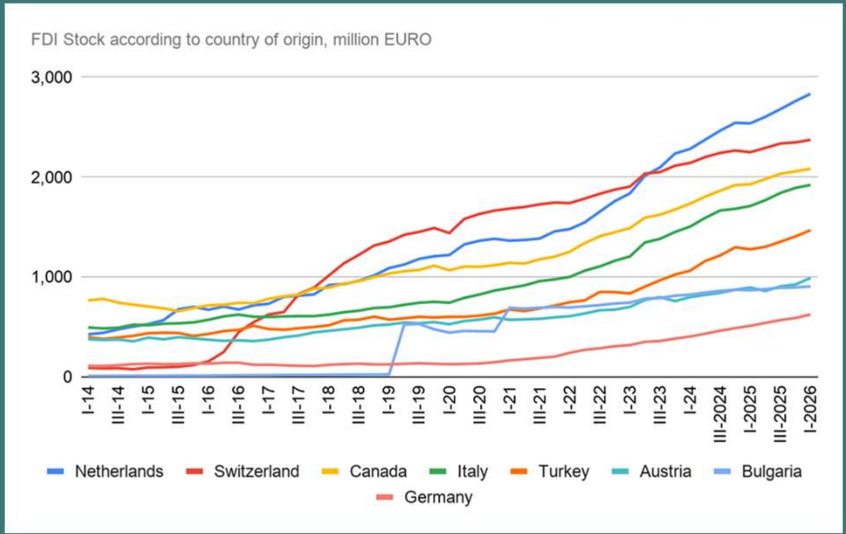
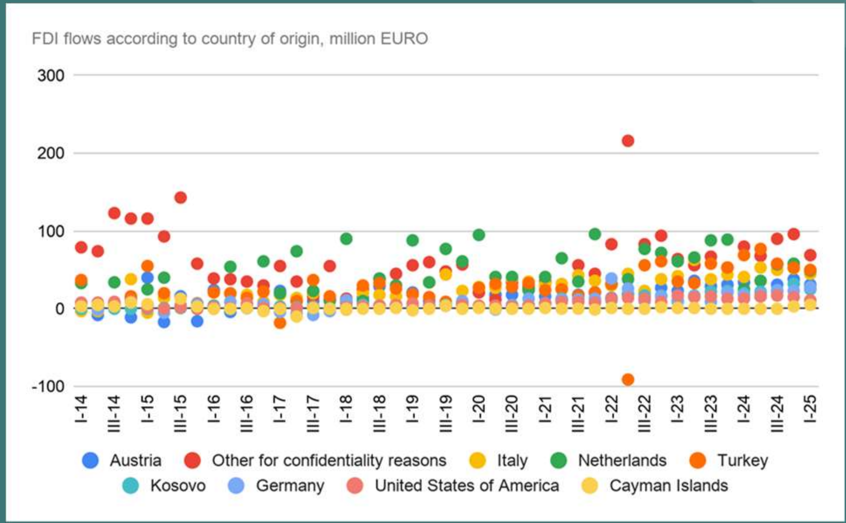
Foreign Direct Investments

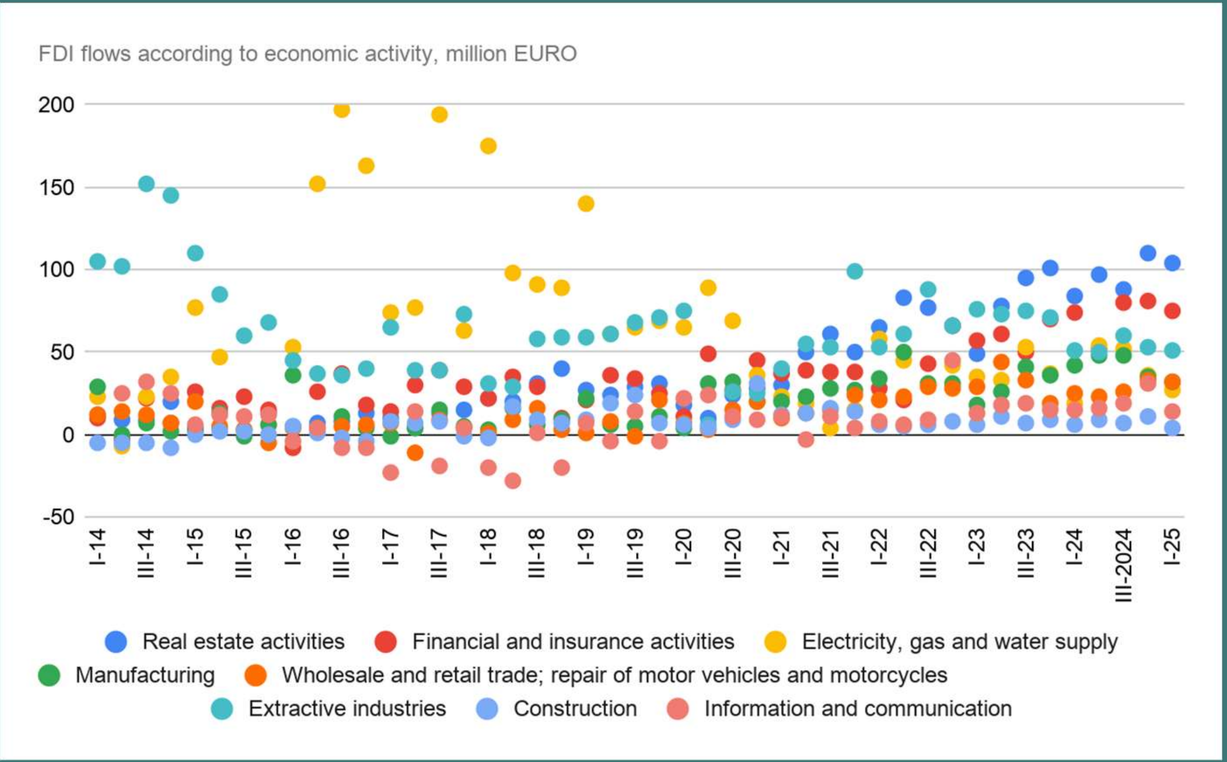




Austria holds the top spot with the highest FDI inflows for the first quarter of 2026, 60 million euros, followed by Italy with 49 million euros and the Netherlands with 48 million euros.
Meanwhile, the Netherlands continues to lead the FDI stock in the country for the first quarter of 2026, with 2,834 million euros, followed by Switzerland with 2,374 million euros.

Source: Bank of Albania

Foreign Direct Investments



During the first quarter of 2026, the most attractive sector for foreign direct investment is Real Estate Activity, a trend that continues from the second quarter of 2023 (172 million euros), followed by Financial and Insurance Activities (68 million euros) and Electricity (38 million euros).

Real estate activities account for 43% of Foreign Direct Investment flows in the country,

Source: Bank of Albania