

B a n k o f A l b a n i a

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BALANCE OF PAYMENTS

BULLETIN

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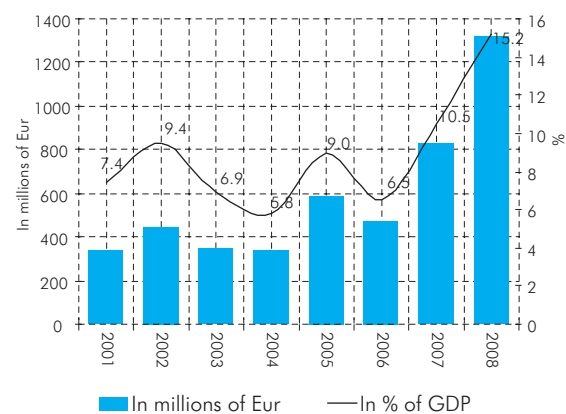
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## I. INTRODUCTION

For an 11-year period between 1996 and 2006, Albania's current account deficit recorded an average annual figure of about EUR 300 million, with the lowest level recorded in 1996 and the highest in 2005. Excluding 1997, the current account deficit as a percentage of GDP was about 4 percent in the first five-year period and about 8 percent in the second. In 1997, the higher trade deficit and the lower current transfer inflows caused the current deficit to increase by threefold relative to the previous year. As a percentage of GDP, Albania's current account deficit jumped from 2 percent to 11 percent. During 2007-2008, it deepened sharply recording nominal values of about 3-4 times higher than the previous years' average. In both these years, the current account deficit as a percentage of GDP increased by about 4 percentage points each relative to the previous year, recording 10.5 and 15.2 percent, respectively.

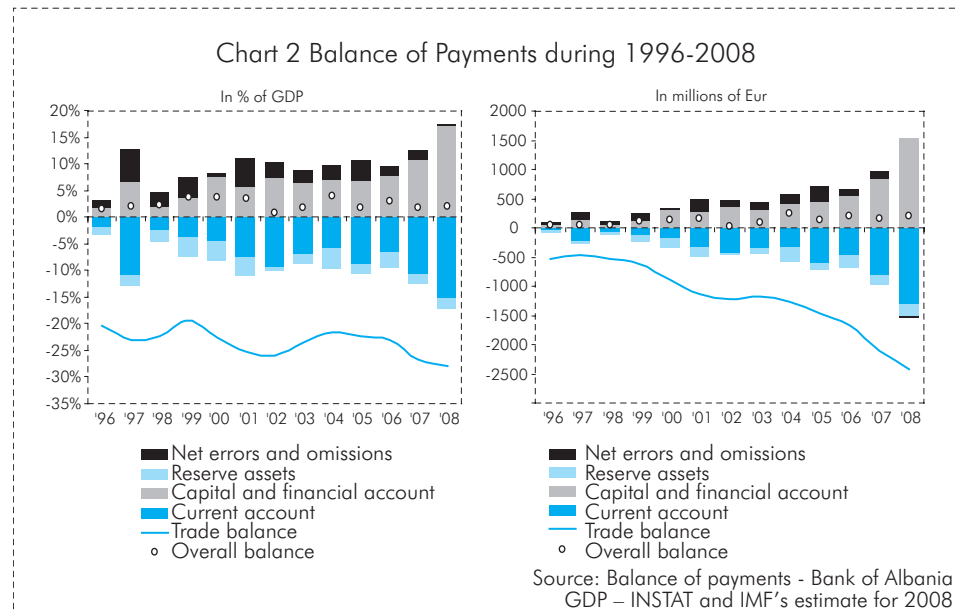
Chart 1 Current account deficit during 1996-2008



Source: Current account deficit – Bank of Albania  
GDP – INSTAT and IMF's estimate for 2008

During the 1996-2008 period, the widening of the current account deficit had an almost symmetrical performance although to a reverse direction of the capital and financial account. Borrowing from abroad, foreign investment and capital transfers have fully financed the current account deficit and have contributed to the increase of Albania's foreign reserve by about 2.5 percent of GDP for each year. As at year-end 2008, reserve assets amounted to EUR 1.7 billion, fully sufficient to cover 4.2 months of imports of goods and services. Given the deficiencies in data reporting and unregistered activities, the offsetting item of "net errors and omissions" has by and large recorded considerable values and comparable to the extent of the change in reserve assets.

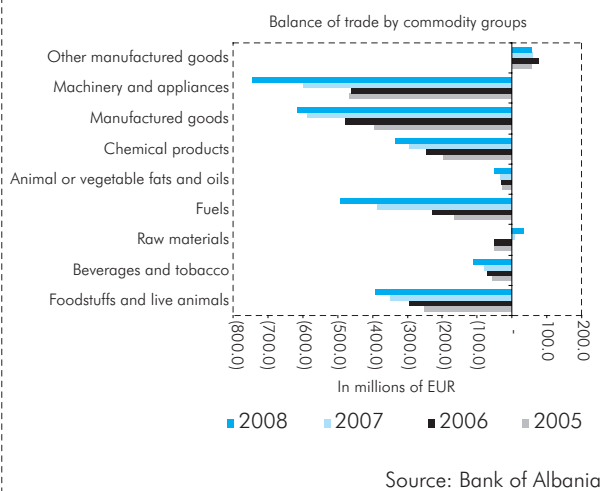
Albania's deficit on trade in goods has been a permanent feature in the country's balance of payments and the main contributor to the current account deficit in years. From 1996 to 2008, the deficit on trade in goods increased from EUR 500 million to EUR 2,400 million, accounting from 20 percent to 28 percent of the GDP. Trade deficit widened rapidly in particular during 2000-



2001 and 2005-2008. The imports' coverage by exports was relatively low during this period. Its lowest level was recorded in 2000-2002 (about 23-24 percent), while in the last 4-5 years it has been upward reaching 27.4 percent in 2008. Given the pronounced difference between imports and exports, their increase at approximate rates over the course of these years led to deeper deficit on trade in goods. Balance of trade by commodity groups recorded an upward deficit in almost all categories. The rapid increase of the imports of goods has been driven by the growing demand of the public and private sector for investment and consumption. Imports of consumer goods, including food and beverages, averaged 33 percent of total imports in the last four years, while imports of capital<sup>1</sup> and intermediate goods accounted for 22 and 36 percent, respectively, of total payments for the import of goods. On the other side, exports of goods are very concentrated in terms of commodity groups and trading partners. The low diversification of Albania's exports caused them to be highly sensitive to internal and external developments that affect

particular manufacturing activities or the trading of certain commodity groups.

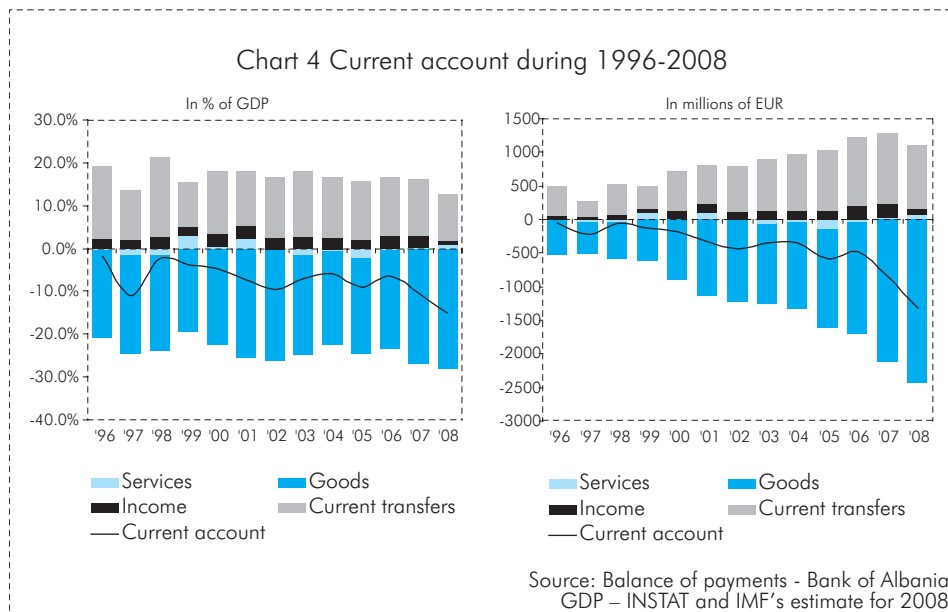
**Chart 3 Balance of trade by commodity groups (SITC classification) during 2005-2008**



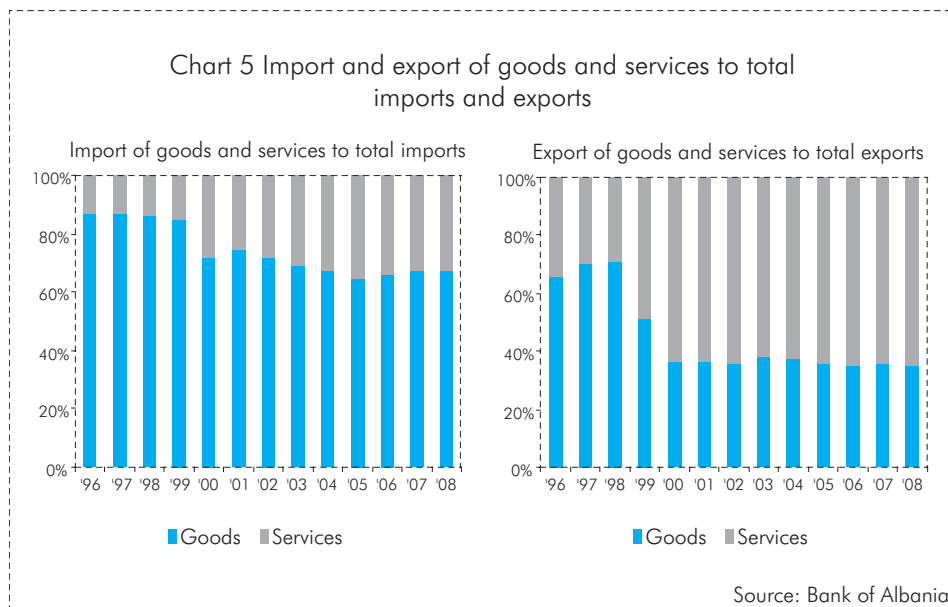
The persistent widening of Albania's deficit on trade in goods has affected the country's external position adversely, exerting pressures over the continuous widening of the current account deficit. Current transfers have represented the main source of financing for the trade deficit within the current account, ranging from EUR 300 to 1000 million or accounting for 10 to 18 percent of the GDP. In the meantime, services and income accounts have generally been balanced and recorded a modest surplus. Current transfers are principally represented by workers' remittances remitted by Albanian immigrants residing mainly in Europe. In nominal terms, incoming current transfers recorded relatively



high and positive growth rates during 2000-2007. As of 2000, net current transfers as a percentage of GDP have stood at 14-15 percent to later drop in 2008 to about 11 percent.



Worth noting in the analysis of Albania's current transactions with the rest of the world is the performance of services. Despite the surplus or low deficit on services registered in the last eleven years, the total volume of incoming and outgoing services' transactions has been considerable and comparable to the trade in goods. The amount of revenue and expenditure for services has been equivalent to around 70-80 percent of the trade in goods' volume. As of 1999, the annual growth rate of revenue and expenditure for services has been higher than 20 percent, peaking in 2006, 2007 and 2008 with an annual volume of transactions of EUR 2.4, 2.8 and 3.3 billion.



In addition to the high annual growth rates, services have competed markedly with goods, in particular on the exports side. In the last 10 years, services' exports provided Albania with about twice as high revenue as the exports of goods. Within services, travel, transportation, communication and business services have the main share.

During the past decade, capital and financial account has been dominated by direct investment flows and capital transfers. Other investment has mainly consisted of public and private borrowing and trade credits. The privatization process of public enterprises provided considerable impetus to the flow of foreign funds into Albania in particular in the early years of transition. In the last 4-5 years, they have comprised a relatively lower share of total incoming investments. As at end 2008, gross external debt was estimated at EUR 2.6 billion. Dominated by public borrowing, long-term borrowing accounts for 70 percent of residents' debt liabilities. Around 50 percent are general government's liabilities, while the rest are banking system's and other sector's liabilities (30 and 20 percent of the total, respectively).

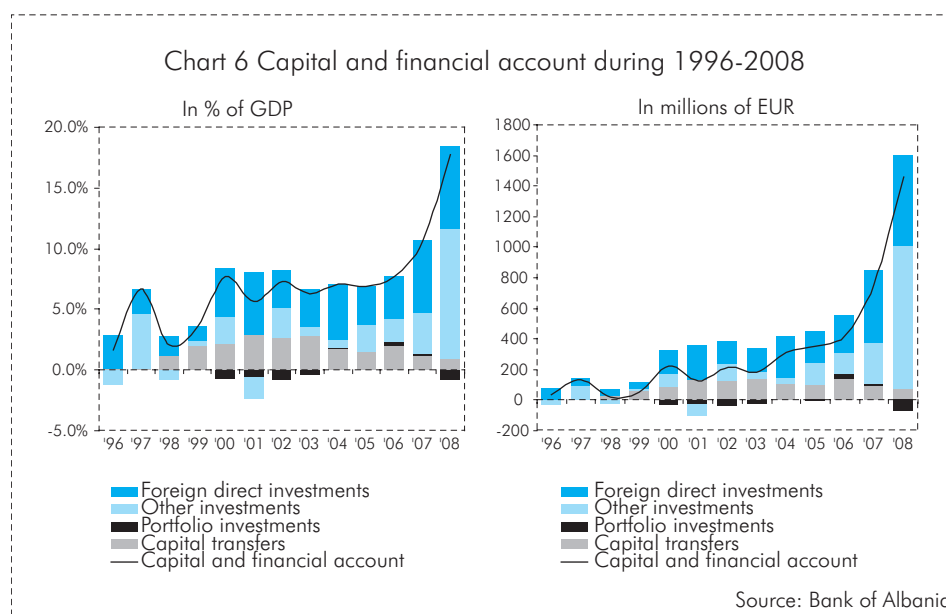


Table 1 Albanian Balance of Payments during 2004-2008 (in millions of EUR)

	2004	2005	2006	2007	2008
Current Account	(340.2)	(589.1)	(471.0)	(831.0)	(1,318.8)
Merchandise: Exports	485.6	530.2	630.6	786.3	917.5
Merchandise: Imports	(1,762.3)	(2,006.9)	(2,289.6)	(2,890.4)	(3,348.9)
Balance of Trade	(1,276.7)	(1,476.7)	(1,658.9)	(2,104.0)	(2,431.5)
Services: Credit	807.5	967.3	1,156.6	1,415.2	1,687.8
Services: Debit	(848.0)	(1,107.7)	(1,188.1)	(1,402.3)	(1,618.3)
Income: Credit	161.2	168.2	263.2	278.6	316.6
Income: Debit	(23.3)	(37.0)	(54.4)	(61.3)	(210.2)
Private Unrequired Transfers	778.4	835.5	968.1	982.8	905.4
Official Unrequired Transfers	60.7	61.4	42.5	60.1	31.4
Capital Account	106.2	99.2	143.4	90.1	78.2
Financial Account	307.1	351.8	415.0	758.3	1,454.6
Direct Investment	267.4	209.3	250.3	470.1	590.5

Portfolio Investment	4.6	(2.0)	27.2	18.5	(69.2)
Other Capital*	25.5	135.1	131.8	264.2	938.4
Net Errors and Omissions	160.5	262.9	119.2	131.2	(22.0)
Overall Balance	233.7	124.8	206.6	148.6	191.9
Reserve and Related Items					
Reserve Assets	(233.7)	(124.8)	(206.6)	(148.6)	(191.9)
Use of Fund Credit and Loans	9.6	9.4	5.8	5.5	(5.2)
Memorandum Items					
Total Change in Reserve Assets	(276.1)	(47.4)	159.2	99.0	218.4
of which: Revaluation	42.4	(77.4)	(47.9)	(49.5)	26.5

\*/Not included Use of Fund Credit and Loans.

Source: Bank of Albania

## II. GENERAL DEVELOPMENTS IN THE BALANCE OF PAYMENTS DURING 2008

### II.1 WORLD ECONOMY

The turmoil the world economy and the global financial markets were faced with in 2008 affected and were also reflected in many countries' and economic regions' external position. The extent and consequences of external shocks have been manifested at different modes and magnitude depending on the size and nature of current and capital flows and the share of the external sector to one's country total economy. The countries with the largest opening to the rest of the world and those absorbing rapid and short-term capital of different forms to fuel the last years' rapid economic growth have reflected the consequences of the global crisis in their balance of payments most rapidly and substantially. Emerging Central Europe, Southern and South-Eastern Europe and the Baltic countries have been particularly affected by these developments. The contraction of export markets in advanced European countries, the lower capital inflows and the uncertainty over the capital outflows or its quick return, along with the negative consequences in countries with volatile exchange rates, have caused the majority of these countries to suffer deteriorated current and capital accounts in their balance sheets. The countries less opened to short-term capital originating from Western Europe countries suffered the global crisis consequences in the form of lower foreign direct investment and slower economic growth or declined remittances. These problems have led some advanced and emerging countries to urgently ask for IMF's support with financial aid. Serbia, Bosnia and Herzegovina, Hungary and Romania have been granted loans by the IMF, while Montenegro, FYROM, Croatia, Bulgaria and Kosovo are considering the possibility of similar stand-by arrangements with the IMF.

Table 2 Current account balance for selected Emerging European Economies (in percent of GDP)

	2007	2008
Emerging Europe	-7.7	-7.6
Turkey	-5.8	-5.7
Excluding Turkey	-9.0	-8.8
Baltics	-18.0	-11.6
Estonia	-18.1	-9.2
Latvia	-22.6	-13.2
Lithuania	-14.6	-11.6
Central Europe	-5.2	-6.1
Hungary	-6.4	-7.8
Poland	-4.7	-5.5
Southern and South-Eastern Europe	-14.2	-13.8

Bulgaria	-25.1	-24.4
Croatia	-7.6	-9.4
Romania	-13.9	-12.6
Albania	-10.5	-15.2
Memorandum		
Slovak Republic	-5.4	-6.3
Czech Republic	-3.2	-3.1

Source: *World Economic Outlook, IMF, April 2009*

For Albania: *Bank of Albania, INSTAT and IMF's estimate*

## II.2 ALBANIA

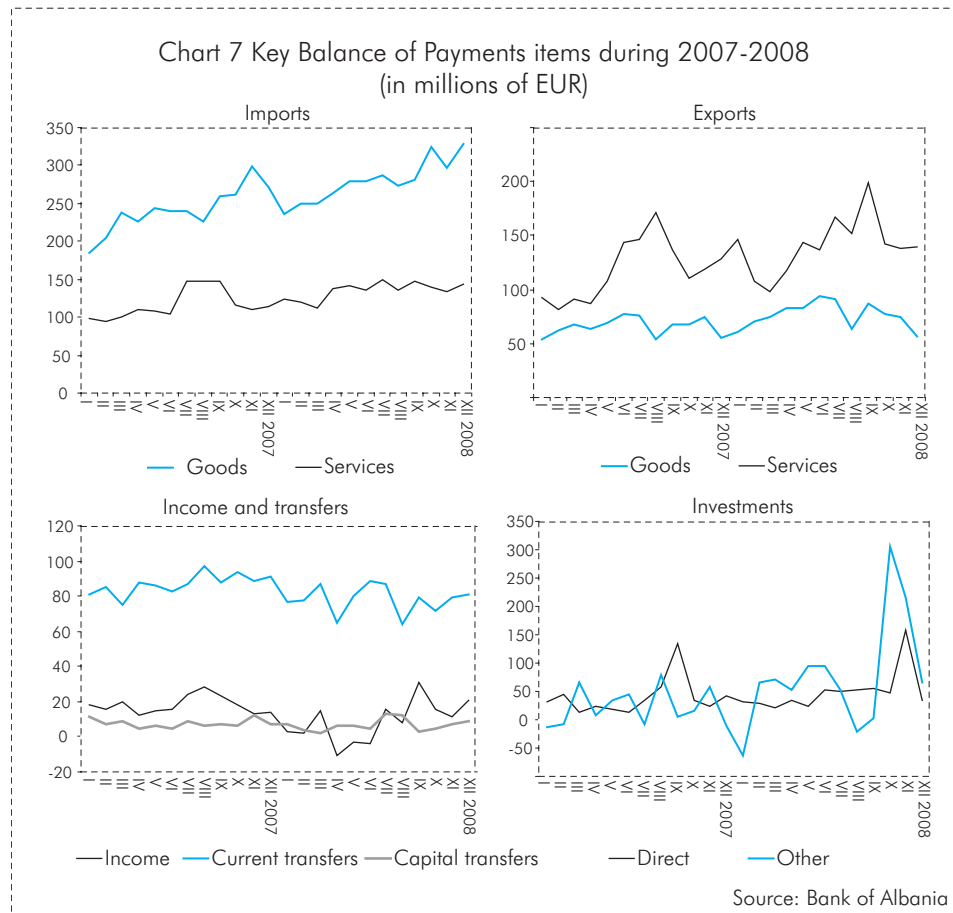
The external sector of the Albanian economy continued to record a deficit on the current account and a surplus in capital and financial accounts in 2008. Albania's current account deficit deepened by about 60 percent compared with 2007, to EUR 1320 million<sup>2</sup> or 15.2 percent of GDP. Net capital inflows in the capital and financial account amounted to around EUR 1530 million. This money flow has financed the current account deficit and provided a positive overall balance of about EUR 190 million. The balance of trade in goods deepened by more than EUR 300 million, accounting for 28 percent of GDP from 26.5 percent in 2007.

	2006	2007	2008	2006	2007	2008
	In millions of EUR			In percent of GDP		
Current Account	(471,0)	(831,5)	(1.318,8)	(6,5)	(10,5)	(15,2)
Balance of Trade	(1.658,9)	(2.104,0)	(2.431,5)	(22,8)	(26,5)	(28)
Export	630,6	786,3	917,5	8,7	9,9	11
Import	(2.289,6)	(2.890,4)	(3.348,9)	(31,4)	(36,5)	(39)
Services (net)	(31,5)	12,9	69,4	(0,4)	0,2	1
Income (net)	208,8	217,3	106,4	2,9	2,7	1
Current Transfers (net)	1.010,6	1.042,9	936,8	13,9	13,2	11
Capital and Financial Account	558,4	848,4	1.532,8	7,7	10,7	18
Overall Balance	206,6	148,1	191,9	2,8	1,9	2

Table 3 Main Balance of Payments indicators

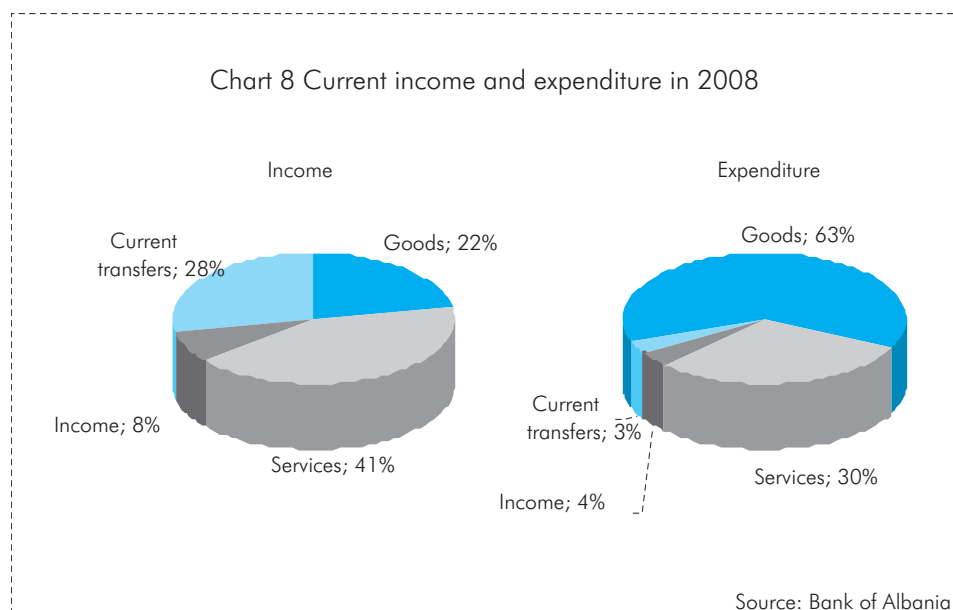
Source: *Bank of Albania, INSTAT and IMF's estimate for GDP in 2008*

Although to a limited extent, the global economic crisis has affected some of the key items in Albania's balance of payments, in particular in the second half of 2008. Owing to the strong domestic demand and the fall of primary commodity and food prices in the global markets, the imports of goods and services have maintained their upward trend until the end of 2008 being about 16 percent higher than last year's imports. Exports of both items posted an annual growth of 17-19 percent, however slowing slightly in the last quarter of 2008. Current transfer inflows were, in almost each month of 2008, lower than the same period in 2007. For 2008, the net current transfers posted an annual decline of about 10 percent. The economic crisis has affected all countries the majority of Albanian immigrants reside in, causing the remittances to decline substantially. The financial account had a positive balance in 2008 owing to the entry of foreign capital and reduction of residents' assets abroad. Public and private debt remains another source of financing for the current account deficit, while "portfolio investment" remains active only in terms of the residents' assets abroad.



### II.2.1 CURRENT ACCOUNT

Current account grew in 2008 both on the income and expenditure side. The current transfers' total volume of EUR 9.4 billion was 15 percent higher



than in 2007. About 80 percent of this year's current transactions were used for the sale and purchase of goods and services between residents and non-residents, while current transfers and factor income accounted for 14 and 6 percent, respectively, of total current transactions. Income from the export of services were the main source of current inflows (about 40 percent), while expenditure for the import of goods represented 60 percent of total current expenditure.

At the end of 2008, the Albanian current account deficit was EUR 1.3 billion or 60 percent higher than in 2007. The increase of the deficit in goods trade by EUR 330 million, the decline of surplus in income by EUR 111 million and the decline of current transfers' surplus by EUR 106 million led to the widening of the deficit by around EUR 490 million. Surplus in services manifested a marked relative improvement to EUR 70 million from EUR 13 million the previous year.

### III.2.1.1 Trade in Goods

External trade in goods continued to represent the main current account component, accounting for about 45 percent of current transactions. Imports and exports of goods amounted to EUR 3.3 billion and EUR 900 million, respectively. The deficit on trade in goods was EUR 2.4 billion or 28 percent of GDP, while exports and imports of goods accounted for 10.6 and 38.7 percent, respectively, of GDP. Imports and exports posted a positive annual rise by 16-17 percent, however markedly lower than the previous year and comparable to their rise in 2006. Imports' coverage by exports remained almost similar to the preceding two years (27.4 percent).

Table 4 External trade in goods

	Unit	2006	2007	2008
Exports (FOB)	mIn Euro	630.6	786.3	917.5
Imports (FOB)	mIn Euro	2,289.60	2,890.4)	3,348.90
Balance of Trade	mIn Euro	-1,658.90	-2,104.00	-2,431.50
Trade Volume	mIn Euro	2,920.20	3,676.70	4,266.40
Rise in Exports (y-o-y)	%	18.9	24.7	16.7
Rise in Imports (y-o-y)	%	14.1	26.2	15.9
Exports/GDP	%	8.7	9.9	10.6
Imports/GDP	%	31.4	36.5	38.7
Balance of Trade/GDP	%	-22.8	-26.5	-28.1
Imports' Coverage by Exports	%	27.5	27.2	27.4

Source: Bank of Albania

### EXPORT OF GOODS

The sector of industry continued to provide the main contribution to the manufacturing of goods for export in 2008. Exports of extracting and processing industry rose by 18 percent compared with the previous year and accounted for 94 percent of total exports. Exports of agricultural goods, concentrated mainly in prepared foodstuffs of meat and fish and in oil seeds, rose slightly in 2008.

The commodities with the largest share in total exports' value provided also the highest contribution to its annual growth rate of 17 percent. The export of metal posted the highest rise in 2008, increasing by twice as much and accounting for 13 percent of total exports' value. Exports of cast-iron and steel provided the largest contribution to the total exports' growth, contributing by 7 percentage points. The destination of these exports were Greece, Italy and Kosovo. The export of mineral products rose by 40 percent compared with the previous year. Within this item, the export of fuels rose by 30 percent being favoured by the price performance in the international market. Crude oil, which is exported to oil refineries in Italy, has the main share in this group. Exports' value of copper and articles thereof reduced considerably in annual terms (26 percent), while their nominal value and relative share remain at low levels.

Exports of knitted and unknitted apparel accounted for 11 and 15 percent of total exports and rose by 18 and 8 percent, respectively, in 2008. Despite their largest share in Albania's exports, export of footwear and articles thereof declined compared with the previous year. In annual terms, their exports dropped by 7 percent and their share to the total declined to 17 percent from 21 percent in 2007.

Table 5 Export by main commodity groups, 2008

	Value (in millions of EUR)	Annual Growth (%)	Share to Total Value (%)	Contribution (pp)
Metalliferous ores and metal scrap	66	41	7	2
Fuels, oils and mineral wax	82	31	9	2
Knitted apparel	102	18	11	2
Footwear and articles thereof	154	-7	17	-1
Cast-iron and steel	92	180	10	7
Copper and articles thereof	16	-26	2	-1
Machinery and electrical equipment for sound recorders, television image	28	32	3	1
Unknitted apparel	133	8	15	1
Miscellaneous	244	---	26	3
Total	917	17%	100	17%

Source: Bank of Albania

#### IMPORT OF GOODS

Imports of "fuels", "machinery and appliances", "chemical products" and "processed foods" recorded the highest annual growth in 2008. The annual growth rates of their imports were 29, 24, 15 and 12 percent, respectively. "Processed foods" continue to have the main share in total imports' value (24 percent), followed by "machinery and appliances" (22 percent). These groups' imports contributed by about 14 percentage points to the annual growth rate of total imports (17 percent).



Table 6 Import CIF according to SITC Classification

CODE	DESCRIPTION	2006	2007	2008	2006	2007	2008	2008/2007	
		Value (in millions of EUR)			Share in %			Change in %	Contribution (pp)
0	Foodstuffs and Live Animals	321	379	425	13	13	12	12	1.5
1	Beverages and Tobacco	77	89	113	3	3	3	26	0.8
2	Raw Materials	86	68	74	4	2	2	9	0.2
3	Fuels	255	446	574	11	15	16	29	4.2
4	Animal or Vegetable Fats and Oils	32	34	52	1	1	1	52	0.6
5	Chemical Products	253	302	347	11	10	10	15	1.5
6	Manufactured Goods	618	755	849	26	25	24	12	3.1
7	Machinery and Appliances	485	631	784	20	21	22	24	5.0
8	Other Manufactured Goods	285	340	354	12	11	10	4	0.5
9	Miscellaneous	-	-	-	-	-	-	-	-
	TOTAL	2411	3045	3570	100	100	100	17	17

Source: Bank of Albania

As in 2007, imports of machinery and appliances continued to represent one of the largest groups in terms of share, recording the highest annual growth rates. The majority of them were used for investment in road infrastructure. Within this group, the imports of “nuclear reactors, machinery and mechanical appliances” (EUR 330 million), “machinery and electrical equipment for sound recorders, television image” (EUR 240 million) and “means of transportation other than railway carriage” (EUR 210 million) recorded the highest value. Outside this group, the imports of “cast-iron and steel articles” recorded considerable rise to EUR 140 million, up by 90 percent from the previous year.

Imports of electrical energy totalled EUR 200 million in 2008, 14 percent higher than in 2007, while the quantity of imported energy was comparable to the previous year. The annual change in the energy imports’ value attributes to the price rise of energy in the international markets. Imports of fuels experienced similar performance, recording a high increase in terms of value (34 percent) and a negligible increase in terms of quantity (4 percent). Imports of electrical energy and fuels shared about 18 percent in total imports’ value in 2008.

Foodstuffs’ imports value was 12 percent higher than in 2007. A total of EUR 500 million were paid for the imports of foodstuffs, beverages and tobacco. Half of this amount was paid for the import of grains, alcoholic and non-alcoholic beverages, vinegar, meat and oils.

#### BALANCE OF TRADE

As in 2007, external trade in goods recorded in 2008 a negative balance, or deficit, in almost all commodity groups, except for “raw materials” and “other manufactured goods”. The highest deficit for the last two years has been recorded in “manufactured goods” and “machinery and appliances”. These two groups’ deficit of EUR 1.2 and 1.4 billion in 2007 and 2008 accounted for half of the total trade in goods’ deficit value. The coverage level is particularly low for transactions in machinery and appliances and

slightly higher for manufactured goods. The deficit of EUR 500 million in “fuels” is also high and upward compared to the previous year. The coverage level of this item was about 14 percent, considerably lower than the total imports’ coverage by exports.

Table 7 Imports and exports according to SITC Classification

CODE	DESCRIPTION	Exports (FOB)		Imports (CIF)		Balance		Coverage	
		mln EUR		mln EUR		mln EUR		%	
		2007	2008	2007	2008	2007	2008	2007	2008
0	Foodstuffs and Live Animals	28	32	379	425	-351	-392	7	8
1	Beverages and Tobacco	11	3	89	113	-78	-110	12	2
2	Raw Materials	76	108	68	74	7	34	111	146
3	Fuels	63	82	446	574	-384	-492	14	14
4	Animal or Vegetable Fats and Oils	1	0	34	52	-33	-51	2	0
5	Chemical Products	8	10	302	347	-294	-336	3	3
6	Manufactured Goods	167	232	755	849	-588	-616	22	27
7	Machinery and Appliances	33	38	631	784	-598	-746	5	5
8	Other Manufactured Goods	399	412	340	354	60	57	118	116
9	Miscellaneous	-	-	-	-	-	-	-	-
	TOTAL	786	918	3,045	3,570	-2,258	-2,653	26	26

Source: Bank of Albania

Table 8 Albania's Balance of Payments during 2007 -2008 (in millions of EUR)

	2007	2008	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Current Account	(831.0)	(1,318.8)	(267.3)	(363.5)	(230.7)	(457.4)
Merchandise: Exports	786.3	917.5	206.5	260.4	242.0	208.6
Merchandise: Imports	(2,890.4)	(3,348.9)	(733.9)	(821.6)	(844.0)	(949.5)
Balance of Trade	(2,104.0)	(2,431.5)	(527.3)	(561.3)	(602.0)	(740.9)
Services: Credit	1,415.2	1,687.8	351.9	397.9	517.7	420.2
Services: Debit	(1,402.3)	(1,618.3)	(355.2)	(415.8)	(430.5)	(416.8)
Income: Credit	278.6	316.6	75.0	66.7	97.2	77.8
Income: Debit	(61.3)	(210.2)	(54.5)	(84.1)	(42.3)	(29.3)
Private Unrequired Transfers	982.8	905.4	236.9	226.8	217.9	223.7
Official Unrequired Transfers	60.1	31.4	6.0	6.3	11.3	7.9
Capital Account	90.1	78.2	12.9	17.7	27.2	20.3
Financial Account	758.3	1,454.6	154.2	354.7	180.8	764.8
Direct Investment	470.1	590.5	81.4	112.0	157.3	239.8
Portfolio Investment	18.5	(69.2)	1.0	0.6	(11.7)	(59.1)
Other Capital*	264.2	938.4	74.7	241.8	36.0	586.0
Net Errors and Omissions	131.2	(22.0)	73.2	0.9	141.1	(237.2)
Overall Balance	148.6	191.9	(27.0)	9.9	118.5	90.5
Reserve and Related Items						
Reserve Assets	(148.6)	(191.9)	27.0	(9.9)	(118.5)	(90.5)
Use of Fund Credit and Loans	5.5	(5.2)	(2.9)	0.3	(0.7)	(1.8)
Memorandum Items						
Total Change in Reserve Items	99.0	218.4	(66.2)	6.8	180.8	97.1
of which: Revaluation	(49.5)	26.5	(39.3)	(3.0)	62.3	6.6

\*/Not included Use of Fund Credit and Loans.

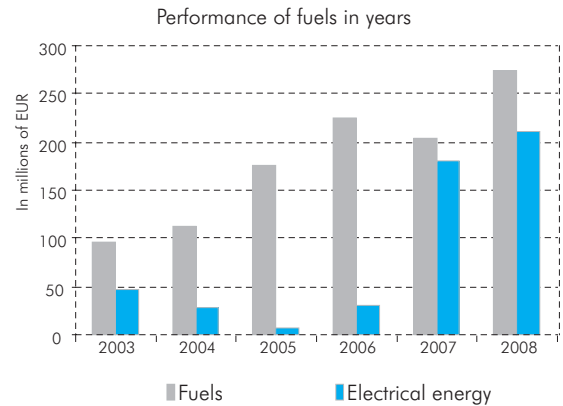
Source: Bank of Albania

Box 1 Fuels – Global Developments and Impact over Albania’s External Trade

Economic developments in the international markets may affect the performance of the Albanian economy by impacting price stability and national output. In the third quarter of 2008 - particularly in July - oil price in the international stock markets hit the record level when one barrel was sold at USD 147 or USD 49 higher than the record of 2007.

Despite the high price level, the quantity of imported oil did not decline; however the annual growth rates of imported oil have slowed down slightly. Expenditure on fuels was estimated at about EUR 275 million or 34 percent higher than in 2007, accounting for 7 percent of total imports. On the other hand, domestic demand for electrical energy has remained at high levels. In quantitative terms, their imports maintained the previous year’s level, while expenditure rose by 14 percent. Albania has purchased electrical energy from Switzerland and Serbia.

Chart 9 Imports of fuels and electrical energy



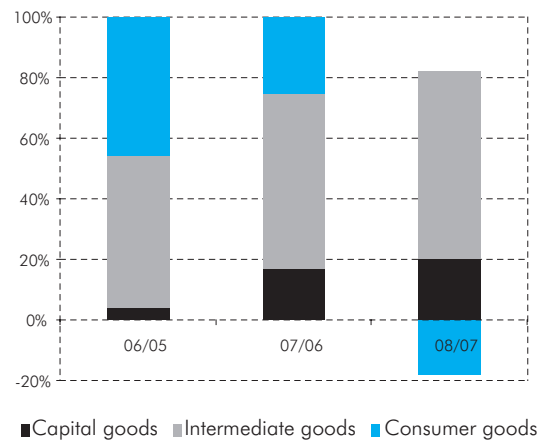
Source: Bank of Albania

Box 2 Compilation and Analysis of Imports by BEC Classification (Broad Economic Categories)

Broad Economic Categories (BEC) are used to provide more aggregated analysis of external trade. The Bank of Albania has been applying the classification by BEC on external trade data since 2003. BEC classifies products based on the Standard International Trade Classification (SITC), firstly on the basis of their nature (i.e. whether they are primary or secondary) and secondly, according to their main end use. This classification allows the breakdown of production processes. BEC classifies products into 19 different categories, which in compliance with the national statistics are grouped in 3 large groups: capital goods, intermediate goods and consumer goods.

The analysis of imports according to their main end use attests to a pronounced concentration of intermediate goods, which in 2008 represented the majority of imports (59 percent). By contrast, consumer goods have reduced their share in imports considerably (by 10 percentage points compared to 2007), while imports of capital goods have increased their share (42 percent). Imports of intermediate goods rose by about 33 percent. Manufactured goods and fuels for industry-related purposes share the main weight in intermediate goods, 59 and 17 percent, respectively.

Chart 10 Contribution of the three groups to the annual change of imports for 2006-2008



Source: Bank of Albania

Table 9 Classification of imports by Broad Economic Categories (BEC)

	Share (in %)			Annual change (in %)
	2006	2007	2008	2008 / 2007
Capital Goods	12.3	13.2	16.0	41.9
Intermediate Goods	50.5	51.9	58.8	33.0
Consumer Goods	37.3	34.6	25.2	(14.5)
Goods, Not Elsewhere Classified	0.0	0.3	0.0	(94.7)
Total	100.0	100.0	100.0	17.3

Source: Bank of Albania

The lower share of consumer goods from 37 percent in 2006 to 25 percent in 2008, regardless of the lower price effect in given categories, signals the shift of Albanian consumer spending from consumer goods to capital and intermediate goods. The decline in the imports of consumer goods has been more pronounced in "foodstuffs and beverages" and "fuels and lubricants". Imports of capital goods accounted for about 16 percent of total expenditure on imports, up by 42 percent from the previous year.

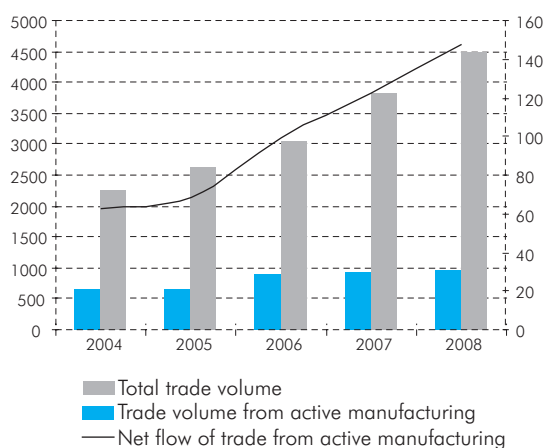
#### TRADE FROM ACTIVE MANUFACTURING INDUSTRY

The Albanian manufacturing industry continues to support the largest portion of trade transactions in goods with the rest of the world. The volume of imports and exports in manufacturing industry amounted to EUR 960 million in 2008. The slowdown in the economies of Albania's trading partners led to lower growth rates in the production activity of manufacturing industry. Both the export of processed products and the import of raw materials used in this type of activity experienced slower growth rates. In annual terms, exports from this industry grew by only 5 percent, down by 13 percentage points from the annual growth in 2007. Payments for raw materials imported for further processing recorded similar values to the previous year.

Trade from active manufacturing industry grew further in 2008 though

at lower growth rates compared to the previous year. Its share to total trade transactions executed in 2008 is 21 percent. Imports of raw materials accounted for 11 percent of total imports, while 60 percent of export income were generated from re-exports. In absolute terms, the surplus witnessed in this industry for several years now was estimated at EUR 147 million. Albania's neighbouring countries, Italy and Greece, remain the prevailing markets for this industry. Their enterprises and investors have a considerable and firm position in the Albanian market.

Chart 11 Contribution of trade from active manufacturing to total trade volume



Source: Bank of Albania

#### TRADE IN GOODS BY TRADING PARTNERS

The European Union (EU)<sup>3</sup> remains, by far, Albania's main trading partner, accounting for

about 65 percent of the total value of imports and exports. Albania's external trade is characterized by low geographical diversification, which is attested by the high share of our neighbouring countries, Italy and Greece. These two countries represent the largest share of EU trade, with a combined 70 percent of Albania's exports and 40 percent of imports.

Albania's trade relations with the rest of the world, and the regional countries in the particular, have been also supported by the trade agreements signed over the course of the recent years. The effective trade agreements have provided room for larger trade exchanges with the EU (Interim agreement), encouraging the introduction of Albanian products to the region (CEFTA<sup>4</sup>).

Exports by trading partners	2006	2007	2008	Change 2008/2007 (%)
	Share to total exports			
EU Countries - 15, of which:	87.8	81.8	78.0	11.3
Germany	3.2	2.4	2.7	27.9
Greece	9.6	8.3	8.8	23.6
Italy	72.6	68.0	61.8	5.9
EU Countries – New Members, of which:	0.8	1.3	1.6	46.3
Bulgaria	0.4	0.7	0.7	21.3
Czech Republic	0.1	0.0	0.1	83.7
Romania	0.1	0.3	0.2	(37.7)
Other European Countries, of which:	0.1	0.3	1.5	411.5
Russia	0.1	0.3	1.1	401.9
Ukraine	0.0	0.0	0.0	997.0
Balkan Countries	8.8	12.1	13.9	33.9
Bosnia and Herzegovina	0.5	0.4	0.2	(51.5)
Kosovo	3.8	4.8	6.6	60.4
Croatia	0.3	0.1	0.2	111.5
FYROM	1.6	2.4	2.9	46.0
Serbia	1.4	1.8	0.1	(96.3)
Montenegro	-	0.4	2.1	443.3
Turkey	1.3	2.2	1.9	(1.1)
USA	0.5	0.7	0.4	(28.0)
Asian Countries, of which:	1.6	2.6	2.8	27.0
China	1.1	2.6	2.8	27.0
Other	0.4	1.4	1.9	62.4
Total	100.0	100.0	100.0	16.7

Table 10 Exports by trading partners

Source: Bank of Albania

Italy, Greece, China, Germany and Turkey have the main share in Albania's imports for 2008, providing a contribution of 26, 15, 8, 6 and 6 percent to total imports. Excluding Turkey, which has declined its share to Albania's imports, imports from other countries have increased by 15-30 percent from 2007. Exports to the first 15 EU Member Countries provided 80 percent of total export income, up by 11 percent from 2007. Trade deficit with this group of countries was EUR 1.4 billion in 2008, of which EUR 380 million with Italy, EUR 440 million with Greece and EUR 190 million with Germany. Trade with the Balkan countries shared 10 percent of imports and 14 percent of exports in 2008. Imports from these countries amounted to EUR 370 million and exports to EUR 130 million. Exports with these countries were 35 percent higher from 2007, while imports declined by 30 percent, owing mainly to the decline of imports from Croatia. Kosovo's exports to Albania have a small

share in Albanian imports with the Balkan countries and in terms of total imports, albeit up by 20 percent from the previous year. FYROM's exports to Albania have also increased considerably compared to 2007. Exports to Kosovo represent half of Albania's exports to the Balkan countries, while Kosovo and Montenegro are the only two countries Albania has a trade surplus with for 2008.

Table 11 Imports by trading partners

Imports by trading partners	2006	2007	2008	Change 2008/2007 (%)
	Share to total imports			
EU Countries - 15, of which:	57.5	54.1	54.0	17.1
Germany	5.6	5.5	6.0	29.4
Greece	15.8	14.6	14.7	17.8
Italy	28.1	27.1	26.5	14.5
EU Countries - New Members, of which:	8.1	5.7	6.7	38.6
Bulgaria	2.7	1.8	1.9	26.2
Czech Republic	1.1	0.8	0.8	24.9
Romania	1.7	0.4	0.5	48.3
Other European Countries, of which:	9.1	11.6	8.9	(9.9)
Russia	4.1	4.1	4.4	25.6
Ukraine	3.9	2.6	1.5	(32.9)
Balkan Countries	12.3	17.1	10.2	(29.9)
Bosnia and Herzegovina	0.3	0.3	0.3	12.3
Kosovo	0.5	0.6	0.6	21.3
Croatia	1.4	4.9	1.0	(76.0)
FYROM	1.6	1.9	2.2	33.5
Serbia	0.9	2.1	0.0	(99.5)
Montenegro	-	0.1	0.2	133.0
Turkey	7.6	7.3	6.0	(3.6)
USA	2.0	2.5	2.8	30.2
Asian Countries, of which:	6.7	7.6	8.2	26.2
China	6.0	6.7	7.5	30.9
Other	4.5	1.4	9.1	675.0
Total	100.0	100.0	100.0	17.3

Source: Bank of Albania

### III.2.1.2 Services

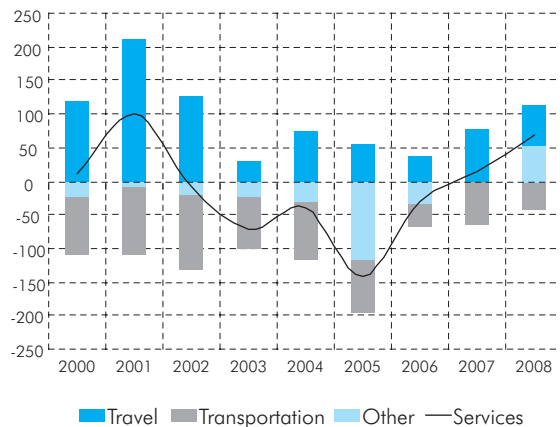
External trade relations in services have become an ever-present phenomenon in Albania's trade exchanges with the rest of the world, hence promoting the country's development and global integration. Trade in services has increased by an annual average of 19 percent in the last five years, exceeding the growth rates of trade in goods, which increased by an average of 17 percent. In terms of total trade in goods and services, services provided 65 percent of foreign currency income, while the import of services accounted for 33 percent of total imports for 2008.

The volume of trade transactions in services amounted to EUR 3.3 billion, up by 17 percent from the previous year. As a percentage of GDP, services are up by 3 percentage points from 2007 to 38 percent of GDP.

Export of services, net, was estimated at EUR 70 million for 2008, markedly higher than in 2007. Income from the export of services grew faster than

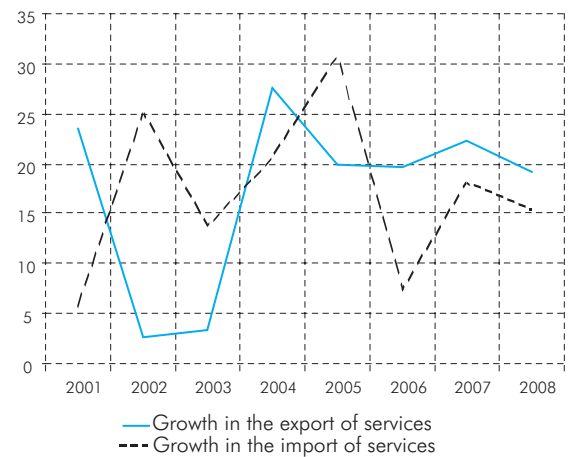
expenditure on the import of services. The net position of services has improved, mainly due to the considerable increase of income from “other services” and the higher surplus in “travel”, which has entirely offset the deficit in transportation and insurance services.

Chart 12 Balance of services for 2000-2008  
(net flow in millions of EUR)



Source: Bank of Albania

Chart 13 Annual growth of services' imports and exports



Source: Bank of Albania

The dynamics in services, characterized by the market liberalization, enhanced technology in information services, variety in cultural services and the growing volume in financial services, have manifested the potential of these sectors in the international markets. Nonetheless, provided and received services in “travel” remain the main item in Albania’s trade in services.

	Share in exports (%)		Share in imports (%)	
	2007	2008	2007	2008
Total	100.0	100.0	100.0	100.0
2.a. Freight services	8.1	8.5	12.7	14.7
2.b. Insurance services	0.4	0.2	3.4	5.0
2.c. Travel services	70.8	69.3	65.8	65.3
2.d. Other services	20.7	22.0	18.1	14.9
2.d.i Communication services	3.5	6.1	0.3	3.4
2.d.ii Construction services	0.4	1.0	1.4	0.2
2.d.iii Computer and information services	0.1	0.8	0.8	1.0
2.d.iv Government services	1.1	2.4	1.7	0.8
2.d.v Financial services	2.2	2.8	1.3	1.3
2.d.vi Cultural, recreational and personal services	4.3	0.5	3.8	1.7
2.d.vii Other business services	9.1	8.5	8.8	6.5

Source: Bank of Albania

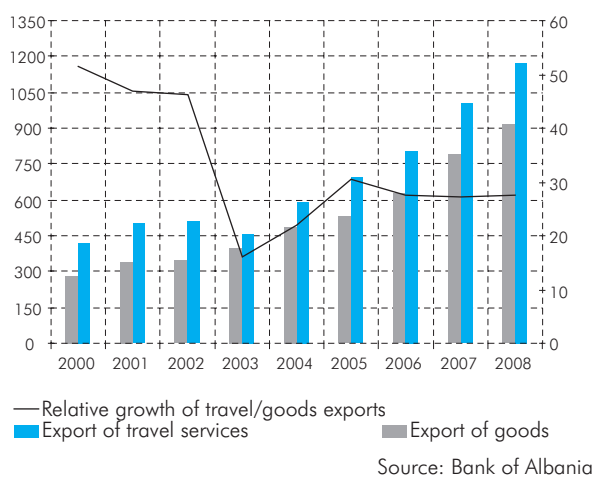
Table 12 Imports and exports of services by share

### TRAVEL SERVICES

Travel services represent the best foreign currency income-provider activity for the Albanian economy. According to the Bank of Albania’s estimates, exports of travel services generated a total of EUR 1.2 billion of income,

which is 27 percent higher than the income generated from the exports of goods. The positive balance of “travel” amounted to EUR 110 million from 80 million in 2007, offsetting 5 percent of the 2008 deficit of trade in goods. Travel services’ income grew by 17 percent in annual terms, mainly due to the increase in the number of foreign non-resident travellers and Albanian immigrants visiting Albania by 33 percent. Their average daily expenditures declined by 12 percent relative to 2007. Most travellers were EU residents (represented mainly by Albanian immigrants residing in EU countries), and the rest were travellers residing in regional countries such as FYROM and Kosovo.

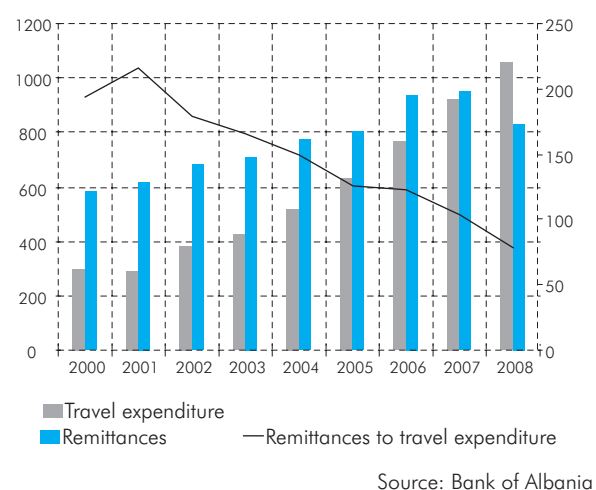
Chart 14 Exports of goods and the relative growth of travel/goods exports (in millions of EUR and in %)



Activity in tourism increases demand for factors of production indirectly; therefore it is a highly productive activity. According to the sales index for 2008, hotel and restaurant sector had a positive annual growth, in particular during the tourist season. The historical performance of foreign inflows to Albania provides evidence for the higher exports of travel services relative to the exports of goods. The continuous widening of the difference between these two items may signal the persistence of this trend in the future.

Albanian travellers’ demand for goods and services led the import of tourism services to amount to EUR 1.1 billion, up by 15 percent from 2007. The increase in the number of travellers by 29 percent and the higher estimated coefficient of average daily expenditures by 9 percent are the rationale behind this growth.

Chart 15 Travel expenditure and remittances (in millions of EUR and in %)



The ratio of foreign currency inflows in the form of remittances to travel expenditures of Albanian residents abroad was 80 percent. This ratio has been higher than 100 percent in the past years, implying that remittances have been fully sufficient to cover the travel expenditures abroad.

#### FREIGHT AND INSURANCE SERVICES

Freight services generally perform similarly to trade in goods and travel services. The Albanian economy is a net importer of freight and insurance services. Their deficit was EUR 95 million in 2008, higher than in 2007 due to the higher annual growth of imports (34 percent) than exports (25 percent). The deficit in freight services is expected to moderate in the future owing to the infrastructure upgrade, liberalization and expansion of trade exchanges with the regional countries, opening of new freight companies and the high-quality services provided by



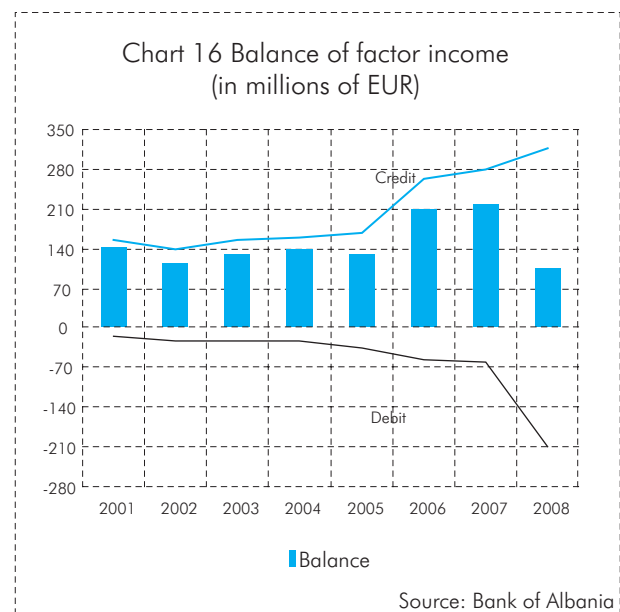
these companies. Despite the high deficit of EUR 80 million in insurance services, they have manifested a positive performance. Foreign investment in this sector and local companies' investment in the region are expected to push imports and exports higher. Subsequently, trade exchanges in this sector will intensify further.

#### OTHER SERVICES

"Other services" yielded a surplus of EUR 130 million in 2008 compared to the EUR 40 million surplus of 2007. This category has been growing at a fast pace, in particular in terms of exports. Income from the exports of other services grew by 26 percent, attesting to the accelerated growth of this activity at home. Economic developments within this category are characterized by the market liberalization in communication services, technological upgrade in information services, higher diversity in cultural services and higher volumes in government and financial services. "Other business services" and "financial services" grew the highest, recording a five-fold increase from the preceding year.

#### III.2.1.3 Income

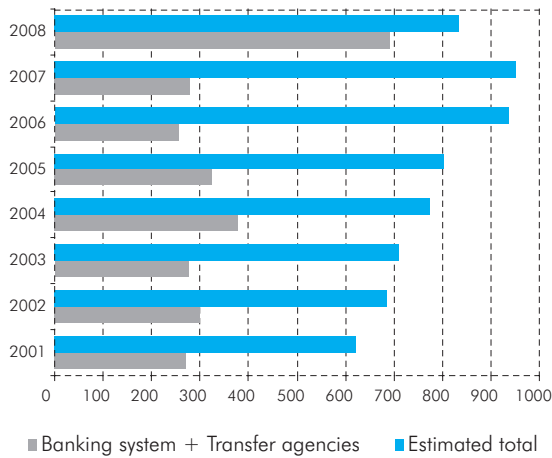
The positive balance of factor income (EUR 110 million) for 2008 was about 50 percent lower than in 2007. Despite the higher foreign inflows, the balance of payments has also witnessed a substantial increase in outflows, causing the surplus in this category to shrink relative to the preceding year. The annual rise of inflows from the labour of seasonal workers by 54 percent has offset the decline of investment income for 2008. Income from residents' investments abroad dropped by 17 percent, followed by the decline of income from the banking system's investment in securities issued by foreign financial institutions. Consequently, factor income inflow was estimated at EUR 320 million, up by 14 percent from 2007. Factor income outflow amounted to EUR 210 million, which is threefold higher than in 2007. The latter's increase attributes to the higher income outflows in the form of profit or dividends distributed to non-resident units and foreign investors, which accounted for about 60 percent of outflows, and to the income outflows from portfolio investment, 30 percent of total outflows in this category. In 2008, Albania paid a total of EUR 28 million to pay off the interests on its external debt.



#### III.2.1.4 Current Transfers

Net current transfers totalled EUR 940 million in 2008, out of which EUR 830 million were workers' remittances. The latter declined by 12 percent

Chart 17 Workers' remittances  
(in millions of EUR)



Source: Bank of Albania

in annual terms from the total of EUR 950 million the previous year, down to 9.7 percent from 12 percent of GDP. Remittances represent a key source of household income. Since the early 1990s, remittances have been an important contributor to the Albanian balance of payments and to financing the current expenditure. The economic downturn in Europe, US and in other countries hosting Albanian immigrants is believed to have weakened remittances. Their contribution to mitigating the trade deficit is estimated at 34 percent, down by 11 percentage points compared to the preceding year. Official transfers totalled EUR 30 million in 2008 or twice lower than in 2007.

### Box 3 Workers' Remittances – Survey of Remittance-Recipient Households

The figure presented in the balance of payments' statistics on workers' remittances has been actually derived from the application of a model meticulously described in the Balance of Payments Methodology<sup>5</sup>. In order to improve this indicator quantitatively and qualitatively, the Bank of Albania has, in addition to the abovementioned model, been conducting, for several years, quarterly surveys of remittance-recipient households. The information collected from these surveys provides additional data on the qualitative characteristics of recipient households and expatriates, which assist in drawing conclusions on the past and expected performance of remittances.

The key results obtained from the survey of remittance-recipient households for 2008 are as follows:

- About 26 percent of Albanian households state that they have family members working abroad as immigrants. Out of the sample of about 1020 households interviewed for each quarter of 2008, only 60 percent state that they have received remittances from their family members working abroad. This ratio is translated into 15 percent of the total resident Albanian households for 2008.
- The distribution of remittance-recipient households in terms of urban and rural areas shows that 57 percent live in rural areas and the rest in urban areas. They receive 54 and 46 percent, respectively, of the total value of remittances.
- Workers' remittances for 2008 were 16 percent lower than in 2007.
- In terms of average monthly income of remittance-recipient households, remittances account for 30 percent of their income – downward relative to the same period the previous year.
- In terms of distribution by rural and urban areas, the structure of monthly income is different in almost all its components. In rural areas' remittance-recipient households, remittances account for 40 percent of monthly income.
- The annual average of remittances per household is EUR 1160, while the annual average of remittances per immigrant is EUR 1030. Relative to 2007, average remittances per household and immigrant are down by about 20 percent.
- About 40 percent of remittance-recipient households state that they have a bank account. The rest (60 percent) keep their savings in cash.
- About 55 percent of remittance-recipient households state that they expect

remittances to remain stable in the future, while 33 percent expect them to decline.

- The persistence of remittances relies heavily on the status of family relationship between the immigrant and the recipient household. About 94 percent of remittances are remitted by either the son or the daughter of the family, who represent 80 and 15 percent of the total number of immigrants and account for 80 and 5 percent of total remittances at a national level.
- The two neighbouring countries, Italy and Greece, are the main countries remittances originate from. In terms of the number of immigrants and value of remittances, these two countries account for about 90 and 85 percent.
- The largest portion of remittances is remitted through informal channels. For 2008, only 10 percent of respondent households state that they received remittances through formal channels. Relative to the previous year, this figure has deteriorated.
- In terms of purpose of use of workers' remittances in 2008 relative to 2007, there have been significant changes in some of the main items. The share of remittances used for the purchase of food and clothing has increased to 50 percent in 2008 from 39 percent in 2007. There has also been a decline in the share of remittances used for investment purposes to 3 percent in 2008 from 9 percent in 2007. In the meantime, the share of remittances placed in deposits has remained similar to the preceding year.

## II.2.2 CAPITAL AND FINANCIAL ACCOUNT

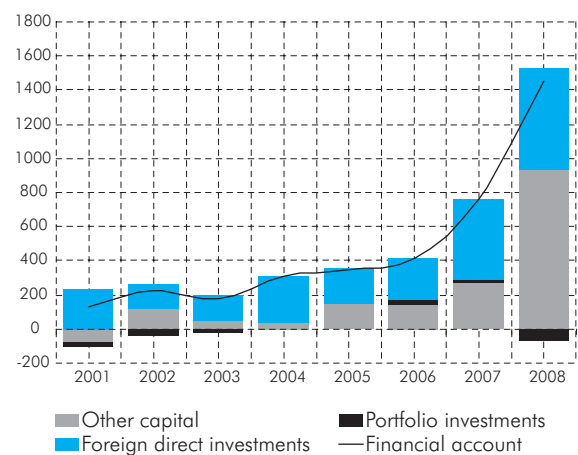
Net capital inflows amounted to EUR 1533 million in 2008, out of which EUR 80 million entered Albania in the form of investment grants to the public and private sector and EUR 1455 million in the form of net financial flows. Capital inflows have entirely financed the current account deficit of EUR 1319 million and increased the foreign reserve assets by EUR 192 million. As regards the financial account, there has been a considerable increase in Albania's financial liabilities to the rest of the world and a decline in residents' assets abroad.

The increase of liabilities by about 70 percent in 2008 has been allocated to foreign direct investments, which were 36 percent higher than in 2007, and in other investment like public and private borrowing, which doubled relative to the preceding year. Large flows have also been recorded in residents' assets abroad, mainly in the form of currency and deposits.

### NATURE AND COMPOSITION OF CAPITAL FLOWS

Financial account flows are classified into direct investments, portfolio investments and other investments.

Chart 18 Financial account – net flow  
(in millions of EUR)



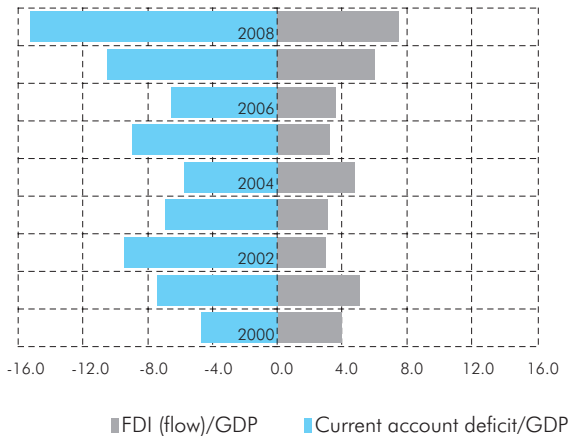
Source: Bank of Albania

- *DIRECT INVESTMENTS*

Foreign direct investments totalled EUR 653 million in 2008, up by 36

percent from the preceding year. They remain one of the dominant factors in the increase of financial liabilities and in the performance of Albania's capital and financial transactions. In terms of structure, 35 percent of foreign investment inflows entered Albania in the form of privatizations of state-owned enterprises, while the rest (65 percent) represents augmented capital in already existing foreign investments and new investments. Around 40 percent of foreign investment flows for 2008 were allocated to the banking sector, 57 percent to manufacturing and 3 percent to communication sector. In terms of country of origin, foreign investments are dominated by EU countries, with Greece and Italy leading the foreign investments' list and at the same time being Albania's main trading partners in goods, services and current transfers.

Chart 19 Current account deficit financing by foreign direct investments (in % of GDP)



Source: Bank of Albania

- *PORTFOLIO INVESTMENTS*

Portfolio investments are presented in the Albanian balance of payments in the form of residents' financial assets abroad, represented primarily by the banking system's investment in securities issued by foreign financial institutions. As at year-end 2008, the Albanian portfolio investment stock abroad was EUR 134 million, up by EUR 70 million from the year-end 2007 stock. In terms of currency, portfolio investments are as follows: 52 percent in Swiss franc (CHF), 32 percent in U.S. dollar (USD) and 12 percent in Euro (EUR).

- *OTHER INVESTMENTS*

Capital inflows in the form of borrowing – long-term loans and soft loans from abroad – remain a key factor in the increase of Albania's financial liabilities to the rest of the world. As at year-end 2008, they amounted to about EUR 460 million. They mainly financed investments and consumption, supporting the increase of imports for consumption-related purposes and local companies' demand for capital and capital goods.

The increase of liabilities has, at the same time, led to higher future external debt-service payments. External debt service for 2008 has reduced Albania's liabilities by around EUR 100 million, out of which EUR 70 million were principal repayments and 30 million interest payments. Government borrowing and public guaranteed debt have the largest share in borrowing from abroad with 74 and 8 percent, respectively, increasing by EUR 380 million in 2008. As at year-end 2008, Albania had an external public debt of EUR 1.3 billion and its public guaranteed debt reached EUR 260 million.

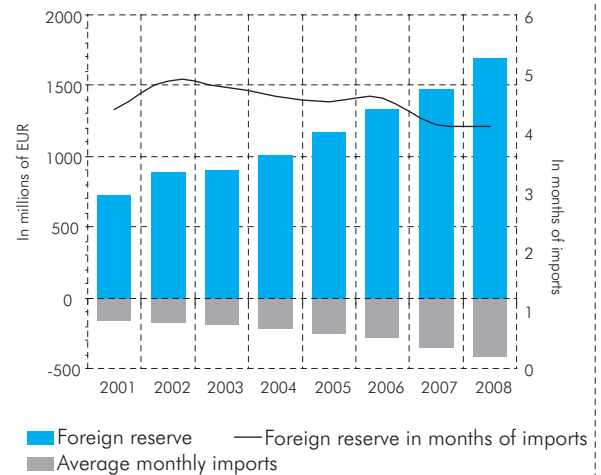
Private borrowing increased by several times in 2008 versus 2007. The private sector's borrowing from non-residents amounted to EUR 84 million in 2008. In terms of currency, external debt created from borrowing is dominated

by the Euro (51 percent), followed by SDR and U.S. dollar. External debt service (principal repayments and interest payments) remains at modest levels, accounting for 4 percent of goods and services' exports and 11 percent of goods' exports in 2008. Financial liabilities in "other liabilities" increased by about EUR 300 million. Trade credit reached EUR 15 million in 2008, being reflected in the increase of imports during this period as well. Residents' financial assets held with non-residents reduced by EUR 94 million due to the increase of outgoing direct investments by EUR 63 million, increase of portfolio investments abroad by EUR 70 million and the decline of banking system's deposits held abroad by EUR 225 million.

### II.2.3 RESERVE ASSETS

Foreign currency inflows in the form of financial capital were reflected in the increase of the Monetary Authority's reserve assets by EUR 192 million. As at year-end 2008, foreign reserve stood at EUR 1.7 billion, sufficient to cover about 4.1 months of imports of goods and services.

Chart 20 Foreign reserve in months of imports

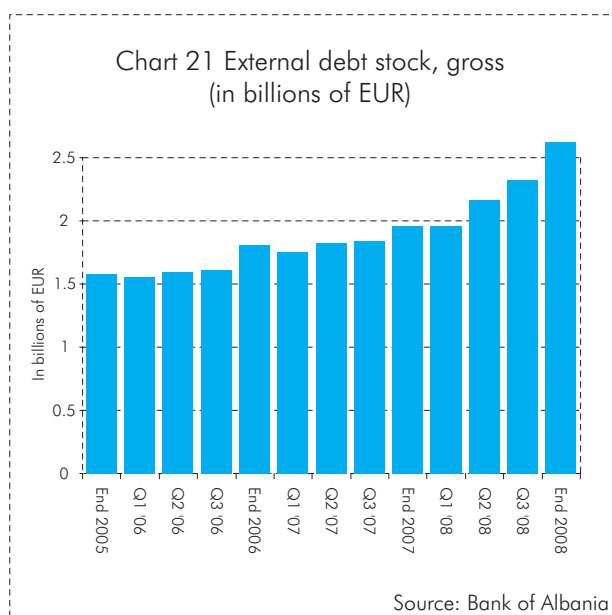


Source: Bank of Albania

## III ANNEX

## III.1 EXTERNAL DEBT

Foreign borrowing provides the economy the opportunity to invest and consume beyond its domestic savings, utilizing the savings of countries with excess capital. Albania's external debt has been gradually increasing year after year reaching EUR 2.6 billion as at year-end 2008. External debt stock rose by EUR 670 million in 2008. As a share of GDP, it stood at 31 percent at year-end 2008, or up by 6 percentage points from the year-end 2007.



The financial instruments by means of which the Albanian economy absorbs foreign capital flows, accumulating and increasing the stock of liabilities with abroad, are: i) foreign direct investments; ii) portfolio investments; and iii) other investments – which include trade credits, borrowings, currency and deposits and other liabilities.

Long-term borrowing shares the main weight in gross external debt liabilities. As at year-end 2008, it accounted for about 70 percent of Albania's external debt stock.

Public borrowing has the main share in Albania's external debt. As at year-end 2008, general government's external debt reached EUR 1.3 billion, accounting for 50 percent of total external debt. This debt is entirely represented by long-term loans. Out of the increase of the general government's external debt stock by EUR 333 million in 2008, net transactions contributed by EUR 310 million while the rest (EUR 23 million) is a result of the exchange rate movements. In terms of currency, general government's external debt is dominated by the SDR (48 percent), followed by the EUR (42 percent) and the USD (7 percent). Around 40 percent of debt has been used for the transportation sector, 16 percent as a support for the general government's budget and 9 percent for the energy sector. In the meantime, Albania continues to reschedule its debt in arrears, which totals EUR 54 million. As at year-end 2008, Monetary Authority's debt was EUR 80 million, of which EUR 57 million were use of IMF credit.

As foreign borrowing grew, the banking system's share to Albania's total external debt has also increased. As at year-end 2008, the banking system's liabilities amounted to EUR 700 million. Short-term loans have the largest share in the banking system's external liabilities (74 percent of the stock), followed by currency and deposits, which share 23 percent of liabilities in this sector.

As at end 2008, other sectors' liabilities totalled EUR 500 million. They mainly consist of long-term loans (79 percent to total), followed by trade credits (20 percent). About 33 percent of the debt stock is represented by private borrowing, which totalled EUR 170 million or up by EUR 70 million relative to 2007.

Table 13 External debt stock, gross, by sector (as at end period, in millions of EUR, in %)

	2005	2006	2007	2008	Share in %		Increase in %	
					2007	2008	2007	2008
1. General Government	971	977	990	1,323	50.6	50.4	1.3	33.6
2. Monetary Authority	104	96	85	80	4.3	3.1	(11.5)	(5.5)
3. Banking System	127	307	417	714	21.3	27.2	36.0	71.3
4. Other Sectors	336	359	398	506	20.3	19.3	11.0	27.2
5. Direct Investments: Inter-Company Loans	40	72	67	... <sup>6</sup>	3.4	...	(7.0)	...
Gross external debt	1,577	1,810	1,957	2,624	100.0	100.0	8.1	34.1
External debt in percent of GDP	23%	25%	24.5%	31%				
External debt per capita	509	584	631	846				

Source: Bank of Albania

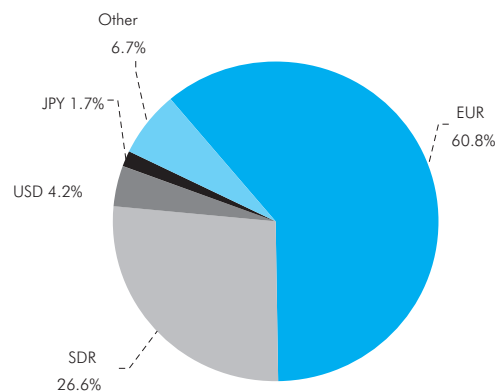
Gross external debt by currency is dominated by the Euro (61 percent), followed by the SDR (27 percent) and the U.S. dollar (4.2 percent).

#### EXTERNAL DEBT AND OTHER MACROECONOMIC INDICATORS

Considerations on the extent of external debt and Albania's ability to service its increasing external debt may be provided through the analysis of the debt service ratio. Debt service consists of principal repayments and interest payments. The ratio of principal repayments and interest payments to the country's export earnings represents the debt service.

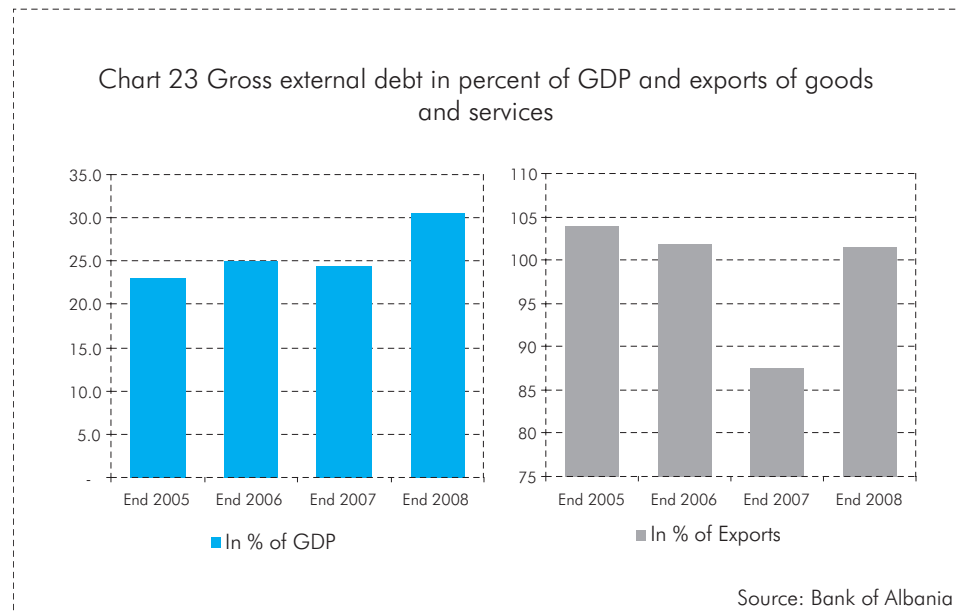
This ratio is estimated 4 percent in 2008, almost similar to the 2007 ratio. External debt service rose at faster paces than the export earnings. During the past years, debt service has increased by an average of 16 percent versus the 19 percent increase of the export earnings. As at year-end 2008, the ratio of gross external debt to the export of goods and services was 102 percent, up by 14 percentage points from the year-end 2007. This increase owes to the faster rise of external debt liabilities in 2008

Chart 22 External debt by currency (as at year-end 2008)



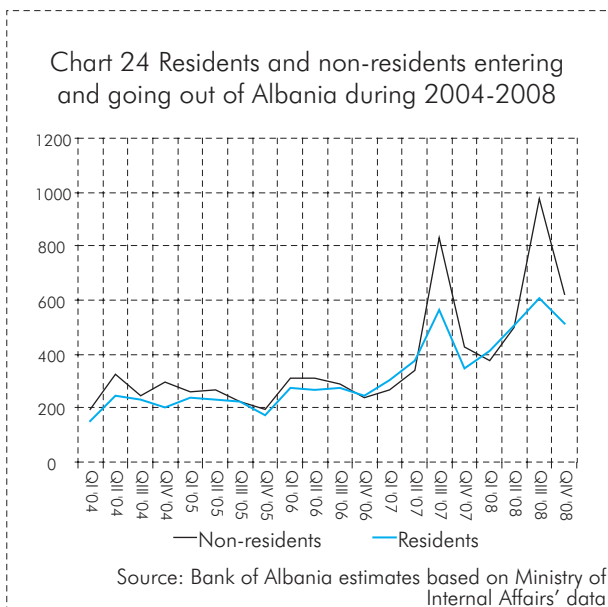
Source: Bank of Albania

vis-à-vis the increase of Albania’s exports. As at year-end 2008, the external debt in percent of GDP was 31 percent. The persistent increase of this ratio should be prudently handled in terms of exploring Albania’s capacity to cope with the increasing liabilities. As at year-end 2008, reserve assets were 3.2 times higher than short-term debt<sup>7</sup>, fully sufficient to cover about 65 percent of short-term external debt.



### III.2 MEASURING TRAVEL SERVICES FOR 2008

Travel services are one of the key components of current account. They cover transactions made during the individual’s travel or stay, for less than one year, in an economy of which he is not a resident, for business or personal purposes<sup>8</sup>.



For the compilation of balance of payments’ statistics, the Bank of Albania makes assessments of the travel services’ earnings and expenditure. The assessments are based on the surveys conducted since 1999.

#### III.2.1 ANALYSIS OF SURVEY RESULTS FOR 2008

##### NUMBER OF TRAVELLERS

The year 2008 attested to a high number of travellers coming in and going out of Albania. The number of residents travelling abroad is 29 percent



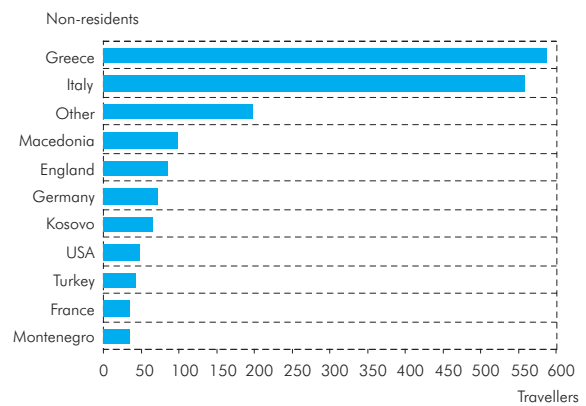
higher than the previous year. 3 percent of outgoing travellers are excursionists. The number of non-residents visiting Albania is 30 percent higher than in 2007. About 46 percent of non-residents entering Albania are Albanian immigrants residing abroad, while excursionists share only 3 percent of incoming travellers.

Non-resident travellers' origin is from the EU (81 percent) and the region (15 percent). The highest number of non-resident travellers visiting Albania is from Greece (32 percent), Italy (31 percent) and Great Britain (5 percent). Worth noting is that more than half of non-residents visiting Albania are of Albanian nationality but residents in these countries. As far as the region is concerned, 5 percent of non-residents come from FYROM, 4 percent from Kosovo and 2 percent from Turkey.

The European Union (76 percent) and the regional countries (20 percent) remain the main destination for Albanian residents. A considerable number of residents have travelled to Greece (44 percent), Italy (21 percent), Turkey (6 percent), Montenegro (6 percent), FYROM (4 percent), Croatia (2 percent) and Kosovo (1 percent).

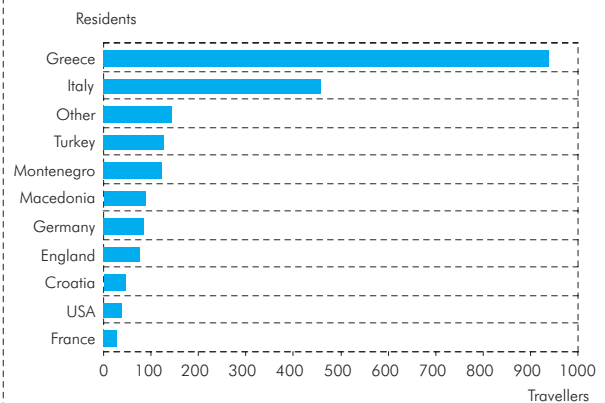
The distribution of travellers by country allows us to determine the composition of the foreign currency basket entering and going out from Albania, which is composed of the Euro, the British pound and the U.S. dollar. The survey shows that 18 percent

Chart 25 Non-residents by country of origin



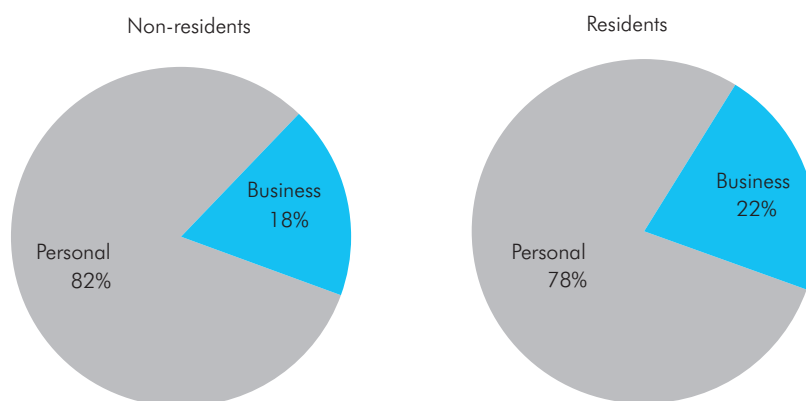
Source: Bank of Albania survey

Chart 26 Residents by country of destination



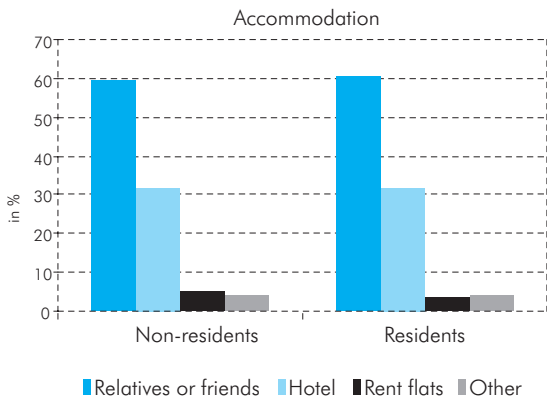
Source: Bank of Albania survey

Chart 27 Non-residents and residents by purpose of visit



Source: Bank of Albania survey

Chart 28 Non-residents and residents by accommodation



Source: Bank of Albania survey

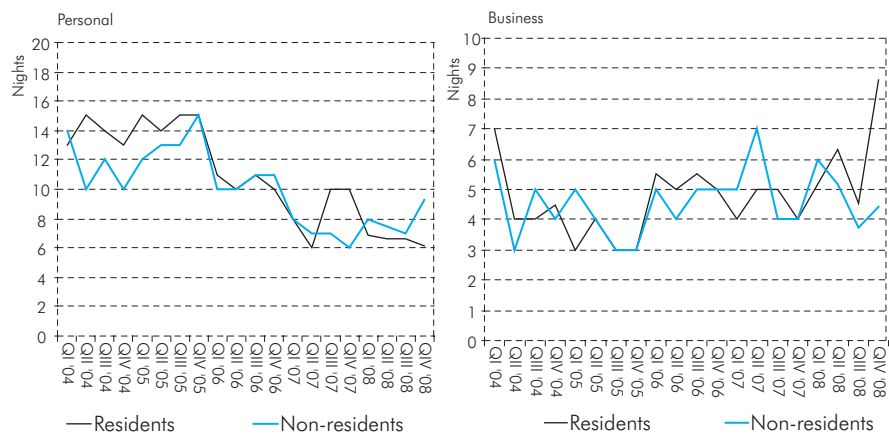
of non-residents have visited Albania for business purposes and the rest (82 percent) for personal purposes. In the meantime, the survey shows that 78 percent of residents have travelled abroad for personal purposes.

For both categories of travellers, 60 percent stayed with relatives or friends, 32 percent were accommodated in hotels and 4 percent in rent flats. This distribution attests to the fact that the largest portion of non-residents visiting Albania are Albanian immigrants. Similarly, residents travelling abroad mainly accommodate themselves at their relatives who are Albanian immigrants residing and working in foreign countries.

DURATION OF STAY<sup>9</sup>

The survey data show that the duration of stay for non-residents visiting Albania for personal purposes is 8 days; while those visiting Albania for business purposes have stayed for approximately 5 days. An exception is made for Albanian immigrants, who have stayed for 9 days for personal purposes. The duration of stay for Albanian residents travelling abroad is 7 days for personal purposes and 6 days for business purposes. The duration of stay for travellers visiting for personal purposes remains longer than for travellers travelling for business purposes.

Chart 29 Duration of stay by purpose of visit during 2004-2008



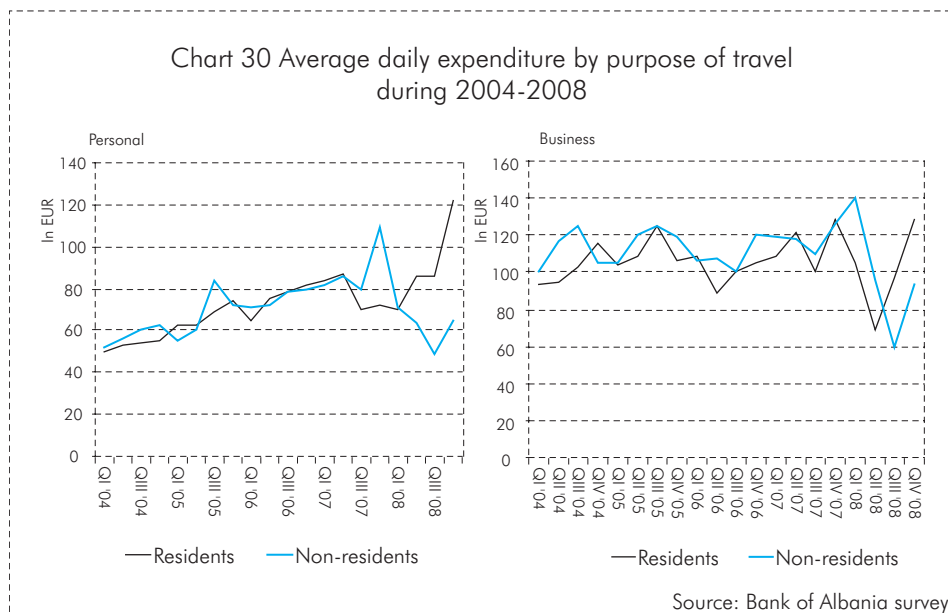
Source: Bank of Albania survey

AVERAGE DAILY EXPENDITURE

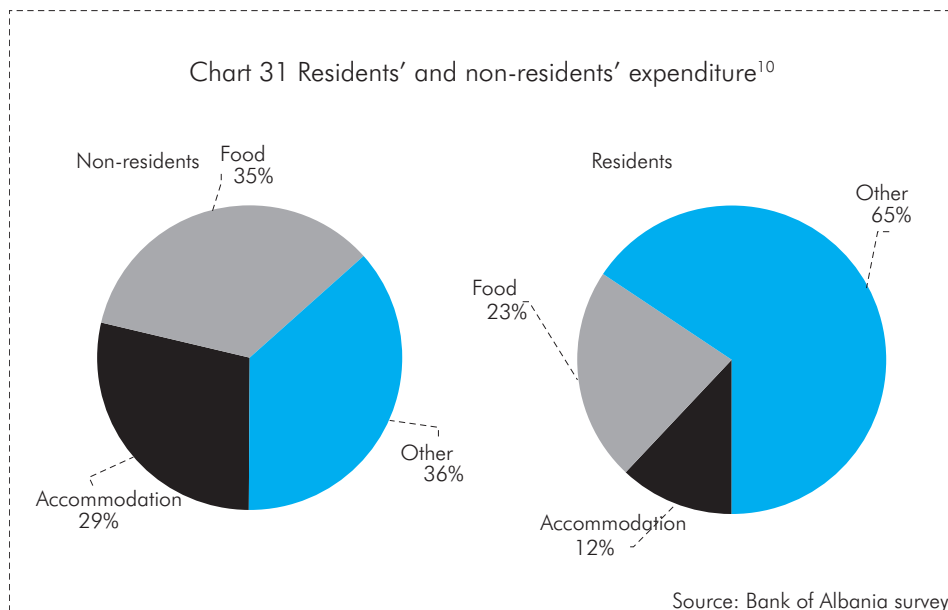
Average expenditure for personal travel is lower than that for business travel in both categories of travellers. Worth noting is that Albanian immigrants'

and excursionists' expenditure for the category of non-residents is treated separately. Non-residents have spent EUR 89 a day for personal travel and EUR 118 for business travel. Within this category, the Albanian immigrants have spent an average of EUR 52 a day for personal travel and EUR 94 for business travel.

Despite their low share in the total number of non-residents, excursionists have spent an average of EUR 56 for personal travel and EUR 83 for business travel. In 2008, residents spent an average of EUR 115 a day for business travel and EUR 78 for personal travel. Resident excursionists spent EUR 11 for personal travel and EUR 178 for business travel.



Immigrants and excursionists' effect remains a characteristic in terms of the expenditures structure and the share they have in the travellers' budget. In order



to make them comparable, we have excluded the expenditure carried out by non-resident immigrants, non-resident excursionists and resident excursionist, taking into account that the Albanian immigrants accommodate themselves at their relatives' or friends' houses, while excursionists do not spend money on lodging. Non-resident travellers have spent 64 percent on lodging and food and the rest on other activities. Lodging and food have a relatively small share in resident travellers' expenditure (12 and 23 percent, respectively), while other purchases have the largest share (65 percent). According to the survey, a minor percentage of residents (2 percent) have travelled on tour packages, mainly to countries like Croatia, Montenegro, Turkey, etc.

### III.2.2 KEY CONCEPTS<sup>11</sup> USED IN THE ANALYSIS

- Travel covers primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy.
- A traveller is an individual staying for less than one year in an economy of which he or she is not a resident for any purpose. The one-year guideline does not apply to students or to patients receiving health care abroad, who remain residents of their economies of origin. They are considered travellers and their expenditure is included in travel services.
- An excursionist is a temporary visitor staying less than 24 hours.
- Travel services are broken down into business travel and personal travel.
- Business travel covers the acquisition of goods and services by business travellers, who are going abroad for all types of business activities, such as carrier crews, government employees on official travel, employees of international organizations on official business, and employees doing work for enterprises that are not resident in the economies in which the work occurs. They may visit an economy for sales campaigns, market exploration, commercial negotiations, missions, meetings, production or installation work, or other business purposes on behalf of an enterprise resident in another economy.
- Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relatives, pilgrimage, and education and health-related purposes. Travel services are also broken down according to the type of expenditure:
  - Expenditure on goods;
  - Expenditure on accommodation and food and beverage serving services; and
  - All other travel expenditure.
- The most common goods and services entered under travel are lodging,

food, beverages, entertainment and transportation within the economy visited (all of which are consumed in the supplying economy) and gifts, souvenirs and other articles purchased for travellers' own uses and which may be taken out of the economies visited.

#### *PURPOSE*

The primary purpose of this survey is to collect information on the duration of stay and expenditure of resident and non-resident travellers during their travels in and outside Albania. The specific purpose relates with the characteristics of each interviewed category, with the purpose of travel, the country of origin of non-residents visiting Albania and the destination of residents travelling abroad, etc.

#### *METHODOLOGY*

##### *DEFINING THE SAMPLE*

The survey is conducted on a quarterly basis, with a sample volume of 1000 people per quarter. The selection of border checkpoints where the interviewing takes place is based on the quarterly data made available by the Ministry of Internal Affairs. The data includes the number of entries and exits of Albanian and foreign travellers in the territory of the Republic of Albania. Worth noting is that not all border checkpoints have been included in this survey. It covers those border checkpoints with a large movement of travellers. The survey covers two groups of travellers: resident travellers who return from their travel abroad, and non-resident travellers who leave Albania. Resident travellers include residents of Albanian or foreign nationality who return from their travel abroad. The breakdown of non-residents of Albanian (Albanian immigrants) and foreign nationality is also applied in the category of non-resident travellers. In addition, these two main categories distinguish between excursionists.

##### *INSTRUMENT USED TO COLLECT INFORMATION*

Based on the above categories, a questionnaire has been formulated, both in Albanian and in English language. The questionnaire is comprised of seven questions, of which four are qualitative and three are quantitative questions.

- A. Travellers' identification;
- B. Country of residence;
- C. Purpose of visit;
- D. Place of accommodation;
- E. Duration of stay;
- F. Expenditure carried out during the travel; and
- G. Gifts or free services received during the travel.

##### *ON-SITE INTERVIEWING*

1000 people are interviewed each quarter. They are resident travellers interviewed while returning from abroad and non-resident travellers while

leaving Albania. The interviewing is made by interviewers recruited by the INSTAT and instructed by the Statistics Department experts.

#### *INFORMATION PROCESSING*

The data entry and processing is made by the Statistics Department of the Bank of Albania. The data entry is made according to the border checkpoints and by type of traveller. Prior to the data processing, the extreme values are removed and the average daily expenditure is converted into Euro. After the data processing, we obtain the average duration of stay of travellers travelling for personal or business purposes per each border checkpoint. In addition, we measure the average expenditure of travellers travelling for personal or business purposes per each border checkpoint. These estimated coefficients are measured for resident and non-resident travellers, and for resident and non-resident excursionists.

#### *APPLICATION OF SURVEY RESULTS FOR ESTIMATING THE TRAVEL SERVICES' INCOME AND EXPENDITURE IN THE BALANCE OF PAYMENTS*

The results obtained from the category of non-residents are used to estimate the income from tourism (credit), while those obtained from the category of residents are used to estimate the expenditure (debit). In the balance of payments, tourist income and expenditure are broken down into "business" and "personal". Therefore, the results on the duration of stay and daily expenditure are applied separately.

The following formula is used to estimate the credit and debit for tourism.

*Export (Tourism services) = No. of NR\* average (duration of stay)\* average (daily expenditure)*

*Import (Tourism services) = No. of R\* average (duration of stay)\* average (daily expenditure)*

*Where, NR are non-residents and R are residents.*

## IV METHODOLOGICAL ANNEX

### IV.1 SURVEY OF MERCHANDISE TRADE AND THE APPLICATION OF NEW TRADE COEFFICIENTS IN THE BALANCE OF PAYMENTS

In 2007, the Bank of Albania conducted the survey of external trade. It will be conducted on a three-year basis and it aims at identifying and evaluating (i) the freight and insurance charges, and f.o.b./c.i.f.<sup>12</sup> valuation (ii) the mode of financing and the maturity of their payment, and (iii) an indirect estimation of the level of smuggling.

In the balance of payments, “merchandise” covers the import and export of goods at f.o.b. value. The statistics of foreign trade in goods are provided in f.o.b. value for exports and in c.i.f. value for imports. In order to estimate the imports on an f.o.b. basis, we add the smuggling estimation to the c.i.f. value. We later apply the estimated coefficients of the freight and insurance charges to the c.i.f. value of imported goods. Freight and insurance charges between residents and non-residents are reflected in the respective items of the services account.

According to the survey results, import freight charges account for about 7 percent of the total transaction cost, while the freight insurance charges account for about 1.3 percent. In addition, the revaluation of the c.i.f. with the smuggling coefficients by commodity group is as follows:

$$C.I.F (r) = C.I.F. * (1 + s\%)$$

Where:

C.I.F(r): Revalued imports;  
s: Valued smuggling coefficient.

In the balance of payments, imports are recorded at f.o.b. prices according to the coefficients for each commodity group. They are revalued as follows:

$$F.O.B = 92\%C.I.F$$

With respect to exports, the survey results show that freight charges are borne by the importing economy in 70 percent of the cases. Out of these, 65 percent are insured by resident freight companies. In 30 percent of them, the freight changes are borne by the exporting economy. Out of these, 65 percent are insured by non-resident freight companies. The distribution of the freight charge payment in terms of residence serves as a basis for the calculation of the respective item in services in the balance of payments.

In the balance of payments, freight and insurance charges are reflected as follows:

Current account

1. Goods
2. Services

2.a. Transportation services

- (i) Freight
- (ii) Passenger
- (iii) Other

2.b. Insurance

Financial account

3. Liabilities
  - (i) Trade credit 10% (IMP-IMP active manufacturing)

The application of coefficients derived from the survey has provided a positive effect to the balance of payments' current account. The new coefficients obtained from this survey were applied for the years 2007 and 2008, as well as for the revision of 2006 statistics.



## IV. 2 GLOSSARY OF BALANCE OF PAYMENTS TERMS

### *Non-resident:*

Any individual, enterprise or organization established in a country other than Albania. Banks operating in other countries are examples of non-residents. The persons who do not generally live in Albania (for more than a year) are also non-residents.

### *Resident:*

All enterprises operating in Albania, whether they are property of Albanian or foreign individuals. The persons, who generally live in Albania, are also considered residents, regardless of their citizenship or nationality. An exemption to this rule is the foreign personnel of embassies accredited to Albania, which is considered non-resident. In general, if troubles are encountered while determining the residency of an entity, it will be established based on the period this entity has been operating in Albania. In case this period is longer than one year, the entity will be considered a resident.

### *Import of goods:*

The process of changing the ownership of moveable goods (with a few exceptions) from a non-resident to a resident.

### *Export of goods:*

The process of changing the ownership of moveable goods (with a few exceptions) from a resident to a non-resident.

### *Balance of trade:*

The difference between exports and imports. A country has a trade deficit if it imports more than it exports; the opposite scenario is a trade surplus.

### *SITC classification:*

SITC classification is the Standard International Trade Classification, which is a one-digit statistical classification of the commodities entering external trade. It is designed to provide the commodity aggregates required for purposes of economic analysis and to facilitate the international comparison of trade-by-commodity data. This classification derives from the regrouping of the harmonized system HS of 97 commodity groups.

### *Imports for active manufacturing:*

Goods acquired temporarily and intended to be used as raw material for further processing.

### *Re-exports:*

Goods entering a country and intended to be exported only after their processing and change in the domestic economy.

### *Free trade agreement:*

A negotiable and agreed on document between trading partners, which

establishes unimpeded exchange and flow of goods and services and abolishes or breaks tariffs and trade barriers significantly.

*Economic openness:*

It measures the trade volume in terms of a country's GDP, expressing how open the economy of a country is to the rest of the world. The highest the rate, the more opened the economy of a country is.

*Rules of origin:*

Rules of origin are the criteria needed to determine the national source of a product. The general accepted rule for determining the origin is that the country where the *final essential transformation* or the *adequate process* is made is the product's country of origin.

*BEC (Broad Economic Categories):*

The classification of foreign trade statistics by economic categories BEC provides to the users and analyzers of such statistics the categorization of trade according to their main end use.

*Intermediate goods:*

Goods purchased for resale or for use in producing final goods for consumers. In the process of production, intermediate goods become part of the final product or are entirely changed during the process.

*Capital goods:*

Goods used for the production of final goods and services, and which are not part of them such as machinery, means of transportation, office equipment, etc.

*Consumer goods:*

Goods acquired for personal use.

*Tourism:*

A balance of payments component, in which are recorded all the transactions in goods and services related to the *travellers' expenditure*. According to the IMF Manual, these transactions are recorded in the debit and credit of "travel".

*Traveller:*

According to the balance of payments, a traveller is an individual staying, for less than one year, in an economy of which he is not a resident for any purpose other than: (a) being stationed on a military base or being an employee (including diplomats and other embassy personnel) of an agency of his/her government; or (b) being an accompanying dependent of an individual mentioned under (a); or (c) undertaking a productive activity directly for an entity that is resident of that economy.

*Tourist:*

A traveller staying at least one night in the country visited.

*Tourist expenditure:*

Tourist expenditure covers all goods and services acquired by travellers from the economies in which they are travelling, paid for on his or her behalf.

*Personal travel:*

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business. Included are leisure activities such as holidays, participation in sports and other recreational and cultural activities, visits with relatives, and friends, pilgrimage, and religious observances, studies, and health-related purposes, etc.

*Business travel:*

Business travel covers the acquisition of goods and services by: a) individuals going abroad for all types of business activities, such as sales, meetings, etc.; b) seasonal and border employees.

*Foreign direct investment:*

Direct investment is the category of international investment that reflects the objective of a resident entity in one economy (direct investor) obtaining a lasting interest in an enterprise resident in another economy. Direct investment implies the existence of a long-term relationship between the direct investor and the enterprise, and a significant degree of influence by the investor on the management of the enterprise (Balance of Payments Manual, IMF fifth edition recommends a minimal capital participation of 10 percent).

*Portfolio investment:*

Portfolio investment includes equity securities and debt securities different from the direct investment. Referring to the Balance of Payments Manual, IMF fifth edition, the degree of influence by the investor on the management of the enterprise is recommended to be less than 10 percent.

*Other investment:*

“Other investment” account is a residual category that includes all financial transactions not covered in direct investment, portfolio investment, or reserve assets. In the Albanian balance of payments, this category mainly includes borrowing, currency and deposits, trade credit and other assets and liabilities.

*Reserve assets:*

Reserve assets consist of those external assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitude of such imbalances through the intervention in exchange markets to affect the foreign currency exchange rate, and/or for other purposes.

STATISTICAL ANNEX  
BALANCE OF PAYMENTS  
in millions of EUR

	2004	2005	2006	2007	2008	Q1'08	Q2'08	Q3'08	Q4'08
Current Account, nie.	(340.2)	(589.1)	(471.0)	(831.0)	(1,318.8)	(267.3)	(363.5)	(230.7)	(457.4)
Merchandise: Exports, fob	485.6	530.2	630.6	786.3	917.5	206.5	260.4	242.0	208.6
Merchandise: Imports, fob	(1,762.3)	(2,006.9)	(2,289.6)	(2,890.4)	(3,348.9)	(733.9)	(821.6)	(844.0)	(949.5)
Trade Balance	(1,276.7)	(1,476.7)	(1,658.9)	(2,104.0)	(2,431.5)	(527.3)	(561.3)	(602.0)	(740.9)
Services: Credit	807.5	967.3	1,156.6	1,415.2	1,687.8	351.9	397.9	517.7	420.2
Services: Debit	(848.0)	(1,107.7)	(1,188.1)	(1,402.3)	(1,618.3)	(355.2)	(415.8)	(430.5)	(416.8)
Income: Credit	161.2	168.2	263.2	278.6	316.6	75.0	66.7	97.2	77.8
Income: Debit	(23.3)	(37.0)	(54.4)	(61.3)	(210.2)	(54.5)	(84.1)	(42.3)	(29.3)
Private Unrequred Transfers	778.4	835.5	968.1	982.8	905.4	236.9	226.8	217.9	223.7
Official unrequred Trans., nie	60.7	61.4	42.5	60.1	31.4	6.0	6.3	11.3	7.9
Capital Account	106.2	99.2	143.4	90.1	78.2	12.9	17.7	27.2	20.3
Financial Account	307.1	351.8	415.0	758.3	1,454.6	154.2	354.7	180.8	764.8
Direct Investment, nie	267.4	209.3	250.3	470.1	590.5	81.4	112.0	157.3	239.8
Portfolio Investment, nie	4.6	(2.0)	27.2	18.5	(69.2)	1.0	0.6	(11.7)	(59.1)
Other Investment*, nie	25.5	135.1	131.8	264.2	938.4	74.7	241.8	36.0	586.0
Net Errors and Omissions	160.5	262.9	119.2	131.2	(22.0)	73.2	0.9	141.1	(237.2)
Overall balance	233.7	124.8	206.6	148.6	191.9	(27.0)	9.9	118.5	90.5
Reserve and Related Items									
Reserve Assets	(233.7)	(124.8)	(206.6)	(148.6)	(191.9)	27.0	(9.9)	(118.5)	(90.5)
Use of Fund Credit and Loans	9.6	9.4	5.8	5.5	(5.2)	(2.9)	0.3	(0.7)	(1.8)
Memorandum Items									
Total Change in Reserve Assets	(276.1)	(47.4)	159.2	99.0	218.4	(66.2)	6.8	180.8	97.1
of which: Revaluation	42.4	(77.4)	(47.9)	(49.5)	26.5	(39.3)	(3.0)	62.3	6.6

\* not included use of Fund Credit and Loans.

Source of data: Bank of Albania

SERVICES  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
2. Services	(40.5)	(140.4)	(31.5)	12.9	69.4	22.5	(12.2)	(13.6)	(20.6)	2.6	0.1	17.8	17.6	51.8	2.7	3.8	(3.1)
Credits	807.5	967.3	1,156.6	1,415.2	1,687.8	146.0	108.0	97.9	117.2	144.2	136.6	166.6	152.2	198.9	142.2	137.9	140.2
Debits	(848.0)	(1,107.7)	(1,188.1)	(1,402.3)	(1,618.3)	(123.5)	(120.2)	(111.5)	(137.8)	(141.6)	(136.5)	(148.8)	(134.6)	(147.1)	(139.5)	(134.1)	(143.2)
2a. Transport services	(84.9)	(81.5)	(33.7)	(63.2)	(94.7)	(7.9)	(9.9)	(7.9)	(6.2)	(4.8)	(7.7)	(6.8)	(6.6)	(8.1)	(10.1)	(8.7)	(10.1)
Credits	78.9	102.3	91.5	115.2	143.9	9.0	8.8	9.0	11.0	13.2	13.4	15.0	13.6	14.3	13.2	11.7	11.7
Debits	(163.8)	(183.8)	(125.3)	(178.4)	(238.6)	(16.9)	(18.7)	(16.9)	(17.2)	(18.0)	(21.1)	(21.8)	(20.2)	(22.4)	(23.3)	(20.4)	(21.7)
2.a.i. Freight services	(72.1)	(81.9)	(59.4)	(100.4)	(118.6)	(8.7)	(8.8)	(8.7)	(9.0)	(9.9)	(9.3)	(9.7)	(10.1)	(9.8)	(12.0)	(10.5)	(12.2)
Credits	52.1	58.9	30.1	45.9	51.4	3.4	3.9	4.0	4.4	4.5	4.9	4.9	3.6	4.5	4.7	4.6	4.0
Debits	(124.1)	(140.8)	(89.5)	(146.3)	(170.0)	(12.1)	(12.6)	(12.7)	(13.4)	(14.4)	(14.1)	(14.6)	(13.8)	(14.3)	(16.7)	(15.0)	(16.2)
2.a.ii. Passenger services	(4.2)	4.0	16.3	36.0	31.1	1.6	0.3	0.9	2.8	5.3	2.0	3.6	4.2	2.7	2.5	2.4	2.8
Credits	17.0	21.4	35.4	53.2	91.8	5.3	4.9	4.9	6.5	8.7	8.5	10.0	10.0	9.8	8.4	7.1	7.7
Debits	(21.2)	(17.5)	(19.2)	(17.2)	(60.7)	(3.7)	(4.6)	(4.0)	(3.7)	(3.3)	(6.5)	(6.5)	(5.8)	(7.1)	(5.9)	(4.7)	(4.9)
2.a.iii. Other	(8.7)	(3.6)	9.4	1.1	(7.2)	(0.8)	(1.4)	(0.1)	0.0	(0.3)	(0.4)	(0.7)	(0.6)	(1.0)	(0.6)	(0.7)	(0.6)
Credits	9.8	22.0	26.0	16.1	0.7	0.3	0.1	0.1	0.1	-	0.0	0.0	0.0	-	0.1	-	0.0
Debits	(18.5)	(25.5)	(16.6)	(14.9)	(7.9)	(1.1)	(1.5)	(0.2)	(0.1)	(0.3)	(0.4)	(0.7)	(0.6)	(1.0)	(0.7)	(0.7)	(0.7)
2b. Insurance	(15.7)	(20.1)	(25.6)	(42.5)	(78.1)	(6.0)	(6.2)	(6.1)	(6.3)	(6.6)	(6.6)	(6.6)	(6.3)	(6.5)	(7.1)	(6.6)	(7.2)
Credits	5.3	4.6	2.9	5.0	3.6	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Debits	(21.0)	(24.7)	(28.5)	(47.5)	(81.7)	(6.3)	(6.4)	(6.4)	(6.6)	(6.9)	(6.9)	(6.9)	(6.6)	(6.8)	(7.4)	(6.9)	(7.6)
2c. Travel	75.0	56.2	36.8	79.0	112.1	2.8	4.2	(0.1)	(9.6)	(10.8)	(9.6)	29.0	29.1	35.6	13.8	13.8	14.0
Credits	591.5	691.5	804.5	1,001.5	1,169.6	81.6	70.0	69.5	82.2	85.0	82.7	124.3	124.8	138.0	103.8	103.7	104.1
Debits	(516.5)	(635.3)	(767.7)	(922.6)	(1,057.5)	(78.8)	(65.7)	(69.6)	(91.8)	(95.8)	(92.3)	(95.4)	(95.7)	(102.4)	(90.0)	(89.9)	(90.0)
2.c.i. Business	91.8	34.7	33.7	(53.4)	28.6	15.6	11.6	11.5	(4.0)	(5.1)	(4.0)	(0.1)	(0.1)	(0.1)	(1.1)	(1.1)	(1.1)
Credits	267.0	169.0	187.2	184.1	220.5	29.1	21.6	21.5	8.8	11.3	8.8	15.0	15.0	29.6	19.9	19.9	19.9
Debits	(175.2)	(134.3)	(153.5)	(237.4)	(191.9)	(13.5)	(10.1)	(10.0)	(12.8)	(16.4)	(12.8)	(15.1)	(15.2)	(22.9)	(21.1)	(21.0)	(21.0)
2.c.ii. Personal	(16.7)	21.5	3.0	132.4	83.5	(12.8)	(7.3)	(11.6)	(5.6)	(5.7)	(5.6)	29.1	29.2	28.8	14.9	14.9	15.2
Credits	324.5	522.5	617.3	817.5	949.1	52.5	48.3	48.0	73.4	73.7	73.9	109.4	109.8	108.3	83.9	83.8	84.2

Debits	(341.3)	(501.0)	(614.3)	(685.1)	(865.6)	(65.3)	(55.7)	(59.6)	(79.0)	(79.4)	(79.4)	(80.3)	(80.6)	(79.5)	(68.9)	(68.9)	(69.0)
2.d. Other Services	(14.9)	(95.0)	(9.0)	39.6	130.1	33.6	(0.4)	0.5	1.5	24.8	24.0	2.2	1.4	30.8	6.1	5.3	0.2
Credits	131.9	168.9	257.6	293.4	370.7	55.1	29.0	19.2	23.7	45.7	40.2	27.0	13.5	46.3	24.8	22.2	24.0
Debits	(146.8)	(263.9)	(266.6)	(253.8)	(240.6)	(21.5)	(29.4)	(18.7)	(22.2)	(20.9)	(16.2)	(24.7)	(12.0)	(15.5)	(18.7)	(16.9)	(23.8)
2.d.i. Communication services	43.5	45.8	36.1	45.1	48.0	1.3	9.8	(2.4)	2.5	(0.5)	4.7	10.2	1.1	8.1	4.9	6.6	1.9
Credits	60.2	57.6	42.0	49.4	102.7	6.0	13.4	3.7	6.9	5.0	7.4	13.6	5.0	12.2	9.5	11.1	8.8
Debits	(16.8)	(11.8)	(5.9)	(4.3)	(54.7)	(4.7)	(3.6)	(6.1)	(4.4)	(5.5)	(2.7)	(3.5)	(4.0)	(4.1)	(4.6)	(4.5)	(6.9)
2.d.ii. Construction services	2.1	0.9	0.2	(14.5)	12.5	(0.2)	(2.0)	0.1	0.0	7.8	1.9	1.0	0.3	1.7	0.4	1.5	(0.1)
Credits	2.7	2.2	1.8	5.6	16.3	0.2	0.0	0.2	0.0	8.3	2.0	1.1	0.4	1.9	0.4	1.6	0.0
Debits	(0.6)	(1.3)	(1.7)	(20.2)	(3.8)	(0.5)	(2.0)	(0.1)	-	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
2.d.iii. Computer and Information	(0.8)	(0.3)	(1.8)	(9.0)	(2.7)	(0.5)	(0.9)	(2.0)	1.9	(0.7)	(0.0)	(0.5)	(0.1)	0.3	0.3	0.2	(0.7)
Credits	0.5	2.5	1.0	2.0	12.8	0.8	0.4	1.2	4.4	0.5	0.3	0.6	0.6	1.5	1.0	0.8	0.6
Debits	(1.3)	(2.7)	(2.7)	(11.1)	(15.5)	(1.3)	(1.3)	(3.2)	(2.6)	(1.2)	(0.4)	(1.1)	(0.8)	(1.1)	(0.8)	(0.6)	(1.2)
2.d.iv. Government services n.i.e.	(45.9)	(44.4)	(7.6)	(7.7)	26.8	1.3	3.3	2.5	1.6	3.7	1.6	4.2	1.5	3.9	1.7	1.6	(0.1)
Credits	5.0	8.5	18.5	16.1	39.9	2.2	4.3	3.5	2.3	4.4	2.3	4.4	1.7	4.1	4.2	4.2	2.4
Debits	(50.9)	(52.9)	(26.1)	(23.8)	(13.1)	(0.9)	(0.9)	(1.0)	(0.7)	(0.7)	(0.7)	(0.2)	(0.2)	(0.2)	(2.5)	(2.6)	(2.5)
2.d.v. Financial services	4.5	(1.2)	4.2	12.3	26.1	16.3	0.1	1.4	(0.1)	9.6	(0.8)	0.2	(1.2)	(1.0)	(1.1)	(1.0)	3.8
Credits	8.8	12.8	20.2	30.6	46.7	17.7	1.3	1.4	0.1	11.6	5.0	0.6	0.1	0.4	3.2	0.4	4.9
Debits	(4.3)	(14.1)	(16.1)	(18.3)	(20.6)	(1.3)	(1.2)	(0.1)	(0.2)	(2.0)	(5.8)	(0.4)	(1.3)	(1.4)	(4.4)	(1.4)	(1.1)
2.d.vi. Cultural and personal and recreation	(10.3)	(77.0)	(50.5)	7.7	(18.0)	(3.0)	(2.7)	(1.2)	(1.2)	(0.7)	(1.3)	(1.5)	(1.0)	(1.6)	(1.6)	(0.9)	(1.4)
Credits	18.9	12.9	20.4	60.9	9.1	1.6	2.1	0.6	0.4	0.7	0.5	0.7	0.3	0.6	0.5	0.5	0.6
Debits	(29.2)	(89.9)	(70.9)	(53.2)	(27.1)	(4.5)	(4.7)	(1.8)	(1.6)	(1.5)	(1.9)	(2.2)	(1.3)	(2.2)	(2.1)	(1.4)	(2.0)
2.d.vii. Other bussines services	(7.9)	(18.9)	10.4	5.9	37.5	18.4	(8.1)	2.2	(3.2)	5.7	17.9	(11.3)	0.9	19.3	1.7	(2.8)	(3.3)
Credits	35.8	72.3	153.8	128.7	143.3	26.7	7.6	8.6	9.6	15.1	22.6	6.0	5.3	25.7	6.0	3.6	6.7
Debits	(43.7)	(91.2)	(143.4)	(122.9)	(105.8)	(8.2)	(15.7)	(6.4)	(12.8)	(9.3)	(4.7)	(17.3)	(4.4)	(6.4)	(4.3)	(6.4)	(10.0)

Source of data: Bank of Albania

INCOME  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
3. Income	137.9	131.2	208.8	217.3	106.4	3.3	2.2	14.9	(10.8)	(2.6)	(4.1)	16.1	8.2	30.5	16.5	11.1	21.0
Credits	161.2	168.2	263.2	278.6	316.6	21.1	21.2	32.7	27.2	19.5	20.0	31.2	21.8	44.2	25.6	23.9	28.2
Debits	(23.3)	(37.0)	(54.4)	(61.3)	(210.2)	(17.7)	(19.0)	(17.8)	(37.9)	(22.1)	(24.0)	(15.1)	(13.6)	(13.7)	(9.1)	(12.9)	(7.2)
3a. Compensation of employees	99.8	89.1	124.8	112.1	173.3	12.1	11.6	14.1	10.7	13.0	13.9	17.1	11.4	22.3	14.3	16.8	15.9
Credits	103.7	89.1	145.4	119.2	184.0	13.2	13.3	15.1	11.5	13.7	15.7	18.1	11.7	22.6	15.2	17.3	16.5
Debits	(3.9)	-	(20.6)	(7.0)	(10.7)	(1.1)	(1.7)	(1.0)	(0.8)	(0.7)	(1.8)	(1.1)	(0.3)	(0.3)	(0.9)	(0.5)	(0.6)
3b. Investment income	38.1	42.1	84.0	105.2	(66.9)	(8.8)	(9.4)	0.8	(21.5)	(15.6)	(18.0)	(1.0)	(3.2)	8.2	2.1	(5.8)	5.1
Credits	57.5	79.1	117.8	159.5	132.7	7.9	7.9	17.6	15.6	5.9	4.3	13.0	10.1	21.7	10.4	6.6	11.7
Debits	(19.4)	(37.0)	(33.8)	(54.3)	(199.6)	(16.7)	(17.3)	(16.8)	(37.1)	(21.5)	(22.2)	(14.0)	(13.2)	(13.5)	(8.2)	(12.4)	(6.7)
3.b.i. Direct Investment income	(0.2)	(1.4)	6.6	7.5	(114.3)	(13.1)	(12.6)	(5.4)	(22.0)	(21.4)	(20.5)	(5.8)	(5.5)	(4.3)	(0.4)	(4.0)	0.6
Credits	-	0.3	10.3	13.7	17.9	(0.3)	0.6	7.9	8.3	(5.2)	(4.8)	4.2	4.2	4.1	(0.2)	(0.4)	(0.3)
Debits	(0.2)	(1.7)	(3.6)	(6.2)	(132.2)	(12.8)	(13.2)	(13.3)	(30.3)	(16.1)	(15.7)	(10.0)	(9.7)	(8.5)	(0.2)	(3.6)	0.9
3.b.ii. Portfolio investment income	21.0	21.5	39.4	58.2	22.5	0.2	1.1	0.9	1.4	4.9	0.5	0.6	0.8	8.1	1.3	2.4	0.3
Credits	21.0	30.1	41.0	64.4	24.3	0.8	1.4	0.9	1.5	5.2	0.6	0.7	0.8	8.1	1.3	2.4	0.5
Debits	-	(8.6)	(1.5)	(6.2)	(1.8)	(0.5)	(0.3)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
3.b.iii. Other investment income	17.3	22.0	38.0	39.5	24.9	4.0	2.1	5.3	(1.0)	0.8	2.0	4.2	1.5	4.5	1.3	(4.2)	4.2
Credits	36.6	48.6	66.6	81.4	90.5	7.4	5.9	8.7	5.8	5.8	8.5	8.1	5.1	9.5	9.3	4.7	11.5
Debits	(19.3)	(26.6)	(28.6)	(42.0)	(65.6)	(3.4)	(3.8)	(3.4)	(6.8)	(5.0)	(6.5)	(3.9)	(3.5)	(5.0)	(8.0)	(8.8)	(7.3)

Source of data: Bank of Albania

CURRENT TRANSFERS  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
4. Current transfers	839.1	896.9	1,010.6	1,042.9	936.8	77.4	78.3	87.2	64.8	79.7	88.7	86.7	63.6	78.9	71.5	79.0	81.1
Credits	911.9	1,021.8	1,135.5	1,219.8	1,117.4	89.9	86.8	97.0	81.4	96.4	104.4	101.4	78.3	94.5	89.5	97.6	100.3
Debits	(72.8)	(124.9)	(124.9)	(176.9)	(180.5)	(12.4)	(8.5)	(9.8)	(16.6)	(16.7)	(15.7)	(14.7)	(14.8)	(15.5)	(18.0)	(18.7)	(19.1)
4a. Official sector	60.7	61.4	42.5	60.1	31.4	3.3	1.7	0.9	2.4	2.3	1.6	4.2	3.7	3.3	2.5	2.5	2.9
Credits	60.8	65.3	49.9	60.5	31.4	3.3	1.7	0.9	2.4	2.3	1.6	4.2	3.7	3.3	2.5	2.5	2.9
Debits	(0.2)	(3.9)	(7.4)	(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-
4b. Other sector	778.4	835.5	968.1	982.8	905.4	74.1	76.6	86.2	62.4	77.5	87.0	82.5	59.9	75.6	69.0	76.5	78.2
Credits	851.0	956.5	1,085.6	1,159.2	1,086.0	86.6	85.1	96.0	79.0	94.1	102.7	97.2	74.6	91.1	87.1	95.2	97.3
Debits	(72.6)	(121.0)	(117.5)	(176.5)	(180.5)	(12.4)	(8.5)	(9.8)	(16.6)	(16.7)	(15.7)	(14.7)	(14.8)	(15.5)	(18.0)	(18.7)	(19.1)
4.b.i. Worker's remittances	774.2	802.1	937.2	951.7	833.3	69.2	67.0	76.4	55.1	69.9	81.9	76.9	56.0	67.2	62.9	74.9	76.0
Credits	774.2	802.1	937.2	951.7	833.3	69.2	67.0	76.4	55.1	69.9	81.9	76.9	56.0	67.2	62.9	74.9	76.0
Debits	(0.0)	-	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
4.b.ii. Other transfers	4.2	33.4	30.9	31.1	72.1	4.9	9.6	9.8	7.3	7.6	5.1	5.6	3.9	8.4	6.2	1.6	2.2
Credits	76.8	154.4	148.4	207.5	252.7	17.3	18.1	19.6	23.9	24.3	20.8	20.3	18.7	23.9	24.2	20.3	21.3
Debits	(72.6)	(121.0)	(117.5)	(176.5)	(180.5)	(12.4)	(8.5)	(9.8)	(16.6)	(16.7)	(15.7)	(14.7)	(14.8)	(15.5)	(18.0)	(18.7)	(19.1)

Source of data: Bank of Albania



CAPITAL AND FINANCIAL ACCOUNT  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
Capital and Financial Account	413.4	451.0	558.4	848.4	1,532.8	(24.9)	99.2	92.7	93.2	128.1	151.2	115.2	45.0	47.9	334.9	339.7	110.5
I. Capital Transfers	106.2	99.2	143.4	90.1	78.2	7.1	4.1	1.7	6.1	6.4	5.3	12.6	11.8	2.8	4.6	6.5	9.3
i. Official sector	-	-	-	-	26.6	4.6	0.3	1.3	0.7	0.2	0.9	0.5	0.8	0.3	5.4	6.0	5.7
ii. Other sector	106.2	99.2	143.4	90.1	51.6	2.5	3.8	0.4	5.4	6.2	4.4	12.1	11.0	2.5	(0.8)	0.5	3.6
II. Financial Account	307.1	351.8	415.0	758.3	1,454.6	(31.9)	95.0	91.1	87.1	121.7	145.9	102.6	33.1	45.1	330.4	333.2	101.2
1. Liabilities	441.4	349.9	563.3	816.2	1,360.8	(9.0)	137.0	88.4	80.9	68.8	169.3	145.0	121.5	23.6	193.0	266.3	76.0
1a. Foreign direct investment	278.4	212.6	258.6	481.1	653.1	35.8	35.3	32.7	48.6	21.9	49.9	60.1	57.8	60.1	50.9	159.9	40.1
i. Equity investment	-	4.1	59.6	340.0	569.5	34.6	32.7	32.2	54.5	44.3	48.9	40.9	40.4	49.2	33.9	130.4	27.5
ii. Other capital	278.4	208.5	199.0	141.1	83.7	1.2	2.7	0.4	(5.9)	(22.4)	0.9	19.2	17.5	10.9	17.0	29.4	12.6
1b. Portfolio investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1c. Other investment	163.0	137.4	304.7	335.1	707.6	(44.8)	101.7	55.7	32.3	46.9	119.4	84.9	63.7	(36.5)	142.1	106.4	35.8
i. Borrowing	148.6	109.7	103.2	92.6	400.2	9.8	2.5	1.5	9.4	11.7	84.7	24.5	63.1	12.0	69.6	81.7	29.6
- Drawings	181.1	144.2	150.3	137.2	463.1	12.9	6.2	3.9	15.4	19.0	93.2	27.4	70.9	14.6	74.3	87.8	37.6
- Repayments	(32.5)	(34.4)	(47.2)	(44.6)	(62.8)	(3.1)	(3.6)	(2.4)	(6.0)	(7.2)	(8.5)	(2.9)	(7.8)	(2.6)	(4.7)	(6.1)	(8.0)
ii. Use of Fund credit and loans	2.1	2.0	(3.1)	(2.7)	(5.2)	(1.8)	(1.1)	-	2.5	(0.6)	(1.7)	(0.5)	0.2	(0.4)	-	-	(1.8)
- Drawings	9.6	9.4	5.8	5.5	5.1	-	-	-	2.5	-	-	1.3	1.3	-	-	-	-
- Repayments	(7.5)	(7.4)	(8.9)	(8.2)	(10.3)	(1.8)	(1.1)	-	-	(0.6)	(1.7)	(1.7)	(1.1)	(0.4)	-	-	(1.8)
iii. Currency and deposits	2.1	(29.9)	124.0	103.8	(4.2)	(33.1)	6.6	1.0	0.8	(2.8)	(10.9)	31.1	15.1	(23.5)	22.5	(3.1)	(8.0)
iv. Trade Credits	13.6	8.3	13.8	14.2	14.9	(3.6)	(0.3)	(1.7)	(0.9)	7.2	4.5	3.9	3.0	0.5	1.0	1.2	0.1
v. Other liabilities	(3.3)	47.2	66.8	127.1	301.8	(16.1)	94.0	54.9	20.4	31.3	42.8	25.9	(17.7)	(25.0)	49.1	26.4	15.8
2. Assets	(134.3)	1.9	(148.3)	(57.9)	93.8	(22.9)	(42.0)	2.7	6.2	52.8	(23.4)	(42.4)	(88.4)	21.5	137.4	67.0	25.3
2a. Foreign direct investment	(11.0)	(3.3)	(8.3)	(11.1)	(62.6)	(4.8)	(6.0)	(11.6)	(13.3)	3.0	1.9	(9.0)	(5.5)	(6.3)	(3.6)	(2.8)	(4.7)
2b. Portfolio investment	4.6	(2.0)	27.2	18.5	(69.2)	1.2	(0.0)	(0.1)	(0.1)	0.8	(0.0)	(0.2)	0.5	(12.0)	(20.9)	(39.5)	1.2
2c. Other investment	(127.9)	7.2	(167.2)	(65.4)	225.6	(19.3)	(65.9)	14.4	19.6	49.1	(25.2)	(33.2)	(83.5)	39.8	161.8	109.2	28.8
i. Loans	-	-	-	-	(0.6)	(0.0)	3.6	7.1	(1.8)	0.6	(0.1)	0.3	(2.0)	(10.3)	1.8	0.4	(0.1)
ii. Currency and Deposits	(103.3)	53.1	(174.6)	(75.2)	225.2	(19.5)	(40.7)	8.5	25.8	49.6	(27.5)	(33.5)	(83.0)	48.4	160.0	109.4	27.7
iii. Other assets	(24.6)	(45.9)	7.4	9.8	1.1	0.2	1.1	(1.2)	(4.4)	(1.2)	2.4	0.1	1.6	1.7	0.1	(0.6)	1.3
III. Reserve assets	(233.7)	(124.8)	(206.6)	(148.6)	(191.9)	16.6	(6.7)	17.0	6.7	19.2	(35.8)	(32.8)	(62.8)	(22.9)	8.9	(143.6)	44.2
1. Gold	-	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
2. Foreign exchange	(229.1)	(191.7)	(209.7)	(153.9)	(188.2)	24.0	(7.8)	17.0	9.2	18.6	(37.5)	(33.3)	(62.6)	(23.3)	8.9	(143.6)	42.3
3. SDRs	(4.6)	66.9	3.2	5.3	(3.7)	(7.4)	1.2	0.0	(2.5)	0.6	1.8	0.5	(0.2)	0.4	-	0.0	1.9
4. Reserve position in the Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: Bank of Albania

EXTERNAL DEBT  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
Drawdowns	181.1	144.2	150.3	137.2	463.1	12.9	6.2	3.9	15.4	19.0	93.2	27.4	70.9	14.6	74.3	87.8	37.6
of which:																	
Use of Fund Credit and Loans	9.6	9.4	5.8	5.5	5.1	-	-	-	2.5	-	-	1.3	1.3	-	-	-	-
Principal Due	40.1	41.8	56.1	52.8	73.1	4.9	4.8	2.4	6.0	7.8	10.1	4.6	8.9	3.0	4.7	6.1	9.8
Principal Paid	40.1	41.8	56.1	52.8	73.1	4.9	4.8	2.4	6.0	7.8	10.1	4.6	8.9	3.0	4.7	6.1	9.8
Change in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Due	17.9	24.7	23.7	25.2	28.2	1.2	1.4	0.8	3.2	2.3	3.3	1.2	1.4	2.0	3.2	4.8	3.3
Interest Paid	17.9	24.7	23.5	25.1	28.1	1.2	1.4	0.8	3.2	2.3	3.3	1.2	1.4	2.0	3.3	4.8	3.3
Change in Arrears	-	-	0.3	0.1	0.1	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)
Borrowing	181.1	144.2	150.3	137.2	463.1	12.9	6.2	3.9	15.4	19.0	93.2	27.4	70.9	14.6	74.3	87.8	37.6
Net Change in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Falling Due	40.1	41.8	56.1	52.8	73.1	4.9	4.8	2.4	6.0	7.8	10.1	4.6	8.9	3.0	4.7	6.1	9.8
of which:																	
Debt Forgiveness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source of data: Ministry of Finance, banking system, Bank of Albania

CREDIT LINES BY SECTORS  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
General Government																	
Drawdowns	103.4	68.5	78.6	93.0	344.1	6.1	4.5	2.1	5.7	7.5	83.2	25.0	59.7	6.5	57.6	66.5	19.9
Principal Due	23.2	26.4	36.8	31.9	34.2	1.6	1.9	1.0	0.3	2.9	5.3	1.5	6.5	1.1	1.3	3.9	7.0
Principal Paid	23.2	26.4	36.8	31.9	34.2	1.6	1.9	1.0	0.3	2.9	5.3	1.5	6.5	1.1	1.3	3.9	7.0
Increase in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Due	14.7	17.9	15.9	15.9	19.7	0.6	1.2	0.6	1.1	1.8	2.8	0.6	1.1	1.8	1.3	4.1	2.7
Interest Paid	14.7	17.9	15.9	15.9	19.7	0.6	1.2	0.6	1.1	1.8	2.8	0.6	1.1	1.8	1.3	4.1	2.7
Increase in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	103.4	68.5	78.6	93.0	344.1	6.1	4.5	2.1	5.7	7.5	83.2	25.0	59.7	6.5	57.6	66.5	19.9
Net Change in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Falling Due	23.2	26.4	36.8	31.9	34.2	1.6	1.9	1.0	0.3	2.9	5.3	1.5	6.5	1.1	1.3	3.9	7.0
Monetary Authority																	
Drawdowns	9.6	9.4	6.1	5.5	5.1	-	-	-	2.5	-	-	1.3	1.3	-	-	-	-
Principal Due	8.7	8.6	10.2	8.8	11.1	1.9	1.1	0.1	-	0.6	1.7	1.9	1.1	0.5	-	-	2.0
Principal Paid	8.7	8.6	10.2	8.8	11.1	1.9	1.1	0.1	-	0.6	1.7	1.9	1.1	0.5	-	-	2.0
Increase in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Due	0.7	0.7	0.7	0.6	0.8	0.0	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.0	0.2
Interest Paid	0.7	0.7	0.7	0.6	0.8	0.0	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.0	0.2
Increase in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	9.6	9.4	6.1	5.5	5.1	-	-	-	2.5	-	-	1.3	1.3	-	-	-	-
Net Change in Arrears	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Falling Due	8.7	8.6	10.2	8.8	11.1	1.9	1.1	0.1	-	0.6	1.7	1.9	1.1	0.5	-	-	2.0

Source of data: Ministry of Finance, Bank of Albania

### IMPORT ACCORDING TO SITC CLASSIFICATION in millions of EUR

Code	DESCRIPTION	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
0	Food and live animals	266.1	272.3	320.9	379.3	424.6	30.8	38.3	40.3	43.2	35.9	32.7	26.8	37.0	33.2	35.8	34.7	36.0
1	Beverages & tobacco	61.5	64.7	77.3	89.4	112.8	5.8	5.8	8.2	8.3	7.8	11.0	11.3	13.8	9.9	8.3	8.4	13.9
2	Raw materials, minerals	58.8	75.9	86.1	68.2	74.4	4.5	4.2	6.7	6.4	7.0	6.8	6.2	5.3	6.5	6.8	8.0	6.0
3	Fuels and lubricants	141.1	181.8	254.9	446.4	573.6	51.1	44.1	25.3	45.7	55.9	44.3	49.9	67.3	50.6	51.9	39.5	47.9
4	Animal & veg. oils & fats	26.5	28.5	31.5	34.0	51.6	3.5	6.9	6.8	2.4	2.9	3.5	2.6	4.0	6.7	4.6	2.8	4.9
5	Chemicals	166.6	201.8	252.5	302.2	346.7	19.9	24.5	25.6	26.3	29.9	30.0	34.1	28.9	29.9	31.8	31.0	34.9
6	Manufactures	427.5	509.8	618.2	754.9	848.6	54.3	56.8	63.8	62.7	77.2	76.1	80.6	63.0	69.2	84.0	84.3	76.5
7	Machinery and equipment	431.5	489.0	484.7	630.9	783.8	58.3	58.5	58.2	58.3	52.7	62.5	62.8	49.7	68.6	84.9	75.2	94.1
8	Miscellaneous manufactures	250.9	260.1	284.7	339.5	354.2	24.4	26.8	30.4	27.5	30.7	30.7	32.5	23.3	25.5	37.3	31.0	34.1
9	Other & unclassified	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1,830.5	2,083.9	2,410.9	3,044.7	3,570.2	252.7	265.8	265.4	280.7	299.9	297.5	307.0	292.2	300.2	345.5	314.9	348.4

Source of data: General Directory of Customs. The published statistics are compiled in accordance with the balance of payments' methodology framework

### EXPORT ACCORDING TO SITC CLASSIFICATION in millions of EUR

Code	DESCRIPTION	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
0	Food and live animals	19.8	20.4	26.8	28.4	32.3	2.6	2.2	2.2	2.2	2.2	3.3	2.8	1.5	2.9	3.5	4.2	2.7
1	Beverages & tobacco	7.6	9.6	8.3	11.0	2.6	0.0	0.1	0.2	0.0	0.1	0.8	0.5	0.4	0.1	0.2	0.1	0.1
2	Raw materials, minerals	18.5	25.6	34.8	75.6	108.3	4.8	7.3	4.6	9.5	8.0	13.4	13.5	16.4	10.8	9.5	7.5	2.9
3	Fuels and lubricants	13.2	15.4	27.3	62.5	81.9	1.8	3.6	4.7	7.1	10.1	9.2	8.8	8.3	17.4	3.6	3.7	3.6
4	Animal & vegetable oils & fats	0.3	0.2	0.4	0.7	0.2	0.1	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Chemicals	2.8	4.8	6.2	8.2	10.3	0.7	0.8	1.0	0.9	1.0	0.9	1.1	0.8	0.8	1.0	0.9	0.6
6	Manufactures	97.3	114.3	141.5	167.4	232.3	14.3	18.1	21.9	24.6	23.4	24.9	19.5	13.8	16.9	20.7	20.5	13.6
7	Machinery and equipment	19.1	22.2	24.5	33.1	38.0	2.6	2.8	3.6	3.9	3.1	3.2	3.4	2.5	3.4	3.4	3.9	2.1
8	Miscellaneous manufactures	307.0	317.7	360.9	399.4	411.6	34.5	36.4	35.6	35.2	35.5	37.9	40.9	20.3	35.0	35.8	33.5	30.9
9	Other & unclassified	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		485.6	530.2	630.7	786.3	917.5	61.3	71.3	73.9	83.4	83.4	93.5	90.6	64.1	87.3	77.7	74.4	56.5

Source of data: General Directory of Customs. The published statistics are compiled in accordance with the balance of payments' methodology framework

EXPORT BY TRADING PARTNERS  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
European Union	441.0	474.0	558.6	652.5	730.1	54.5	58.8	61.7	67.8	64.0	70.1	74.7	40.4	68.4	61.6	61.6	46.6
United Kingdom	0.2	0.7	0.5	1.8	0.6	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Austria	1.6	1.2	1.8	1.9	6.2	0.3	0.3	0.8	0.4	0.5	0.4	0.1	1.0	1.1	0.6	0.2	0.6
Belgium	0.3	0.3	0.5	0.3	0.4	-	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	-	0.0
Denmark	0.1	0.2	0.4	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finland	0.0	-	0.0	0.1	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
France	2.5	3.7	4.4	4.9	7.8	0.4	0.6	0.5	0.6	0.7	0.7	1.1	0.6	0.6	0.6	0.8	0.5
Germany	15.0	17.6	19.9	19.2	24.6	1.7	2.0	1.9	1.7	1.6	1.4	2.3	2.2	1.8	3.5	3.0	1.4
Greece	58.4	55.4	60.6	65.0	80.4	5.2	5.8	6.9	10.8	8.1	7.4	8.2	6.6	6.4	5.6	5.2	4.1
Netherlands	0.9	0.7	1.4	0.4	13.3	0.0	0.1	0.0	1.7	1.2	0.8	3.6	0.1	0.8	1.6	3.2	0.1
Ireland	0.0	-	-	-	6.9	0.0	-	-	1.7	0.0	1.7	2.0	1.5	-	-	-	0.0
Italy	354.6	383.9	457.9	535.0	566.6	45.4	47.7	50.2	49.1	50.1	53.7	55.6	27.2	55.8	47.1	45.2	39.6
Luxembourg		-	-	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-
Portugal		0.0	0.0	0.0	0.0	-	-	-	-	-	0.0	-	-	-	-	-	-
Spain	0.5	0.5	0.8	1.3	1.4	0.0	0.1	0.0	0.1	0.1	0.1	0.3	0.1	0.2	0.2	0.2	0.0
Sweden	2.4	2.4	5.3	12.5	3.8	1.0	1.8	-	0.0	0.0	1.0	0.0	0.0	-	0.0	0.0	-
Bulgaria	1.3	2.9	2.6	5.4	6.6	0.0	0.3	0.3	1.2	1.0	0.5	1.0	0.7	0.9	0.4	0.2	0.1
Czech Republic	1.0	0.3	0.5	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0
Estonia					0.1	-	-	-	-	-	-	-	-	0.1	0.0	-	-
Hungary	0.1	0.6	0.4	0.3	0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Latvia				0.1	0.0	-	-	-	-	-	-	-	-	-	0.0	0.0	-
Lithuania		0.0	-	-	0.0	-	-	-	-	-	-	0.0	-	-	-	-	-
Malta	1.4			0.0	0.1	-	-	-	0.1	-	-	-	-	0.0	-	-	-
Poland	0.1	0.1	0.1	0.3	0.4	0.0	-	-	0.0	0.0	-	0.0	0.0	0.1	0.1	0.1	0.0
Cyprus	0.0	0.0	0.1	0.5	0.9	0.0	-	0.0	-	0.5	-	-	-	0.3	0.0	0.1	0.0
Romania	0.2	1.3	0.5	2.4	1.5	0.0	0.1	0.8	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1
Slovakia	0.0	0.0	0.2	0.0	0.0	0.0	-	0.0	-	-	0.0	-	0.0	-	0.0	0.0	-
Slovenia	0.4	2.1	0.8	0.6	4.1	0.0	0.0	0.1	0.1	0.0	2.1	0.0	0.0	0.0	1.6	0.1	0.0

Other European countries	0.8	0.5	0.4	2.1	13.6	0.9	0.0	0.4	0.5	0.1	3.8	0.9	0.9	2.7	2.7	0.5	0.1
Russian Federation	0.4	0.4	0.3	2.0	10.2	0.9	-	0.4	0.4	0.0	1.5	0.7	0.7	2.6	2.5	0.4	0.0
Ukraine	0.0	0.0	0.0	0.0	0.1	-	-	-	-	-	0.0	-	-	-	0.1	-	0.0
Switzerland	0.5	0.1	0.0	0.0	3.3	0.0	0.0	0.0	0.0	0.0	2.3	0.2	0.2	0.1	0.1	0.1	0.1
Balkan countries	39.8	44.8	55.6	95.0	127.2	4.9	7.9	10.0	10.5	12.7	15.1	10.2	14.5	12.6	9.2	11.0	8.7
Bosnia and Herzegovina	0.3	0.9	3.4	3.2	1.5	0.1	0.2	0.2	0.3	0.1	0.1	0.1	0.1	0.3	0.0	0.1	0.0
Croatia	0.3	0.1	1.8	0.7	1.5	0.0	0.4	0.2	0.0	0.1	0.1	0.0	0.2	0.2	0.2	0.2	0.0
FYROM	6.0	8.3	10.1	18.5	27.0	1.1	1.4	1.8	2.0	2.5	2.5	2.6	2.7	3.6	2.8	2.7	1.3
Serbia & Montenegro <sup>1</sup>	1.8	4.5	8.5	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Serbia <sup>2</sup>	-	-	-	6.1	0.5	0.1	0.1	0.1	0.1	0.0	0.0	-	0.0	0.0	0.0	0.0	-
Montenegro <sup>2</sup>	-	-	-	3.5	19.0	0.5	1.8	1.9	1.7	1.8	2.1	2.0	1.9	1.7	1.3	1.5	0.9
Kosovo	22.1	21.9	23.8	37.7	60.5	2.1	3.2	4.2	5.8	5.6	6.3	5.2	5.9	5.5	4.6	6.0	6.2
Turkey	9.2	9.1	8.0	17.3	17.1	1.0	0.8	1.7	0.6	2.6	4.0	0.3	3.7	1.3	0.3	0.5	0.3
North and Latin America	2.6	6.1	3.1	5.1	3.7	0.2	0.7	0.4	0.3	0.2	0.4	0.2	0.3	0.3	0.3	0.1	0.2
Brazil	0.1	0.7	0.4	0.0	0.2	-	0.0	0.0	-	-	0.1	-	-	-	0.0	-	0.0
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
United States	2.5	5.3	2.7	5.1	3.5	0.2	0.6	0.4	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.1	0.2
Asia	0.5	2.7	10.2	20.2	25.6	0.5	2.1	0.1	1.1	4.2	1.8	3.8	7.7	2.6	1.5	-	0.3
China	0.5	2.6	7.2	20.1	25.6	0.5	2.1	0.1	1.1	4.1	1.8	3.8	7.7	2.6	1.5	-	0.3
Georgia	0.0	0.0	3.0	0.0	0.0	-	-	-	-	-	-	0.0	-	0.0	-	-	0.0
Japan	0.0	0.1	0.0	0.0	0.0	-	-	-	-	0.0	-	-	-	-	0.0	-	-
Other countries	0.9	2.0	2.9	11.5	17.3	0.3	1.8	1.2	3.3	2.3	2.4	0.8	0.3	0.7	2.3	1.2	0.6
Total	485.6	530.2	630.7	786.3	917.5	61.3	71.3	73.9	83.4	83.4	93.5	90.6	64.1	87.3	77.7	74.4	56.5

Source of data: General Directory of Customs. The published statistics are compiled in accordance with the balance of payments' methodology framework.

1/ The data for 2007 cover the period January - June 2007.

2/ The data for 2007 cover the period July - December 2007.

IMPORT BY TRADING PARTNERS  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
European Union	1,289.5	1,401.1	1,580.0	1,820.4	2,168.3	144.5	159.2	169.5	176.6	177.6	178.9	195.2	163.4	188.0	209.5	197.3	208.7
United Kingdom	10.5	18.2	33.6	37.6	37.0	1.6	2.4	2.7	2.9	2.2	3.1	3.6	3.5	3.7	4.2	3.0	4.1
Austria	20.5	35.9	29.0	39.6	45.3	2.5	2.6	3.6	3.7	4.2	4.9	5.4	4.3	4.0	3.2	2.9	4.0
Belgium	14.3	15.9	20.4	10.2	10.1	0.6	1.0	0.7	0.8	1.1	0.7	1.0	0.7	0.8	1.0	1.0	0.9
Denmark	4.1	4.0	3.6	3.7	4.9	0.6	0.4	0.4	0.5	0.5	0.5	0.2	0.2	0.5	0.3	0.5	0.4
Finland	3.9	11.4	6.2	10.2	12.9	1.2	1.6	0.7	0.7	0.2	1.3	1.1	0.9	2.2	1.2	0.9	1.0
France	25.7	25.3	23.1	30.2	42.6	1.7	3.2	2.6	3.1	3.7	2.9	2.9	1.9	2.6	7.2	4.4	6.4
Germany	113.8	112.8	136.2	166.9	215.9	12.6	15.4	17.6	14.4	16.0	18.6	18.3	13.4	17.8	28.1	18.8	25.0
Greece	340.9	346.2	380.7	444.4	523.7	38.9	35.7	36.7	44.1	41.5	41.8	49.2	55.5	49.4	50.0	41.8	39.1
Netherlands	13.7	17.7	12.1	16.1	19.2	1.5	1.2	1.1	1.5	0.8	1.9	2.2	1.0	1.3	2.0	1.4	3.2
Ireland	5.9	8.9	7.4	8.4	7.1	0.3	0.6	0.3	0.6	0.6	0.6	1.3	0.5	0.6	0.5	0.6	0.5
Italy	596.6	610.8	677.2	826.2	945.8	63.4	70.9	76.1	78.0	81.4	77.1	85.0	55.2	80.0	85.8	97.0	95.9
Luxembourg	0.6	0.9	0.8	2.2	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Portugal	1.3	2.1	1.8	2.6	2.3	0.1	0.2	0.1	0.0	0.2	0.1	0.2	0.3	0.1	0.1	0.1	0.1
Spain	27.7	35.7	41.2	40.4	49.8	3.2	3.4	4.4	2.3	5.7	4.9	4.9	4.4	4.4	4.1	3.9	4.1
Sweden	10.9	12.3	12.0	8.4	11.4	0.6	1.6	2.0	0.5	0.4	0.8	1.3	0.7	0.6	1.2	0.6	1.0
Bulgaria	36.9	59.2	66.3	54.3	68.5	3.1	5.0	4.3	6.5	5.5	6.6	6.3	8.2	6.9	5.6	4.7	5.8
Czech Republic	16.6	20.7	25.9	23.8	29.7	2.5	1.5	2.4	2.7	2.1	2.7	3.0	1.8	2.6	2.8	2.0	3.8
Estonia	0.0	0.2	0.0	0.1	0.2	-	-	0.0	0.0	-	0.0	0.1	0.0	-	0.0	0.0	0.0
Hungary	13.0	15.7	19.3	29.4	49.0	4.5	5.4	6.7	4.9	4.7	2.6	2.1	2.4	3.1	4.7	4.5	3.5
Latvia	-	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lithuania	0.0	0.1	0.0	0.1	0.3	0.0	0.1	0.0	0.0	0.1	-	0.0	0.0	0.1	0.0	0.0	0.0
Malta	0.1	0.0	0.0	0.0	1.0	0.0	0.0	-	0.0	0.0	0.0	0.2	0.8	0.0	0.0	0.0	0.0
Poland	5.4	9.5	12.9	24.3	30.2	1.7	2.4	1.9	2.8	2.0	3.3	2.4	2.6	2.9	2.9	2.3	3.0
Cyprus	2.4	3.4	4.1	3.0	2.2	0.2	0.1	0.1	0.3	0.0	0.2	0.1	0.3	0.0	0.3	0.1	0.3
Romania	8.0	15.3	41.9	13.1	19.4	0.6	0.9	1.0	1.8	0.9	1.3	1.9	2.5	2.1	1.2	2.4	2.8
Slovakia	2.6	3.9	5.3	4.0	7.4	0.7	0.4	1.6	0.6	0.3	0.6	0.3	0.3	0.3	0.6	0.8	1.0
Slovenia	14.3	15.2	19.0	21.1	32.0	2.2	3.2	2.6	3.7	3.6	2.4	2.2	2.2	2.1	2.5	2.9	2.4
Other European countries	143.7	165.7	218.5	352.5	317.7	28.1	30.6	23.5	30.7	29.6	21.7	23.0	27.9	25.1	23.9	25.4	28.2
Russian Federation	52.1	85.3	99.0	124.7	156.6	9.4	11.5	14.4	10.3	10.4	12.5	13.1	17.0	18.2	18.0	12.0	9.7

Ukraine	45.8	60.3	93.2	79.6	53.4	4.4	5.3	5.0	8.0	4.2	2.5	3.0	3.3	3.2	1.4	5.7	7.5
Switzerland	45.8	20.1	26.3	148.2	107.7	14.3	13.8	4.0	12.4	15.0	6.7	6.9	7.6	3.7	4.6	7.7	11.0
Balkan countries	187.4	229.7	295.4	403.0	365.8	25.6	27.1	26.6	26.3	31.6	31.2	33.0	32.8	37.9	32.1	30.9	30.8
Bosnia and Herzegovina	0.9	2.7	6.5	9.2	10.3	0.4	0.7	0.8	1.0	0.6	1.0	1.2	1.2	1.7	0.7	0.5	0.4
Croatia	23.8	25.0	34.6	29.7	35.6	2.9	3.0	2.2	1.5	1.5	1.9	2.4	2.5	3.5	5.0	4.1	5.1
FYROM	19.1	25.8	38.9	59.1	78.9	4.9	4.6	5.1	5.9	7.4	6.7	7.4	9.5	8.2	7.5	6.3	5.4
Serbia & Montenegro <sup>1</sup>	10.7	13.2	21.6	40.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Serbia <sup>2</sup>	-	-	-	22.8	0.3	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	-
Montenegro <sup>2</sup>	-	-	-	2.6	6.0	0.2	0.4	0.5	0.7	0.4	0.9	0.9	0.8	0.3	0.3	0.3	0.4
Kosovo	2.8	7.7	11.4	17.5	21.3	1.2	1.4	1.9	1.7	1.7	1.8	1.6	2.3	3.3	2.0	1.2	1.3
Turkey	130.1	155.3	182.4	221.3	213.4	15.9	16.9	16.0	15.6	19.7	18.9	19.6	16.5	20.9	16.7	18.4	18.3
North and Latin America	55.8	44.2	47.6	76.6	99.7	10.5	8.7	6.2	5.4	6.9	11.5	6.7	9.0	6.7	8.3	7.8	12.0
Brazil	25.8	18.8	24.2	40.5	49.8	5.0	6.5	4.1	2.1	3.6	6.9	3.4	3.5	2.9	3.5	2.7	5.7
Canada	3.2	4.1	4.2	3.6	8.7	0.2	0.4	0.4	0.4	0.8	1.2	0.6	0.8	0.5	1.3	0.9	1.1
United States	26.8	21.4	19.2	32.4	41.2	5.3	1.9	1.7	2.9	2.5	3.3	2.7	4.6	3.3	3.4	4.2	5.3
Asia	93.8	155.8	160.7	231.6	292.4	20.3	17.0	21.8	16.2	21.7	27.5	19.0	21.9	16.5	44.0	27.4	39.2
China	81.9	139.8	144.8	203.5	266.4	18.7	14.6	18.3	14.4	19.8	25.4	17.4	19.2	15.1	41.1	25.7	36.6
Georgia	3.4	7.3	6.1	14.0	6.2	0.8	0.8	2.0	-	0.0	0.8	-	1.0	-	0.8	-	0.0
Japan	8.5	8.8	9.7	14.2	19.9	0.8	1.6	1.5	1.8	1.8	1.3	1.6	1.7	1.4	2.0	1.7	2.6
Other countries	60.2	87.3	108.7	160.6	326.2	23.7	23.3	17.8	25.4	32.5	26.8	30.2	37.2	25.9	27.7	26.2	29.4
Total	1,830.5	2,083.9	2,410.9	3,044.7	3,570.2	252.7	265.8	265.4	280.7	299.9	297.5	307.0	292.2	300.2	345.5	314.9	348.4

Source of data: General Directory of Customs. The published statistics are compiled in accordance with the balance of payments' methodology framework.

1/ The data for 2007 cover the period January - June 2007.

2/ The data for 2007 cover the period July - December 2007.



STRUCTURE OF IMPORT: BEC (BROAD ECONOMIC CATEGORY)  
in millions of EUR

	2004	2005	2006	2007	2008	January'08	February'08	March'08	April'08	May'08	June'08	July'08	August'08	September'08	October'08	November'08	December'08
1. Food and beverages	304.7	315.4	373.9	436.7	498.3	35.0	45.2	48.6	46.7	40.4	39.3	32.9	45.8	41.4	41.1	38.4	43.5
11 Primary	116.2	112.9	138.9	172.5	177.8	13.8	17.7	20.5	24.4	14.3	9.3	8.0	14.6	11.8	15.4	14.3	13.7
111 Mainly for industry	54.2	52.0	67.4	90.5	103.3	6.6	9.3	12.3	16.4	8.6	5.5	4.0	10.2	6.9	10.5	7.7	5.5
112 Mainly for household consumption	62.0	60.8	71.4	81.9	74.5	7.3	8.4	8.2	8.1	5.7	3.8	4.0	4.4	4.9	4.9	6.6	8.2
12 Processed	188.6	202.6	235.0	264.2	320.5	21.2	27.5	28.2	22.3	26.1	30.1	24.9	31.2	29.6	25.7	24.1	29.7
121 Mainly for industry	28.2	28.2	27.7	31.3	91.9	8.3	13.1	6.8	4.3	6.0	10.3	5.4	7.8	9.5	6.5	6.5	7.4
122 Mainly for household consumption	160.4	174.4	207.3	232.9	228.6	12.9	14.4	21.4	17.9	20.1	19.8	19.5	23.4	20.1	19.2	17.6	22.4
2. Industrial supplies not elsewhere specified	582.1	701.9	840.4	975.6	1,594.2	116.1	115.6	106.2	126.3	145.1	136.1	147.3	139.5	134.5	142.5	143.4	141.6
21 Primary	28.0	32.9	37.5	67.8	355.4	21.4	21.5	28.0	25.5	29.6	31.0	37.7	40.4	37.7	33.1	25.5	23.9
22 Processed	554.1	669.0	802.9	907.8	1,238.9	94.7	94.1	78.2	100.9	115.5	105.0	109.6	99.1	96.8	109.5	117.9	117.6
3. Fuels and lubricants	140.2	181.2	253.9	443.2	111.9	9.9	6.7	6.8	7.2	12.4	6.7	12.1	11.8	11.3	11.7	7.9	7.5
31 Primary	1.3	0.6	3.7	8.0	13.0	0.3	1.1	0.1	1.3	1.5	0.8	0.8	2.3	2.0	1.1	0.9	0.8
32 Processed	94.3	142.7	183.4	217.4	41.5	3.0	2.5	2.5	2.9	4.2	2.8	4.4	6.0	5.3	2.9	2.5	2.5
321 Motor spirit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 Other	44.6	37.9	66.7	217.8	57.3	6.6	3.0	4.2	3.1	6.6	3.2	6.9	3.6	4.0	7.6	4.4	4.2
4. Capital goods (except transport equipment), and parts and accessories thereof	290.6	335.4	307.3	392.8	602.2	43.7	40.1	46.3	42.2	38.8	51.4	47.5	37.5	54.0	73.8	48.7	78.2
41 Capital goods (except transport equipment)	197.0	230.9	214.2	280.2	448.8	32.2	31.5	36.7	33.3	30.3	40.4	38.4	29.6	36.4	59.1	32.4	48.4
42 Parts and accessories	93.5	104.4	93.1	112.6	153.4	11.6	8.6	9.5	8.9	8.5	10.9	9.1	7.9	17.7	14.7	16.3	29.8
5. Transport equipment and parts and accessories thereof	136.3	135.2	148.3	217.1	250.4	15.3	20.2	18.3	18.3	20.0	20.2	20.8	19.3	19.5	27.3	27.7	23.5
51 Passenger motor cars	72.7	66.7	76.2	115.9	119.5	7.7	9.5	7.7	8.8	10.5	10.0	11.1	9.7	10.5	12.4	9.8	11.8
52 Other	40.4	45.4	45.7	66.9	65.7	4.2	5.4	6.7	5.0	4.6	6.2	4.8	5.0	4.8	7.3	5.7	5.9
521 Industrial	37.4	42.1	43.2	63.3	60.9	4.0	5.0	6.4	4.7	4.4	5.9	4.4	4.5	4.5	6.4	5.1	5.6
522 Non-industrial	3.0	3.3	2.5	3.6	4.8	0.2	0.4	0.3	0.3	0.3	0.3	0.4	0.5	0.4	0.8	0.6	0.3
53 Parts and accessories	23.2	23.1	26.4	34.3	65.2	3.4	5.3	3.9	4.5	4.9	4.0	4.9	4.6	4.2	7.6	12.2	5.8
6. Consumer goods not elsewhere specified	376.5	414.7	487.0	569.0	512.6	32.6	38.0	39.1	39.9	43.3	43.7	46.4	38.4	39.4	49.1	48.7	54.1
61 Durable	47.1	57.2	68.2	92.1	84.2	5.8	6.1	5.8	5.7	6.3	7.1	7.4	6.8	6.4	8.4	9.0	9.4
62 Semi-durable	165.5	169.6	189.9	200.8	205.3	14.0	13.9	14.7	15.7	19.6	17.7	18.0	14.3	15.4	20.2	21.0	20.8
63 Non-durable	163.9	187.9	228.9	276.2	229.2	12.8	17.9	18.6	18.5	17.4	18.9	21.1	17.3	17.7	20.5	18.7	23.8
7. Goods not elsewhere specified	0.1	0.2	0.1	10.3	0.5	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.0
Total	1,830.5	2,083.9	2,410.9	3,044.7	3,570.2	252.7	265.8	265.4	280.7	299.9	297.5	307.0	292.2	300.2	345.5	314.9	348.4

Source of data: General Directory of Customs. The published statistics are compiled in accordance with the balance of payments' methodology framework

## ENDNOTES

<sup>1</sup> Including means of transportation.

<sup>2</sup> The numerical data found in the text do not fully correspond to the figures presented in the tables due to the rounding off of the numbers.

<sup>3</sup> The first 15 EU Member Countries.

<sup>4</sup> Central European Free Trade Agreement (CEFTA), which entered into force in July 2007.

<sup>5</sup> Balance of Payments Methodology, Bank of Albania, 2006.

<sup>6</sup> No information is available for the moment.

<sup>7</sup> Defined as short-term loans of the banking system.

<sup>8</sup> "Personal" covers leisure activities such as holidays, visits with relatives and friends, visits for health, study or health-related purposes.

<sup>9</sup> The analysis and chart exclude excursionists, since their visit is for less than 24 hours.

<sup>10</sup> Excursionists' expenditure has been excluded from the residents' category. Albanian immigrants' and excursionists' expenditure have been excluded from the non-residents' category.

<sup>11</sup> The terms are defined according to the Balance of Payments Methodology, Statistics Department, December 2006.

<sup>12</sup> F.o.b. (free on board) is the market value of the goods at the point of uniform valuation (the customs frontier of the economy from which they are exported), excluding freight and insurance charges.

C.i.f. (cost, insurance and freight price) is the price of a good delivered at the frontier of the importing country, including any insurance and freight charges incurred to that point.



