

Albania – a brief overview

Albania declared its independence from the Ottoman Empire in 1912, but was conquered by Italy in 1939. Albania allied itself first with the USSR (until 1960), and then with China (to 1978). In the early 1990s, Albania ended 46 years of xenophobic communist rule and established a multiparty democracy. Albania joined NATO in April 2009 and is a potential candidate for EU accession. Although Albania's economy continues to grow, the country is still one of the poorest in Europe, hampered by a large informal economy and an inadequate energy and transportation infrastructure.

Economy of Albania

Albania, a formerly closed, centrally-planned state, is making the difficult transition to a more modern open-market economy. Macroeconomic growth averaged around 6% between 2004-08, but declined to about 3% in 2009-11, and 0.5% in 2012. Inflation is low and stable. The government has taken measures to curb violent crime, and recently adopted a fiscal reform package aimed at reducing the large gray economy and attracting foreign investment. Energy shortages because of a reliance on hydropower - 98% of the electrical power produced in Albania. The completion of a new thermal power plant near Vlore has helped diversify generation capacity, and plans to upgrade transmission lines between Albania and Montenegro and Kosovo would help relieve the energy shortages. Also, with help from EU funds, the government is taking steps to improve the poor national road and rail network, a long-standing barrier to sustained economic growth. The country will continue to face challenges from increasing public debt, having slightly exceeded its former statutory limit of 60% of GDP in 2012. Strong trade, remittance, and banking sector ties with Greece and Italy make Albania vulnerable to spillover effects of the global financial crisis.

Key Industries of Albania

The key industries of Albania are perfumes and cosmetic products, food and tobacco products; textiles and clothing; lumber, oil, cement, chemicals, mining, basic metals, hydropower. The Agriculture products include wheat, corn, potatoes, vegetables, fruits, sugar beets, grapes; meat, dairy products; sheep.

Albania's major trading commodities and partners

The major trading commodities exported by Albania are textiles and footwear; asphalt, metals and metallic ores, crude oil; vegetables, fruits, tobacco. The major export partners of Albania are Italy 44.2%, Spain 9%, China 6.8%, Greece 4.9%, Turkey 4.7% (2012). While the commodities imported by Albania include machinery and equipment, foodstuffs, textiles, chemicals. The important import partners of Albania are Italy 34.9%, Greece 11.7%, China 7.5%, Turkey 5.6%, Germany 4.3% (2012).

Economic Relations between Pakistan and Albania

Albania and Pakistan had diplomatic relations. Pakistan diplomatic relations with Albania are very cordial given that Albania is a Muslim majority country, and the only European country with OIC membership. It was also agreed between the two leaders that visa restrictions would be relaxed for the officials and the business communities of the two countries in order to encourage frequent people-to-people contacts. Pakistan also offered Albania cooperation in the fields of agriculture, industry and education.

Bilateral Trade Relations between Pakistan and Albania

The bilateral trade relations between Pakistan and Albania are good however they are extending on slow pace where trade volume is very low. During 2012-13, Pakistan exported goods of \$ 2.91Mn to Albania while Pakistan's import from Albania were recorded at \$ 0.03Mn. The trade balance during 2012-13 was 2.87Mn which is in the favour of Pakistan. However there is a dire need of enhancing trade volume between Pakistan and Albania by finding out trade potential in related fields.

Trading Commodities between Pakistan and Albania

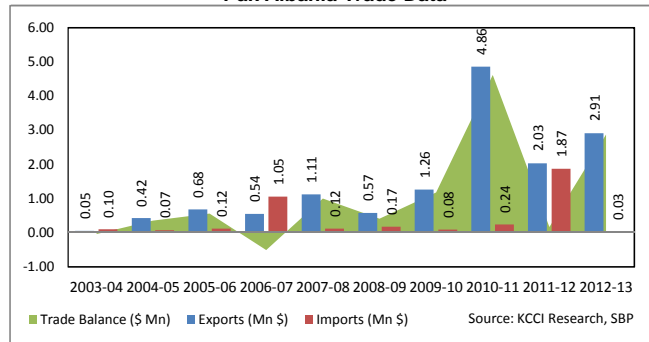
Among major items that are exported by Pakistan to Albania includes products of animal origin, cereals, cotton, plastics and its articles, textile articles, manmade staple fibres, toys, games, sports requisites, leather and its articles, nonwovens, technical medical optical and photo apparatus, articles of apparel etc. On the other hand, the commodities imported by Pakistan from Albania includes rubber and articles thereof, raw hides and skin, leather articles, fur skins, wood and its article etc.

Economic Indicators

Indicators	Unit	2011	2012 est.	Change
GDP (PPP)	\$ Bn	25.73	25.86	0.51%
GDP per Capita	\$	7,800	8,000	2.56%
GDP growth	%	3.0	0.5	-2.50%
Forex Reserves	\$ Bn	2.47	2.35	-4.97%
External Debt	\$ Bn	5.94	5.92	-0.35%
Exports	\$ Bn	1.95	2.12	8.55%
Imports	\$ Bn	5.08	5.22	2.82%
Trade Balance	\$ Bn	-3.12	-3.10	0.77%
Current Account	\$ Bn	-1.70	-1.45	14.45%
CPI	%	3.5	2.0	-1.50%
Unemployment	%	13.3	13.0	-0.30%
Lending Rate	%	4.70	4.0	-0.70%

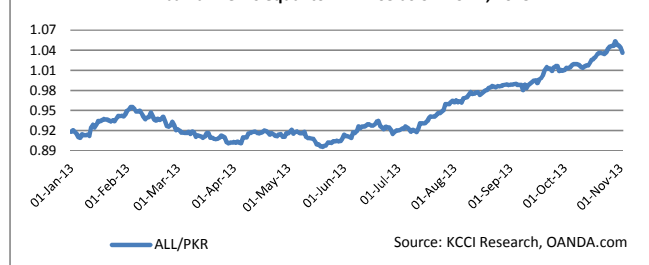
Sources: KCCI Research, CIA Factbook, TDAP, SBP

Pak Albania Trade Data



Albanian Lek (ALL) Vs. Pakistani Rupee (PKR)

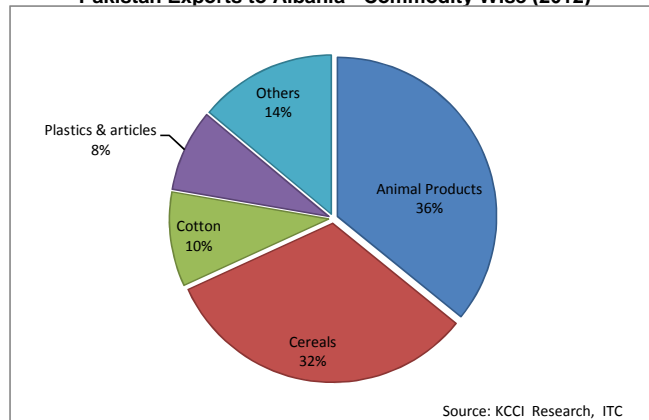
1 Albanian Lek is equal to PKR 1.03 as on Nov 2, 2013



Key Memberships

BSEC, EBRD, EITI (candidate country), FAO, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO (correspondent), ITU, ITUC (NGOs), MIGA, NATO, OAS (observer), OIC, OIF, OPCW, OSCE, PCA, SELEC, UN, UNCTAD, UNESCO, UNIDO, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Pakistan Exports to Albania - Commodity Wise (2012)



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