



Project E0016: Promoting the Role of Agriculture

THE ROLE OF AGRICULTURE IN THE ALBANIAN ECONOMY



ALBANIAN AGRICULTURE HIGHLIGHTS



THE VALUE OF ALBANIAN AGRICULTURE

Agriculture represents close to 17% of national GDP and 38% of total employment



INPUT OF AGRICULTURE TO OTHER SECTORS

A share of 22% of agriculture Value Added is used as intermediate production for the sector; 13% goes to Industry and 8% to trade and accommodation; industrial transformation and trade distribution represent 20% of total agricultural output consumption*



FARMERS AND ENTERPRISES

There are over 42 thousand firms in the agricultural sector in Albania; according to the business register about 41 thousand farmers in Albania**. The business structure of agriculture is therefore very fragmented.



PRODUCTION

In 2018, there were produced 1,166,283 tonnes of vegetables, with an increase of 1.24% compared to the previous year. In 2018 the production of olives was 117,573 tones, with an increase of 9.04 % compared to the previous year**



PRODUCTIVITY

Labor productivity has increased recently but it is still lagging with regard to EU average productivity



REGIONAL SPECIALISATION

With 22% of the total sown area with crops, the Region of Fier represents the more specialised region in Albania. Fier produces also one third of all fresh vegetables in Albania and generates 22% of Gross Value Added in national agriculture**

*= INSTAT, Supply and use tables, 2017

**= INSTAT, Regional Yearbook, 2019

2. THE ROLE OF AGRICULTURE IN THE ALBANIAN ECONOMY

- ❖ The labour market has been recently characterized by high unemployment (average unemployment rate from 2007 to 2013 was 14%), especially among the young (average unemployment rate for aged 15-29 from 2010 to 2016 was 28%) and very low participation of girls and women (56% in 2017 compared to 66% of EU-28).
 - ❖ Albania has a relatively young workforce (26.4% of people aged between 15 and 24 years) but it faces a high percentage of the working age population that continue to migrate for work to the EU or other countries (about a quarter of total working age population).
 - ❖ The potential linked to a young population and the need to develop economy-wide internal opportunities set the background of the current social and economic Albanian crucial challenge in view of accession to the EU.
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- ❖ **According to latest data obtained for this report (2017) agriculture is the leading employment sector in Albania with 38% of all national employed people. Agricultural employment is 9 times the average agriculture employment in EU28 countries. This concentration has decreased from 46% in 2012, benefiting a rise of employment in other economic sectors (industry and services).**
 - ❖ **Economic growth during the second decade of transition in Albania has largely been the result of a shift in the labour force from low to higher productivity sectors and structural transformations, which have created jobs in manufacturing industries and services while the role of agriculture, still prevailing in employment terms, has decreased. Although a process of slow economic diversification is occurring in Albania, agriculture remains the key employment sector.**

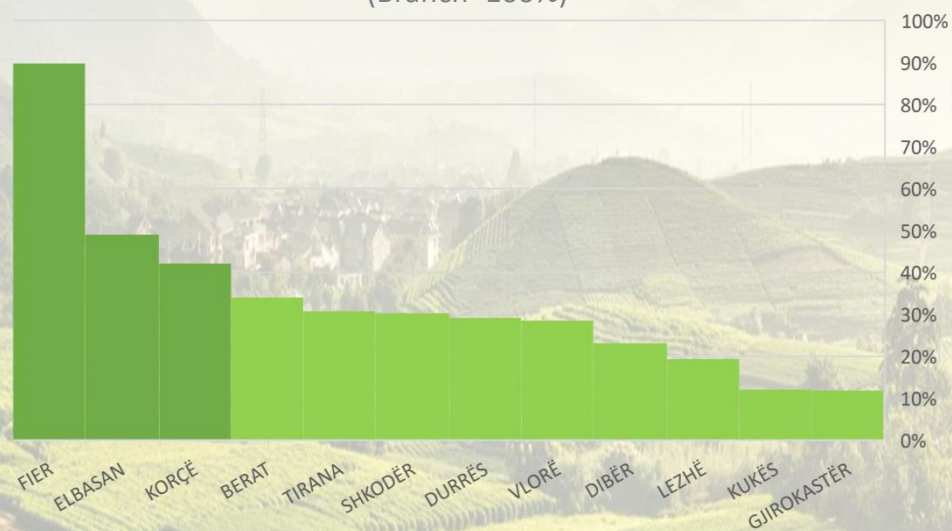


2. THE ROLE OF AGRICULTURE IN THE ALBANIAN ECONOMY

❖ Agriculture is the main source of employment in Albania with 36% of the total labour force (INSTAT, 2019)

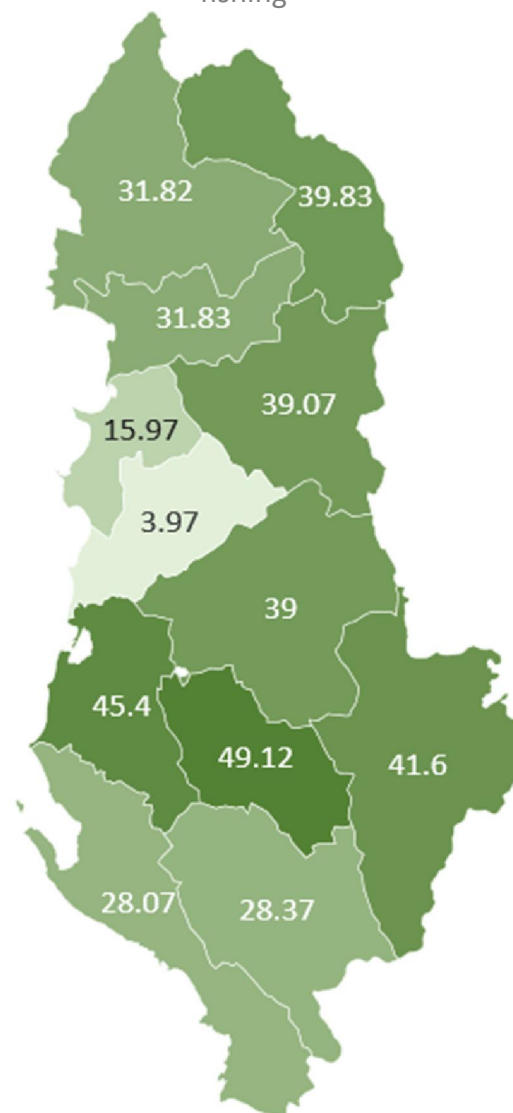
❖ Although agriculture still represents on average close to one third of regional gross value added, there is a concentration of national value added by which the first three specialised regions account for 45% of total value.

Share of GVA by branches and by prefectures for year 2017
(Branch=100%)



Source: elaboration on INSTAT, Regional Yearbook, 2019

Structure of Gross Value Added (GVA) by economy branch and prefecture, year 2017 (Prefecture=100) Agriculture, forestry and fishing



2. THE ROLE OF AGRICULTURE IN THE ALBANIAN ECONOMY

Concentration of main agricultural productions over 3 main regions (% over national production)

	first region		second region		third region	
cattle meat production	Fier	16.2	Elbasan	14.8	Tirana	9.8
cow milk production	Fier	20.7	Elbasan	13.7	Tirana	10.8
vegetables production	Fier	31.4	Tirana	25	Shkoder	25
fruits production	Korca	23.6	Elbasan		Berat	
olive production	Berat	26.4	Fier	19.2	Vlora	17
grape production	Fier	20.3	Berat	12.6	Elbasan	11.7
wheat production	Fier	27.2	Korce	17.4	Elbasan	17
maize production	Fier	18.1	Elbasan	12.7	Shkoder	11.8

Source: our elaboration on data from Inter-sectoral strategy for agriculture and rural development in Albania