

COUNTRY FACTSHEET

Albania

Albania's economy grew, supported by services and construction, particularly tourism.

Inflation stayed below Bank of Albania's target.

Public debt declined to 53.2 percent of GDP by end 2025.

Albania's current account balance improved, supported by strong tourism driven service exports, despite weaker goods exports reflecting domestic currency appreciation and rising labor costs. Albania is creating new goods export relationships at rates comparable to peers; while these persist longer than in Western Balkan peers, most remain short lived, with only 36 percent surviving the first year and 4 percent lasting beyond five years. FDI continues to increase and remains the main source of current account financing, with around 80 percent of FDI related jobs concentrated in high value added sectors.

Unemployment declined, largely reflecting a shrinking labor force driven by emigration and population aging rather than stronger job creation. Albania remains one of the region's largest sources of outmigration per capita, while those who stay face persistent employment barriers—care and family responsibilities keep many women, particularly ages 25–54, out of the workforce, and youth unemployment, at 21.5 percent, remains well above the EU average of 14.7 percent.

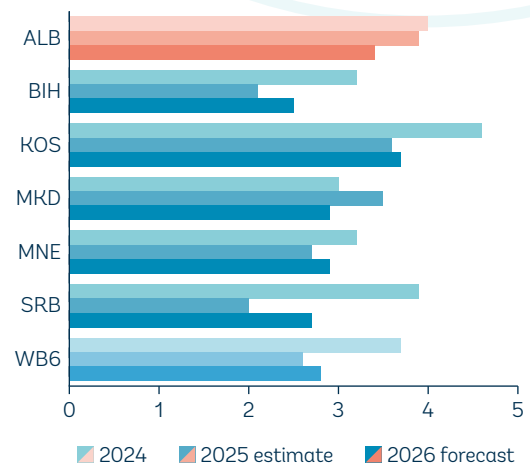
Albania's economy continues to demonstrate resilience, but sustaining this momentum demands bold structural reforms. The path forward is clear, faster EU accession reforms, stronger investment in human capital and digital infrastructure, and unlocking private capital to accelerate investment, create jobs, and accelerate convergence with the EU."

Massimiliano Paolucci
 World Bank Group Country Manager for Albania

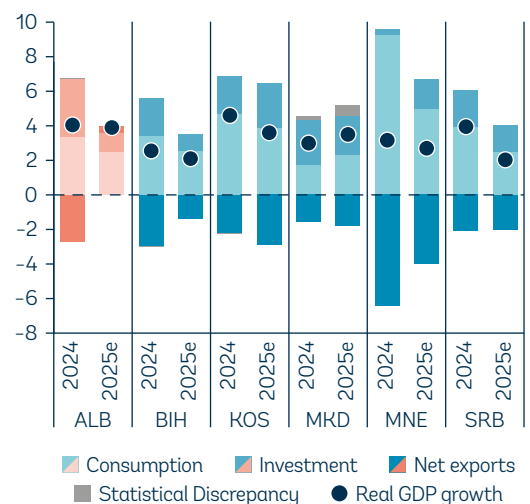
Looking ahead, growth is expected to slow as higher energy prices and Middle East related trade disruptions weigh on purchasing power. Sustaining growth in a context of a shrinking labor force will require mobilizing underutilized human capital—through benefit system reform, alleviating childcare constraints, stronger vocational training, and more inclusive employment opportunities for youth and women.


Real GDP growth

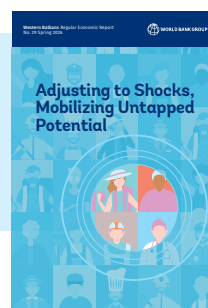
Percent


Annual Growth Composition

Percentage point



Source: National statistical offices and World Bank estimates.
 Note: WB6 = Western Balkans six; e = estimate.



For more information and previous editions of the Western Balkans Regular Economic Report, click [here](#).