



Dynamics, Characteristics and Prospects of Consumer Spending in Albania

Alqi Naqellari

Lecturer at the Mediterranean University of Albania

Eros Angjeli

Lecturer at the Mediterranean University of Albania

Nexhmi Dumani

Lecturer at the Mediterranean University of Albania

Doi:10.5901/jesr.2017.v7n2p81

Abstract

In this paper analyzes the problem of the dynamics of income and expenditure of households in Albania. Analyzing costs in general, spending on food in particular, both connected with a range of other indicators of welfare, with per capita income, expenses for the basket of goods, according to its elements and structure. Survey basket expenditure according to regions of Albania. Analyzed per capita income, expenses basket compared with countries in the region, Europe and the world. The goal is: to extract an accurate conclusion, the place at which ranks Albania in these indicators. What to do in the future, in order to emerge from this negative situation. The conclusions drawn from the analysis are: Albania ranks last places of the world, the indicator of per capita income and expenditure of households. Ranked in first countries in the region and in Europe for the indication of the percentage of expenditure on food and non-alcoholic drinks to the total cost of items in the basket. This situation has come as a result of lower rates of growth of its economy. It recommended changes in the structure of GDP in terms of growth of light industry and food industry extraction and processing, etc. By developing these branches will grow faster GDP and national income, and consequently will increase per capita income. Methods used are: methods of analysis and synthesis, methods of description and comparison, statistical methods etc.

Keywords: Income per capita nominal GDP, real GDP, unit costs for households, expenditure on food and non-alcoholic drinks

1. Introduction

Albania before 1990 do not count some macroeconomic indicators. This is because everything was planned by the government, the High Commission of the State Plan. High Commission of the State Plan planned production and per capita consumption. In this way, not is estimated the inflation rate and the unemployment rate. These economic phenomena, open economies, considered as phenomena alien to the socialist economy. In 1993 it was drafted first basket of goods on the basis of which will calculated inflation rate. In this period, the indicator of expenditure on food and non-alcoholic drinks, as a percentage of the total estimated expenditure for an average citizens household was 72.4%.

This is because in the previous period, one of the main goals of the objectives of the government, was to provide bread instead. Great poverty of 1980-1990 years did people consume more bread, and a few other assortments. Bread was the staple food of Albanian families. This continued even after 1990. Later the beginning of privatization, with the increasing number of refugees and immigrants, with the opening of the Albanian economy to the world these reports changed in terms of increasing other expenses, and lowering costs for food. But even today this item, compared with other countries in the region, Europe and the world is very high. This is because the growth rate of the Albanian economy are still low making the per capita income grow slowly. It is this reason that analyzed precisely welfare indicators dealing with food and other expenses in general.

1.1 The dynamics of per capita income

Income per capita in Albania is low. This is linked to nominal GDP and national income is related to the number of population. Over the years the per capita income have increased but their level, compared with other countries in the region, Europe and the world is quite low. Gross Domestic Product per capita in Albania in 2015 was US \$ 4543.09. GDP per capita in Albania is equal to 36 percent of the world average. GDP per capita in Albania from 2000 to 2015, has averaged \$ 3,180.96. The highest level of GDP reached in 2015 to \$ 4543.09 and the lowest low \$ 1,201.83 in 2000. GDP per capita in Albania over the years have been:

Table 1: Per capita income in dollars

GDP per capita		GDP per capita	
2000	1,201.82	2008	3,775.48
2001	1,332.85	2009	3,928.34
2002	1,446.35	2010	4,094.36
2003	1,831.17	2011	4,210.68
2004	2,408.91	2012	4,277.14
2005	2,692.90	2013	4,329.99
2006	2,925.46	2014	4,412.49
2007	3,484.25	2015	4,543.09

Source: www.Tradingeconomics.com. Instituti Statistikave(INSTAT)

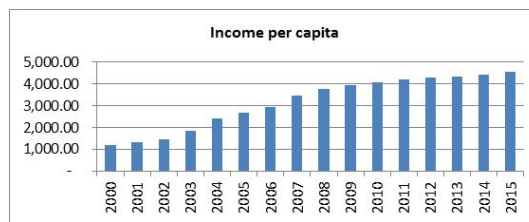


Fig. 1: Income per capita in dollar

Per capita incomes have risen. Their growth rate is low.

Correlative link between indicators of per capita income, average monthly spending per household and the average monthly expenditure for food.

Table 2: Relationship between per capita income, average monthly spending for a month famile and food costs.

		2007	2009	2014	2015
The average monthly expenditure per household	X ₁	69,383.00	65,753.00	69,442.00	70,766.00
GDP per capita	X ₂	3,484.25	3,928.34	4,412.49	4,543.09
The average monthly expenditure for food	X ₃	33,003.00	32,470.00	30,745.00	34,489.00
X ₃ /X ₁ nw %	X ₄	47.60	49.40	44.30	48.70

Source: Bank of Albania, Statistical Reports (2008-2016)

The connection between X₁ and X₂ is +04, the connection between X₁ and X₃ is -0.3 and the bond between X₂ and X₃ is -0.96. The connection is strong and to reverse sent between monthly income and monthly expenses for food.

1.2 Comparing income with other countries of the world

In the item "Income per capita" Albania is ranked 115 in the world in 200 countries.

Table 3: Countries with higher income per capita in the dollar in the world are:

1	Bermuda	106140	14	United Kingdom	43390
2	Norway	93740	15	France	40540
3	Schweiz	84630	16	Europe & Central Asia	24206
4	Luxembourg	77000	17	Malta	23930
5	Denmark	58550	18	Slovenia	22190
6	Sweden	57920	19	Portugal	20530
7	Ireland	52580	20	Czech Republic	18140
8	Iceland	50140	21	Slovak Republic	17570
9	Netherlands	48860	22	Latvia	14980
10	Austria	47410	23	Lithuania	14940
11	Finland	46550	24	Poland	13340
12	Germany	45940	25	Hungary	12980
13	Belgium	44250	26	Croatia	12700

Source: EUROSTAT

The above data show that Western European countries have per capita income highest in the world. Albania can not be compared to any Western European country. In 2015, Albania ranks as the country with the lowest income per capita in Europe, with about 30% of the average of European Union countries. In comparison with Norway has (93740/4280) 22 times less, or income of Albania are as 4.5% of revenues Norwegians.

In comparison with Croatia, which is the last place in the rankings, has nearly 3 times less per capita income. In this aspect it does not compare well with other countries in the region. In neighboring countries, per capita income in Serbia is around 37% of the EU average, Macedonia about 36%. Albania, compared with 2005, little progress has been made in increasing the income per capita, compared with the European average, only a few percentage points.

Table 4: Income countries of the region in the dollar for 2015

1	Kosovo	3970
2	Albania	4280
3	Bosnia and Herzegovina	4670
4	Macedonia.FYR	5140
5	Serbia	5540
6	Montenegro	7220
7	Bulgaria	7480
8	Turkey	9950
9	Bota	10548
10	Greece	20320
11	Italy	32810

Source: EUROSTAT

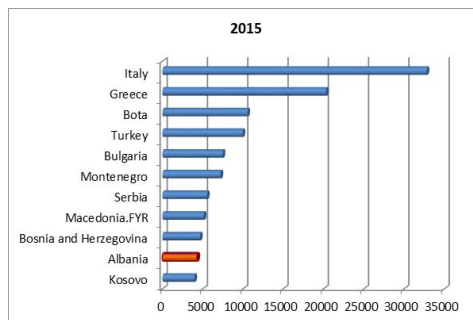


Fig. 2: Income per head for the region in dollar

If you also include Moldova and Ukraine, Albania ranks fourth in Europe because Ukraine has per capita income of \$ 3,560 while Moldova has \$ 2,560.

The above data show that Albania is the penultimate place among countries in the region. Last place is occupied Kosovo. Higher income per capita than Albania have also and Montenegro, Macedonia, Greece and Italy, which are neighboring countries.

The per capita income are associated with national income and GDP. If these indicators are high, they will also be high per capita income, especially in the case of Albania, where since 1990 and until today we have not increased the number of population.

According to INSTAT only in 2016 the population has increased 1000 capita. Nominal GDP and national income were lower. It also entailed the lowest income per capita. The income per capita are also linked to consumer spending. As incomes per capita are low and consumer spending will be lower. On the other hand, spending on food and non-alcoholic drinks (in%) were much larger than other expenses basket of products.

What international organizations recommend for revenue growth in Albania?

Moody's notes that Albania has its untapped potential in agriculture and tourism. Albania's agriculture sector, which benefits from a mild climate and abundant water resources, employs about 40% of the workforce and contributes a fifth of the country's GDP.

Development of agriculture in Albania is based on a low value-added, with a special focus on livestock, crops and fruits. The agricultural sector has also seen lower convergence in relation to other countries in the region. Moody's notes that the sector continues to be hampered by high fragmentation of agricultural land, low penetration of technology and lack of infrastructure and irrigation, which are aggravated by the lack of credit and the informal sector competition.

Similarly, the tourism sector remains below its potential due to underdeveloped infrastructure in Albania and difficulties in obtaining building permits.

According to the 2015 World Economic Forum of Tourism, Albania, from 141 countries around the world, ranked 106, with poor results in the protection of property rights, the time needed to obtain construction permits and market concentration.

2. Dynamics and Features on Consumer Spending for the Years 2007-2015

Table 5: Structure of the consumer basket in years, as amended.

Main group expenditures(COIPPOP)		Total					
		1993	2001	2007	2009	2014	2015
1	Food and non-alcoholic beverage	72.4	42.6	47.6	49.4	44.3	48.7
2	Alcoholic beverages,tobacco	x	3.1	4.3	4.2	3.6	3.5
3	Clothing and footwear	2.8	3.9	6.2	5.4	5.1	4.9
4	Housing, water, electricity, gas and other fuels	6.4	24.4	7.4	9.0	10.2	10.3
5	Furnishing, household equipment and routine household maintenance	8.3	4.6	5.9	4.9	5.4	4.8
6	Health	0.8	2.1	4.1	2.7	4.8	3.6
7	Transport	5.2	4.8	6.2	5.7	6.8	6.8
8	Communication	x	1.3	2.9	3.5	3.3	3
9	Recreation and culture	3.6	2.6	3.1	2.3	3.1	2.9
10	Education	x	1	1.7	2.0	4.2	2.1
11	Restaurants and hotels	x	7.2	5	5.0	3.2	3.6
12	Miscellaneous goods and services	0.5	2.4	5.5	5.8	6	5.8
	Total	100	100	100	100.0	100	100

Source: INSTAT, the household budget survey in Albania since 2006-2007, 2014 and 2015.

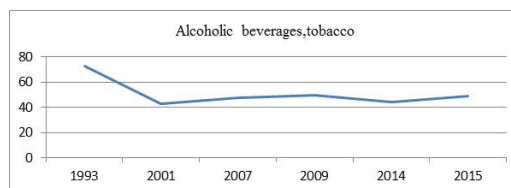


Figure 3: Structure of expenses by years

Data and chart above show that the dynamics of food to total expenditure basket of items (%) from 1993 to 2001 has been decreased. This shows the change of the structure of nutrition. Families having their immigrant members provided more income. In this way they began to consume more products and other goods basket. In this group we include rent, furnishing, education and transport. The privatization of property, freedom of import - exports resulted in low cost goods that enter into Albania. In this way families spend more money on other products than food. From 2001 to 2009 rose again costs for food and non-alcoholic drinks to total expenditures. In this period, they increased costs for health, transport and communication. This difference is related to remittances and with the growth rate of revenue in general.

In the years 2010-2014 have decreased his and an increase in 2015. This volatility associated with the pace of economic growth, which after 2009 was a visible decrease. This was affected by the global recession and financial crisis.

2.1 The dynamics and features of consumer spending for years:

2.1.1 2006- 2007

Average monthly household spending estimated at 69 thousand ALL considering that a family in Albania has an average of 4 persons. The total amount of monthly expenses of Albanian families, estimated to be about 752 thousand families, totaling 52 billion per month. An individual in Albania spends on average about 17 thousand per month, of which 9 thousand for food intake and 8 thousand for non-food consumption. In comparison with the years 1999 - 2000 the average monthly per capita consumption has increased 2.2 times. Given that inflation has risen 23.2% in the period 2000-2007, we conclude that real per capita spending increased about 1.8 times.

Monthly expenses (ALL) for a family in the years 2006-2007 have been 69,383, while per capita were 17,346 ALL. Expenditure on food and non-alcoholic drinks were respectively 33,003 and 8251 ALL.

Table 6: The structure of the basket ALL and in percentage (2007-2015)

	Large consumer groups (in years)	2007		2009		2014		2015	
		Amount in ALL	%	Amount in ALL	%	Amount in ALL	%	Amount in ALL	%
1	Food and non-alcoholic beverage	33,003	47.6	32470	49.4	30745	44.3	34489	48.7
2	Alcoholic beverages,tobacco	3011	4.3	2739	4.2	2467	3.6	2507	3.5
3	Clothing and footwear	4297	6.2	3552	5.4	3546	5.1	3449	4.9
4	Housing, water, electricity, gas and other fuels	5109	7.4	5941	9.0	7085	10.2	7318	10.3
5	Furnishing, household equipment and routine household maintenance	4081	5.9	3215	4.9	3772	5.4	3378	4.8
6	Health	2845	4.1	1802	2.7	3337	4.8	2533	3.6
7	Transport	4332	6.2	3757	5.7	4713	6.8	4796	6.8
8	Communication	2044	2.9	2311	3.5	2299	3.3	2095	3
9	Recreation and culture	2162	3.1	1525	2.3	2184	3.1	2082	2.9
10	Education	1191	1.7	1327	2.0	2901	4.2	1505	2.1
11	Restaurants and hotels	3482	5	3315	5.0	2208	3.2	2537	3.6
12	Miscellaneous goods and services	3826	5.5	3799	5.8	4185	6	4076	5.8
	Total	69383	100	65753	100	69442	100	70766	100

Source. INSTAT. Household Budget Survey. 2007- 2006- 2009- 2014 and 2015

2.1.2 Analysis 2007-2009

Average consumer expenditure groups "food expenses and non-alcoholic beverages", "Alcoholic beverages and tobacco" and "Restaurants and hotels" have been declining during the period 2007 - 2009, respectively 1.6 percent, 9.0 percent and 4.8 percent. But the amplitude of decline is lower expenses as food and non-alcoholic beverages as well as for restaurants and hotels.

A significant decrease during this period, have undergone spending on "Health" with 36.7 percent, "Recreation and culture" with 29.5 percent, "Furnishing, household equipment and regular maintenance of the apartment" with 21.2 percent and "Clothing and footwear" by 17.3 percent. Groups which have increased consumer spending in 2009 to 2007,

are "Expenses for housing, water, electricity and rent paid" by 16.3 percent, "Communication" with 13.0 percent and "Education" with 11,4 percent.

2.1.3 Analysis 2009-2014

Comparison of average monthly consumption expenditure in 2014 and 2009 shows a decrease in the budget of households that goes for "food expenses and non-alcoholic beverages" of 5.3 percent. An even more significant discounts have been spending on "Alcoholic drinks and tobacco" by 9.9 percent, while the group with the most significant reduction of expenditures is the group "restaurants and hotels" of 33.4 percent.

Groups that have recorded the highest increases in consumer spending are "education" with 118.6 percent and "Health" with 85.2 percent. Other groups with increased consumer spending are "Recreation and Culture" with 43.2 percent, "Transport" with 25.5 percent, "Expenditure on housing, water, electricity and rent paid" by 19.3 percent, "Furnishing, household equipment and regular maintenance of the apartment" with 17.3 percent.

Evaluation of average monthly consumption expenditure of households in 2009, compared with the average monthly expenditure of 2007 was 5.2 per cent lower (Table 5). According to the survey HBS 2007, total monthly expenditures for households consumption was about 52 billion per month. In 2007, the number of households in Bangladesh was estimated to be around 752 thousand.

2.1.4 Analysis 2014 - 2015

The average monthly expenditure of a household consumption for 2014 were about 69 thousand. On a per capita was spent 18 thousand, their food intake of 8 thousand and 10 thousand non-food.

Evaluation of consumer spending of households in 2015 was 1.9 percent higher than in 2014. The growth of consumer prices recorded for the period January - December 2015 compared with the period January - December 2014 was 1.9 percent.

The biggest change was recorded in the "food expenses and non-alcoholic beverages", which is an increase of 4.4 percent compared with a year ago. A slight increase has also suffered the group "restaurants and hotels" by 0.4 percent and the group "flat expenses, water, electricity and rent paid" by 0.1 percent.

Groups that have registered large declines in consumer spending structure during this period were "Education" by 2.1 percent and "Health" by 1.2 percent. Other groups with lower consumer spending are "Furnishing, household equipment, regular maintenance of the dwelling" by 0.6 percent and "Communication" with 0.3 percent. A slight decrease recorded the group "clothing and footwear", "Recreation and Culture", "Other goods and services" by 0.2 percent each and "Alcoholic drinks and tobacco" by 0.1 percent. "Transport" occupies the same percentage of households within budget as last year.

Changing the structure of the main expenditure groups in 2015 compared to 2014 is mostly due to the effect of prices which has affected the growth and redistribution of the household budget.

3. Dynamics and veçoritë consumer spending by region 2007-02015

3.1 Consumption by counties 2006-2007

Tirana represents the highest consumption in value compared to all other prefectures, a family spends an average monthly capital 83.800 ALL. Prefectures that present the highest expenditures for consumption, after Tirana, Durrës and Gjirokastra are family monthly consumption 82.900 and 82.800 respectively Lek. The prefecture with the lowest level of consumer spending is Dibra and Berat respectively with 51,300 and 54.100 lek per month per household.

Table 7: Average monthly consumption per household by prefecture 2007 ALL

Lushnjë	Fier	Vlorë	Tiranë	Shkodër	Lezhë	Kukës	korçë	Gjirokastrë	Elbasan	Durrës	Dibër	Berat
63,823	62,717	56,146	83,817	70,591	62,562	57,866	62,171	82,815	65,037	82,905	51,262	54,146

Source: INSTAT. Household Budget Survey

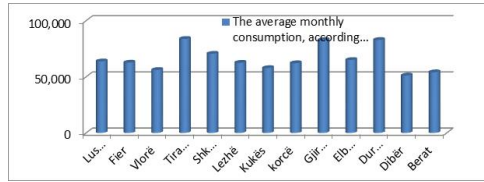


Fig. 4: Monthly consumption by prefecture in 2007

3.1.1 Year 2014

Tirana County presents higher costs monthly average consumption compared to all other regions: an households in Tirana region average consumer spends about 81. 656 ALL per month. Counties that represent higher average costs for consumption after the Tirana region are Lezha and Shkodra with average monthly consumption expenditure respectively 78. 811 and 76. 509 ALL per month for households. Counties with the lowest level of the average monthly consumption expenditures are the region of Vlorë and Elbasan with 54. 931 and 53. 013 ALL respectively per month for households.

3.2 Distribution of average consumption expenditure by households counties over the years 2007- 2009-2014

The average consumption expenditure by region vary over time (Figure 5) expressing different trends in their rankings, the size and the cost. Tirana County presented with higher average costs for consumption in 2014 and 2007, and in 2009 ranked third after district of Gjirokastra and Fieri. In 2014 the district of Lezha and Shkodra that present the highest average spending for consumption. In 2007, Durres and Gjirokastra district after district of Tirana that lead to higher costs average consumption. Counties with lower costs for consumption in the years change. Berat, Kukës and Dibra in the first two years of conducting the survey ranged in counties with lower costs intake. In 2014 they change their position (being set in order) leaving the position of Elbasan and Vlorë counties.

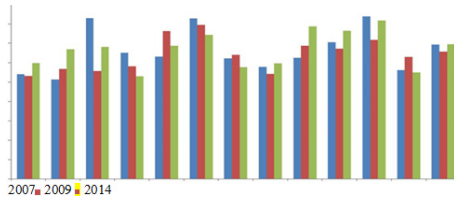


Fig. 5: Average monthly consumption expenditures for households¹ by region in years.

Source: INSTAT. Household Budget Survey

3.3 Distribution of consumption expenditure of households by region, 2014-2015

Table 8: Average monthly consumption expenditures by region in 2014-2015 ALL

Counties and years	2014	2015
Tiranë	81656	81710
Lezhë	78811	79374
Shkodër	76509	74658
Gjirokastër	74293	74993
The country's average	69442	70766
Fier	68721	69125
Durrës	68083	74602
Dibër	66951	56221
Berat	59854	65840
Kukës	59623	68989
Korçë	57633	64417
Vlorë	54931	51198
Elbasan	53013	55671

Source: INSTAT. Household Budget Survey

¹ Households unit

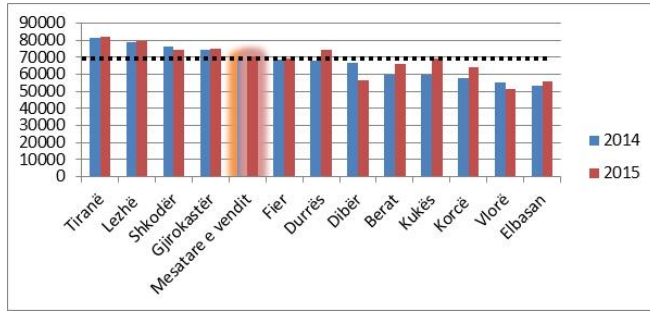


Fig. 6: Average monthly consumption expenditures by region in 2014-2015 ALL

The average consumption expenditure by region (Figure 6) have changed over the period 2014-2015 expressed in various general trends in their rankings (the size of spending). As in 2014, the region of Tirana presented with higher costs for the consumer, almost at the same level in both years. Lezha district also continues to be the second in the ranking of the size of expenditure, with a slight increase of 0.7 percent. In 2015 the district of Gjirokastra, which is ranked third with a slight increase of 0.9 percent while the Shkodra district ranked third in 2014, recorded a decline in consumer spending of 2.4 percent, fourth last. A significant increase in the region of Durres presented (9.6 percent), which runs for the ranking and the national average, joining the four counties with the highest welfare (in terms of consumer spending). The highest growth in consumer spending was recorded in Kukës and Korca, 15.7 and 11.8 percent respectively. While more pronounced reduction in consumer spending was recorded in the district of Dibra, with 16.0 percent.

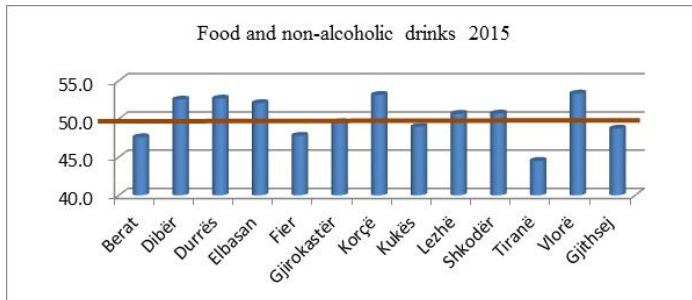


Fig. 7: Food and non-alcoholic beverages by region

4. Comparison of consumer spending in Albania in the region and beyond

Usually the question is, what spend money Albanians, compared with the EU average? The answer is that the imbalances in the level and lifestyle are obvious, in terms of food, transportation, entertainment, restaurants etc., With the exception of clothing, which compete strongly.

Albanians spend half of income on food ndërsa 12.3% Europeans. In EU countries, according to historical records of INSTAT, the share of expenditure on food has remained at around 12% since 2005, when data were reported.

Household Budget Survey of 2015 INSTAT and the household survey EU, published by INSTAT, measured both by COICOP nomenclature. (Classification of Individual Consumption According to Purpose- Klasifikimit të Konsumit Individual sipas Qëllimit) have determined the structure of expenditure Families Albanian and EU.

Table 9: Consumption and their structure ALL for 2014-2015(%)

No	Consumption and	2015	BE 2015
1	Food and non-alcoholic beverage	48.7	12.3
2	Alcoholic beverages,tobacco	3.5	4
3	Clothing and footwear	4.9	5.1
4	Housing, water, electricity, gas and other fuels	10.3	23.8
5	Furnishing, household equipment and routine household maintenance	4.8	5.6
6	Health	3.6	3.7
7	Transport	6.8	13.1
8	Communication	3	2.7
9	Recreation and culture	2.9	8.9
10	Education	2.1	1.1
11	Restaurants and hotels	3.6	8.2
12	Miscellaneous goods and services	5.8	11.5
	Total	100	100

Source: INSTAT, Albania

The data show that Albanian families spend nearly half the cost (48.7%) for food and non-alcoholic beverages, consumers within the EU spend only 12.3% of the budget to meet the needs of life (feeding into a living normal).

For the EU as a whole, as well as for the majority of member states (with the exception of Estonia, Lithuania, Malta and Romania) by the group "Costs of housing, water, electricity, rent", with 23.8 % followed by 'Transport', with 13.1% and the group "Food and non-alcoholic beverages" is the third, unlike that of Albanian families that occupies most.

4.1 Differences between EU countries

Table 10: Costs for accommodation, water, electricity, gas or other fuel. Ratio of total expenses, expenses for food and non-alcoholic beverages, transport costs.

Nr	Description	EU countries					
		1	Costs for accommodation, water, electricity, gas or other fuels to total expenditure ratio has been:	Danimark 29.4	Finland 28.2	Franca 26.4	Malta 10.1
2	Expenditure on food and non-alcoholic drinks,	Luksemburg 9.4	Irlanda 9.5	Rumania 29.4	Estonia 20.7	Lituania 23.4	UK 8.3
3	Transports costs	Slovenia 16	Luksemburg 15.8	Lituania 14.6	Slovakia 7.5	Republika Çeke 9.3	Spanja 10.8

Source: Eurostat, EU

Albanian families with half of the budget, which remains after consuming food needs, have little alternative choice. Unlike Europeans, entertainment and culture to spend about 9% of the budget for the Albanian families this share is only 3%. For restaurants Europeans spend 8.2% of the money, Albanians spend 3.6% (note that the absolute costs of a lunch in Albania are lower than the cost of a luncheon in Europe).

Clothing and footwear for Europeans spend 5.1% of the budget, spend 4.9% Albanians.

The opening of private universities and university fees increase state spending has increased 2.1% Albanians in the budget, while Europeans is 1.1%. Not that the latter does not prefer to be educated, but they have more alternatives to public education.

Health, costs are similar, 3.6% in Albania and 3.7% in EU countries.

In 2015 Albanian families increased spending on food consumption with 4.4 percentage points compared with 2014 n. The tendency to reduce other costs and focus towards food is the best indicator that Albanian families are getting poorer and their main concern is to ensure the basic living needs. This is a flashback, as in the last decade, the share of expenditure on food had arrived only on the landing.

4.2 Some information for veçanta countries of Europe and the world

In Montenegro, according to Monstat, this share is 36.4%, in Bosnia and Herzegovina is around 34%. Serb families, according to the National Statistical Office spend 37.7% of its budget on food. It is higher for Kosovo with 43% according to official data from the Statistics Agency.

Table 11: The weight of food expenditures as a percentage of household expenditure in 2015

Maqedonia	33.7
Bosnjë Herzegovina	34
Mali Zi	34.6
Serbia	37.7
Kosova	43
Albania	48.7

Source: USDA, Economic Research Service.

Albania is a major importer of food. There are also products that are more expensive than in Italy, while the income of Albanians are much lower than the income of Italians.

Table 12: How many countries spend on food, as a percentage of household expenditure.

Nr	How many countries spend on food, as a percentage of household expenditure.	%	Nr	How many countries spend on food, as a percentage of household expenditure.	%
1	United states	6.5	19	Ukraine	37.7
2	United Kingdom	8.7	20	Maqedonia	33.7
3	Canada	9.6	21	Bosnjë Herzegovina	34
4	Germany	10.6	22	Mali Zi	34.6
5	South Korea	13.2	23	Serbia	37.7
6	Japan	13.5	24	Azerbaxhani	40.1
7	France	13.6	25	Guatemala	40.6
8	Italy	14.2	26	Pakistani	40.9
9	Brazil	15.6	27	Pakistan	41.4
10	Greece	16.5	28	Filipine	41.9
11	South Africa	19.1	29	Algjeria	41.5
12	Turkey	21.6	30	Kazakistani	43
13	Mexico	23.3	31	Kosova	43
14	Saudi Arabia	25.3	32	Cameroon	45.6
15	China	25.5	33	Albania, Shqipëria	48.7
16	India	29	34	Kenia	48.7
17	Russia	29.4	35	Nigeria	58.4
18	Egypt	36.2			

Source: USDA, Economic Research Service.

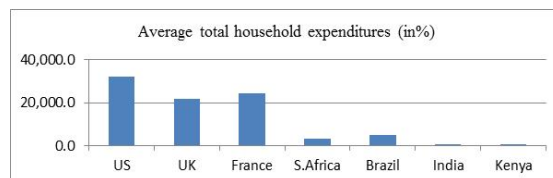


Fig. 8: Average total household expenditure

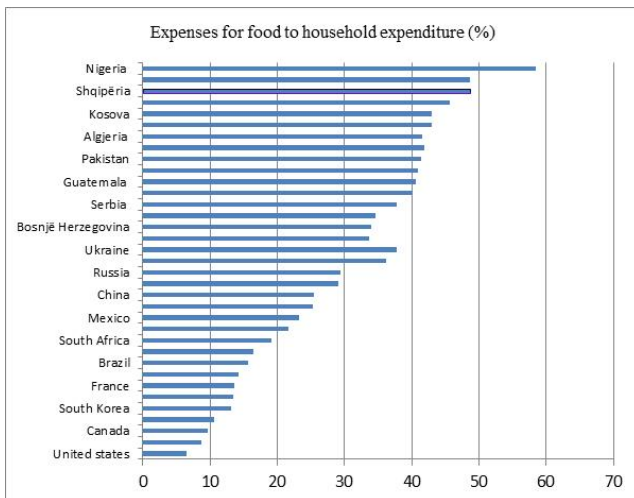


Fig. 9: Expenses for food to household expenditure (%)

5. Conclusions

Welfare indicators of Albania ranks last places in the world. For the average per capita income in 200 countries ranked 115. As regards expenditure for a family spending on food and ranks fourth in Europe leaving Kosovo, Moldova and Ukraine. In recent years spending on food and non-alcoholic beverages have increased by going to about 50% of total expenditure. This is a figure that indicates expectations of lower economic growth. Costs vary according to areas. There are major differences between them on all the indicators mentioned above.

6. Recommendations

We recommend that the Albanian economic model as seen so far in terms of percentage of GDP growth can be said to have failed. Not viewed as a priority tourism branches and invest in it. Viewed as the priority branches of light and food industry, agro-industry. This industry supporter of heavy industry, extraction and processing industry. Catch quotas be some years before the 90 where predominonin heavy industry and light industry. Agriculture intensification in its aim because so far it has not justified the work. Although it occupies 20% of GDP still have reservations if we refer to investment opportunities in those branches that have high profits. Investments are distributed throughout the territory of the country, according to sources of raw materials and not concentrated in Tirana and Durres. In this way reduced the welfare gap that exists today between the counties and prefectures.

References

- INSTAT: Household Budget Survey, 2006-2007, dhe 2008-2009, 2014
- Bank of Albania: Statistical Report 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016
- Eurostat
- Monitor.al
- World Bank 2009
- ODA
- USDA, Economic Research Service.
- www.Tradingeconomics.com