



European Innovation Scoreboard **2024** Country Profile **Albania**

European Innovation Scoreboard 2024 – Country profile Albania

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Emerging Innovator ●

Summary innovation index (relative to EU in 2017): **46**

Rank: **35**

Change vs 2023: ▲ 0.1 Change vs 2017: ▲ 9.8

Albania is an Emerging Innovator with performance at 41.8% of the EU average in 2024. Performance is below the average of the Emerging Innovators (48%). Performance is increasing less than the EU (+10%).

Indicator	Performance relative to the EU in 2024	Performance change 2017-2024	Performance change 2023-2024
SUMMARY INNOVATION INDEX	41.8	9.8	0.1
Human resources	59.3	33.3	4.7
New doctorate graduates	21.4	11.6	11.6
Population with tertiary education	90	88.5	0
Population involved in lifelong learning	69.5	0	0
Attractive research systems	36.1	26.4	-1.8
International scientific co-publications	6.3	8.4	-1.3
Scientific publications among the top 10% most cited	38.5	37	-11.6
Foreign doctorate students as a % of all doctorate students	60	19.8	19.8
Digitalisation	14.2	17.7	8.5
Broadband penetration	12.8	18.6	0
Individuals with above basic overall digital skills	16.1	16.7	16.7
Finance and support	N/A	N/A	N/A
R&D expenditure in the public sector	N/A	N/A	N/A
Venture capital expenditures	N/A	N/A	N/A
Direct and indirect government support of business R&D	N/A	N/A	N/A
Firm investments	12.7	0	0
R&D expenditure in the business sector	N/A	N/A	N/A
Non-R&D innovation expenditures	13.8	0	0
Innovation expenditures per person employed	N/A	N/A	N/A
Use of information technologies	45.6	0	0
Enterprises providing ICT training	92.5	0	0
Employed ICT specialists	0	0	0
Innovators	75.3	-7.2	0
SMEs introducing product innovations	86.2	-9.1	0
SMEs introducing business process innovations	66.3	-5.5	0
Linkages	40.1	-14.2	0.3
Innovative SMEs collaborating with others	69.4	-27.5	0
Public-private co-publications	4.9	3.7	0.8
Job-to-job mobility of HRST	N/A	N/A	N/A
Intellectual assets	5.9	-0.8	-4.7
PCT patent applications	3.4	-11.5	-13.6
Trademark applications	4.2	4.5	-7.3
Design applications	11.6	8.8	8.8
Employment impacts	38	-1	-2.4
Employment in knowledge-intensive activities	27.7	2.8	0
Employment in innovative enterprises	46.9	-4.4	-4.4
Sales impacts	47.5	0.9	-1.6
Exports of medium and high technology products	0	0	0
Knowledge-intensive services exports	6.8	2.4	-4.6
Sales of new-to-market and new-to-firm innovations	187.3	0	0
Environmental sustainability	66.4	28.6	1.4
Resource productivity	50.4	30	5.6
Air emissions by fine particulates	0	0	0
Environment-related technologies	171.9	68.8	0

Relative strengths

- Sales of new-to-market and new-to-firm innovations
- Environment-related technologies
- Enterprises providing ICT training

Relative weaknesses

- Employed ICT specialists
- Exports of medium and high technology products
- Air emissions by fine particulates

Strong increases since 2017

- Population with tertiary education
- Environment-related technologies
- Scientific publications among the top 10% most cited

Strong decreases since 2017

- Innovative SMEs collaborating with others
- PCT patent applications
- SMEs introducing product innovations

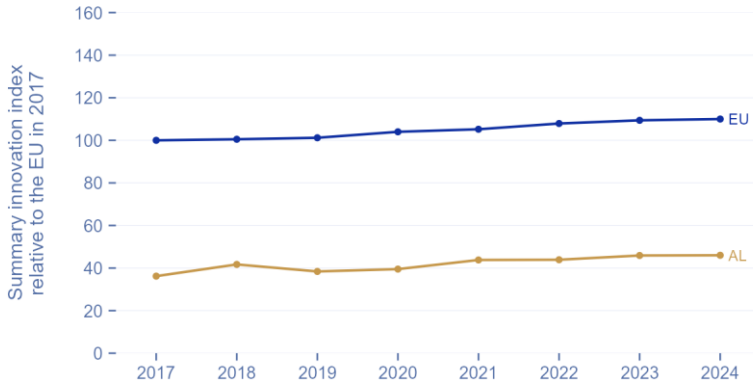
Strong increases since 2023

- Foreign doctorate students as a % of all doctorate students
- Individuals with above basic overall digital skills
- New doctorate graduates

Strong decreases since 2023

- PCT patent applications
- Scientific publications among the top 10% most cited
- Trademark applications

Footnote: The first data column shows scores relative to the EU in 2024, with colour codes indicating performance levels. The subsequent columns show performance changes over time, with scores relative to the EU in 2017, coloured in purple for positive change and red for negative change. As reference years differ between the first column (2024) and the last two columns (2017), scores cannot be directly compared or subtracted across these columns.



Summary innovation index

The line chart shows the evolution of the innovation performance of Albania over time, relative to the performance of the EU in 2017.

Footnote: All performance scores (SII and dimensions below) are relative to that of the EU in 2017.

Framework conditions

Albania’s performance on framework conditions is weak but shows improvements across indicators and notably on human resources, where the country registered an increased performance of 33.3%-points compared to the 2017 baseline. This result is driven by a noticeable increase in new doctorate graduates of 11.6%-points since 2017, and by a growth of people with tertiary education that almost doubled (+88.5%-points) in the last eight years. However, despite this progress, the country performs at 59.3% of the 2024 EU average for human resources.

Albania’s performance for both attractiveness of research systems and digitalisation rose by 26.4%-points and 17.7%-points compared to 2017, respectively. Nevertheless, the country’s performance on the two dimensions remains much lower than the EU average, at 36.1% and 14.2% of the 2024 EU level, respectively. This is driven by a marked upward trend since 2017 in scientific publications among the top 10% most cited (despite a dip between 2023-2024); and by the number of foreign doctorate students as a percentage of all doctorate students which increased by 19.8%-points since 2017. The data suggest that the country’s research system is catching up and becoming more internationally open.

In terms of digitalisation, the level of broadband penetration and individuals with above basic overall digital skills increased since 2017, however, Albania lags far behind the EU average for these two indicators with performance at less than 20% of the EU level in 2024.

Human resources



Attractive research systems



Digitalisation



Investments

Albania has progressed in providing data for this dimension. Available data suggests that firms’ non-R&D investments represent 13.8% of the 2024 EU average, and that enterprises providing ICT training in Albania represent 92.5% of the 2024 EU average. The latter performance reflects the growing adoption of e-commerce by firms (OECD, 2024) and the growing need for enhancing ICT skills to support the digitalisation.

Firm investments



Use of information technologies



Innovation activities

Albania’s performance for this block of indicators is mixed. The share of innovators introducing product and process innovations is below the 2024 EU average, standing at 86.2% and 66.3%, respectively, and registering a negative trend since 2017. Linkages within the national innovation system remain weak as Albania performs at 40.1% of the EU average in 2024 on this dimension. Lacking financial and non-financial incentives for business-academia collaboration is reflected in low public-private co-publications, standing at only 4.9% of the 2024 EU average, and weak performance on intellectual assets, standing at 5.9% of the 2024 EU average for this dimension. The share of innovative SMEs collaborating with others is moderate, at 69.4% of the 2024 EU average, but saw a decline by almost a third (-27.5%-points) since 2017. This is likely due to gaps in collaboration infrastructure and overall low capacity of Albania’s research system (OECD, 2024). Finally, there has been a negative trend even since 2017 in patent applications (-11.5%-points), with a slight uptick for trademark and design applications which remains at a low level compared to the EU (4.2% and 11.6% of the 2024 EU average).

Innovators



Linkages



Intellectual assets



Impacts

Albania’s performance remains significantly lower than the EU average in this category, with employment in innovative enterprises declining by 4.4%-points and representing 46.9% of the 2024 EU average on this indicator. Knowledge-intensive activities witness a modest 2.8%-point increase since 2017 but remaining at a third of the EU level. These findings tend to confirm a need to further restructure the economy towards more innovation-driven activities and employment in medium- to high-tech sectors to boost knowledge-intensive sectors. However, Albania performs at almost double of the EU average on sales of new-to-market and new-to-firm innovations, as well as on the environment-related technologies. The country registers a 187.3% performance on sales of innovations and 171.9% performance on environmental-related technologies, which saw a significant 68.8%-point increase compared to 2017.

Employment impacts



Sales impacts



Environmental sustainability



Structural differences

Performance and structure of the economy

The Albanian economy has proven relatively resilient in recent years but its GDP per capita remains at one-third that of the EU average. The turnover share of SMEs is higher than in the EU (19% vs 12.6%), suggesting a relatively fragmented economy with large enterprises registering 20.2% of the turnover share, standing at less than half of the EU average.

Business and entrepreneurship

Albania's share of FDI net inflows is almost four times higher than the EU average (7.2% vs 1.9%), suggesting increased attractiveness of the economy from the investor perspective and holding the promise of positive knowledge and technology spillovers. The level of buyer sophistication is slightly lower than the EU average, standing at 3.1 compared to 3.6 in the EU.

Innovation profiles

No data is available regarding innovation structural indicators. However, it can be noted that in 2018, the ICT sector contributed 2.9% to Albania's GDP, which was followed by an even greater increase in 2019 (Fabbri et al., 2022).

Governance and policy framework

The Albanian governance system provides a relatively weak framework for innovators, with Corruption Perception Index almost double that of the EU average, complemented by a poor performance in Rule of law. More positively, the level of government procurement of advanced technology products is slightly higher compared to the EU average.

Climate change

No data is available regarding climate change indicators.

Demography

On 1 January 2024, the Albanian population was almost 2.8 million inhabitants, registering a decline of 1.2%-points, equivalent to 34,000 less inhabitants during 2023. This decrease is mainly due to the continuing high emigration rates, particularly among young people. This emigration is driven by high youth unemployment and low disposable income compared to other European countries, as well as a low fertility rate combined with an ageing population.

Structural indicators

The table below presents some structural differences between Albania and the EU.

	AL	EU
Performance and structure of the economy		
GDP per capita	33.3	100
Turnover share SMEs	19	12.6
Turnover share large enterprises	20.2	49.6
Business and entrepreneurship		
FDI net inflows	7.2	1.9
Buyer sophistication	3.1	3.6
Governance and policy frameworks		
Corruption Perceptions Index	36	64
Government procurement of advanced technology products	3.9	3.4
Rule of law	-0.3	1
Demography		
Population size (in millions)	2.8	447
Average annual population growth (2021-2023 average)	-1.2	0.3
Population density	100.5	109

References

The country's relative strengths and weaknesses for each indicator, compared to other EU Member States and neighbouring countries, can be found in [Annex B](#).

Fabbri, E., Gerussi, E., Hollanders, H. and Sinjari, I., (2022), The identification of Smart Specialisation priority domains in Albania. A mapping exercise. Gerussi, E., Hollanders, H. (editors), Publications Office of the European Union, Luxembourg, doi:10.2760/322286, JRC130660.

OECD (2024), Western Balkans Competitiveness Outlook 2024: Albania, Competitiveness and Private Sector Development, OECD Publishing, Paris, <https://doi.org/10.1787/541ec4e7-en>.

This report provides the Country profile from the 2024 European Innovation Scoreboard for Albania

Studies and reports