GLOBAL INNOVATION INDEX 2020

ALBANIA

83rd Albania ranks 83rd among the 131 economies featured in the GII 2020.

The Global Innovation Index (GII) ranks world economies according to their innovation capabilities. Consisting of roughly 80 indicators, grouped into innovation inputs and outputs, the GII aims to capture the multi-dimensional facets of innovation.

The following table shows the rankings of Albania over the past three years, noting that data availability and changes to the GII model framework influence year-on-year comparisons of the GII rankings. The statistical confidence interval for the ranking of Albania in the GII 2020 is between ranks 82 and 90.

Rankings of Albania (2018–2020)

	GII	Innovation inputs	Innovation outputs
2020	83	74	91
2019	83	70	93
2018	83	69	95

- Albania performs better in innovation inputs than innovation outputs in 2020.
- This year Albania ranks 74th in innovation inputs, lower than last year and lower compared to 2018.
- As for innovation outputs, Albania ranks 91st. This position is higher than last year and higher compared to 2018.

28th Albania ranks 28th among the 37 upper middle-income group economies.

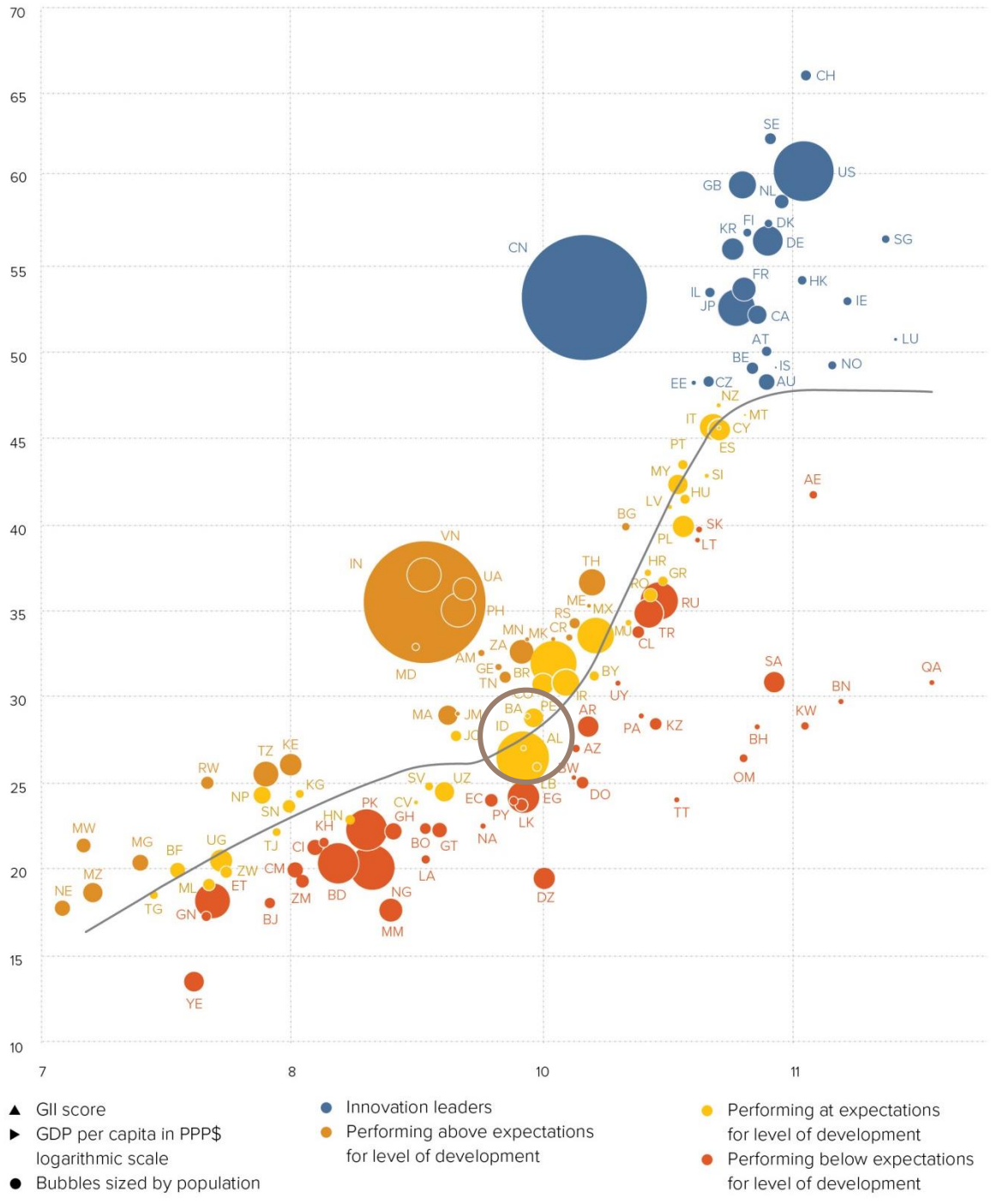
39th Albania ranks 39th among the 39 economies in Europe.

EXPECTED VS. OBSERVED INNOVATION PERFORMANCE

The bubble chart below shows the relationship between income levels (GDP per capita) and innovation performance (GII score). The trend line gives an indication of the expected innovation performance according to income level. Economies appearing above the trend line are performing better than expected and those below are performing below expectations.

Relative to GDP, Albania's performance matches expectations for its level of development.

The positive relationship between innovation and development

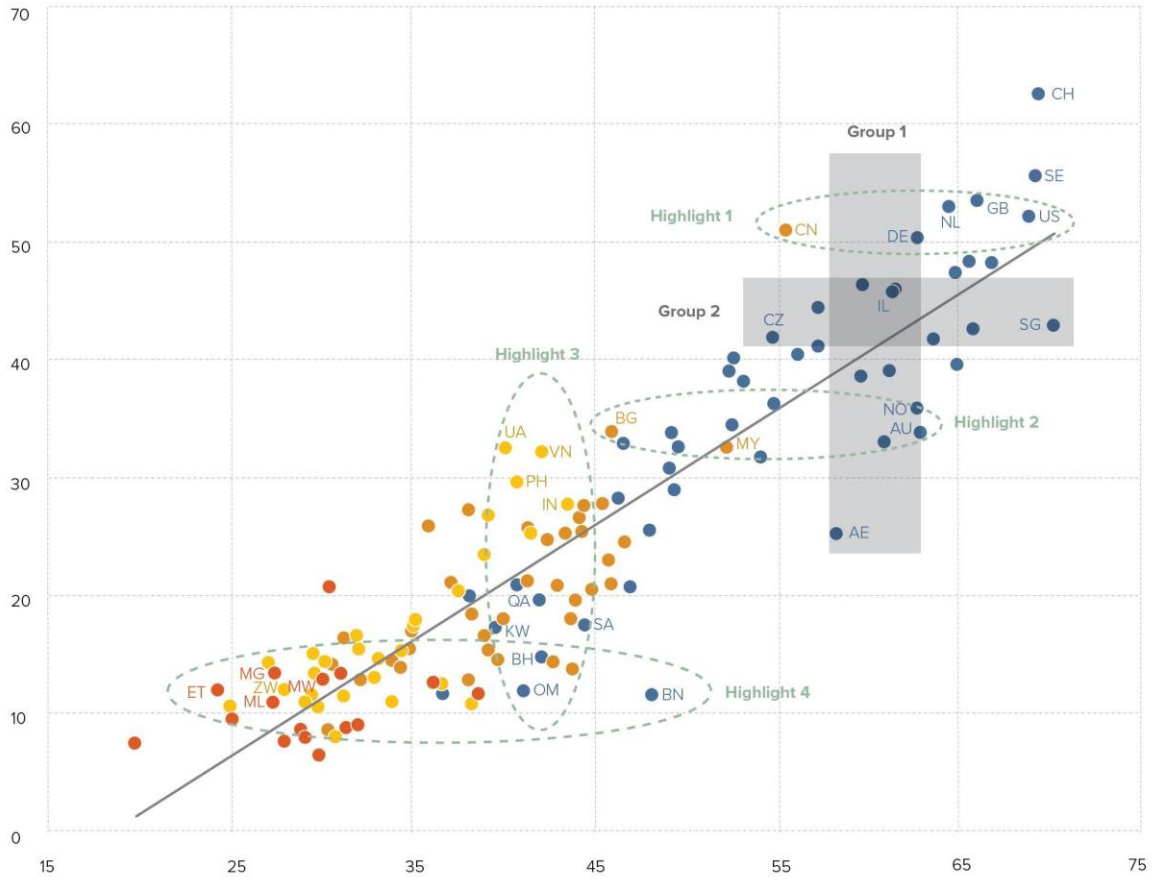


EFFECTIVELY TRANSLATING INNOVATION INVESTMENTS INTO INNOVATION OUTPUTS

The chart below shows the relationship between innovation inputs and innovation outputs. Economies above the line are effectively translating costly innovation investments into more and higher-quality outputs.

Albania produces less innovation outputs relative to its level of innovation investments.

Innovation input to output performance, 2020



▲ Output score
► Input score

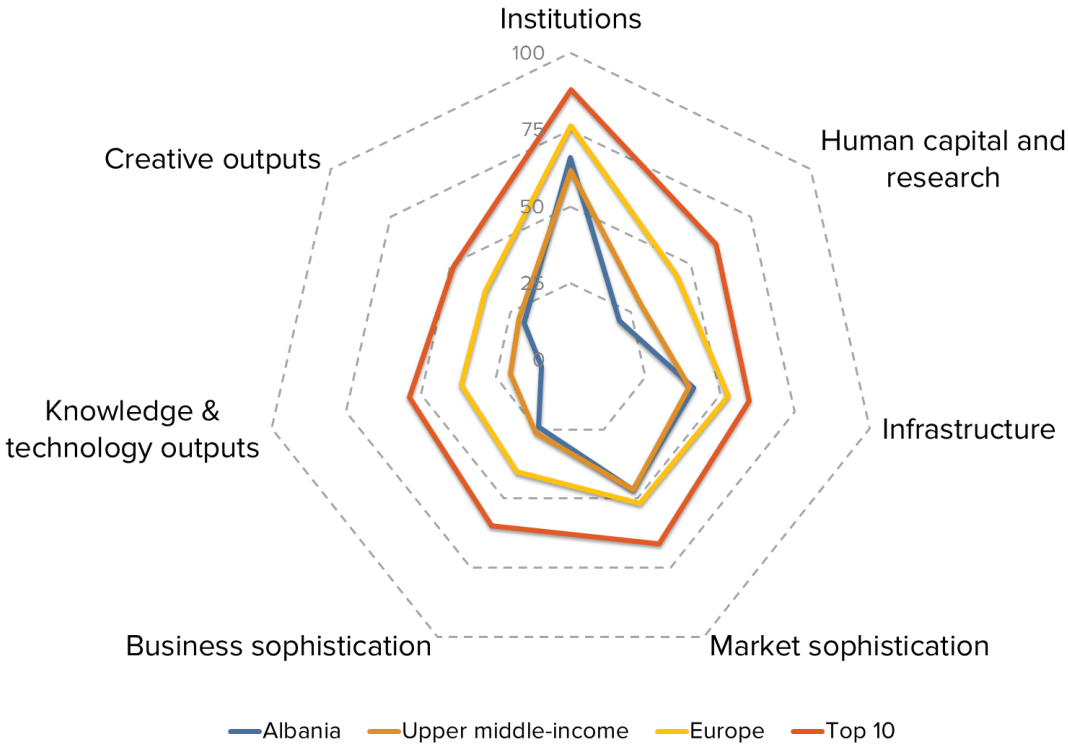
● High income group
● Upper middle-income group
● Lower middle-income group
● Low income group

— Fitted values

AU	Australia	IN	India	NL	Netherlands	CH	Switzerland
BH	Bahrain	IL	Israel	NO	Norway	UA	Ukraine
BN	Brunei Darussalam	KW	Kuwait	OM	Oman	AE	United Arab Emirates
BG	Bulgaria	MG	Madagascar	PH	Philippines	GB	United Kingdom
CN	China	MW	Malawi	QA	Qatar	US	United States of America
CZ	Czech Republic	ML	Mali	SA	Saudi Arabia	VN	Viet Nam
ET	Ethiopia	MY	Malaysia	SG	Singapore	ZW	Zimbabwe
DE	Germany			SE	Sweden		

BENCHMARKING ALBANIA AGAINST OTHER UPPER MIDDLE-INCOME GROUP ECONOMIES AND EUROPE

Albania's scores in the seven GII pillars



Upper middle-income group economies

Albania has high scores in two out of the seven GII pillars: Institutions and Infrastructure, which are above average for the upper middle-income group.

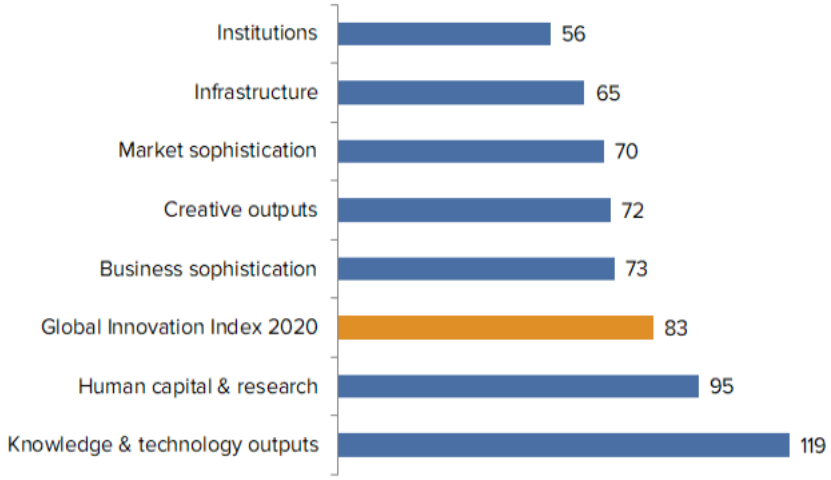
Conversely, Albania scores below average for its income group in five pillars: Human capital & research, Market sophistication, Business sophistication, Knowledge & technology outputs and Creative outputs.

Europe

Compared to other economies in Europe, Albania performs below average in all seven of the GII pillars.

OVERVIEW OF ALBANIA RANKINGS IN THE SEVEN GII AREAS

Albania performs best in Institutions and its weakest performance is in Knowledge & technology outputs.



*The highest possible ranking in each pillar is 1.

INNOVATION STRENGTHS AND WEAKNESSES

The table below gives an overview of the strengths and weaknesses of Albania in the GII 2020.

Strengths

Code	Indicator name	Rank
1.3	Business environment	34
1.3.1	Ease of starting a business*	47
1.3.2	Ease of resolving insolvency*	36
3.3	Ecological sustainability	35
3.3.1	GDP/unit of energy use	16
3.3.3	ISO 14001 environmental certificates/bn PPP$ GDP	26
4.3.1	Applied tariff rate, weighted avg., %	12
5.1.2	Firms offering formal training, %	21
5.3.4	FDI net inflows, % GDP	13
7.2.1	Cultural & creative services exports, % total trade	17
7.2.4	Printing & other media, % manufacturing	8
7.3	Online creativity	46
7.3.1	Generic top-level domains (TLDs)/th pop. 15–69	48

Weaknesses

Code	Indicator name	Rank
2.1.1	Expenditure on education, % GDP	110
2.1.2	Government funding/pupil, secondary, % GDP/cap	100
2.3	Research & development (R&D)	121
2.3.3	Global R&D companies, top 3, mn US$	42
2.3.4	QS university ranking, average score top 3*	77
5.2.2	State of cluster development†	123
5.3.2	High-tech imports, % total trade	129
6.1.5	Citable documents H-index	124
6.2.5	High- & medium-high-tech manufacturing, %	102
6.3.2	High-tech net exports, % total trade	127
7.1.2	Global brand value, top 5,000, % GDP	80

STRENGTHS

GII strengths for Albania are found in five of the seven GII pillars.

- Institutions (56): exhibits strengths in the sub-pillar Business environment (34) and in the indicators Ease of starting a business (47) and Ease of resolving insolvency (36).
- Infrastructure (65): demonstrates strengths in the sub-pillar Ecological sustainability (35) and in the indicators GDP/unit of energy use (16) and ISO 14001 environmental certificates (26).
- Market sophistication (70): shows strength in the indicator Applied tariff rate (12).
- Business sophistication (73): exhibits strengths in the indicators Firms offering formal training (21) and FDI net inflows (13).
- Creative outputs (72): shows strengths in the sub-pillar Online creativity (46) and in the indicators Cultural & creative services exports (17), Printing & other media (8) and Generic top-level domains (48).

WEAKNESSES

GII weaknesses for Albania are found in four of the seven GII pillars.

- Human capital & research (95): displays weaknesses in the sub-pillar Research & development (121) and in the indicators Expenditure on education (110), Government funding/pupil (100), Global R&D companies (42) and QS university ranking (77).
- Business sophistication (73): demonstrates weaknesses in the indicators State of cluster development (123) and High-tech imports (129).
- Knowledge & technology outputs (119): shows weaknesses in the indicators Citable documents H-index (124), High- & medium-high-tech manufacturing (102) and High-tech net exports (127).
- Creative outputs (72): the indicator Global brand value (80) reveals a weakness.

ALBANIA

GII 2020 rank

83

Output rank	Input rank	Income	Region	Population (mn)	GDP, PPP$	GDP per capita, PPP$	GII 2019 rank
91	74	Upper middle	EUR	2.9	40.2	12,214.7	83

		Score/Value	Rank	
INSTITUTIONS		**66.0**	**56**	
1.1	**Political environment**	**59.5**	**61**	
1.1.1	Political and operational stability*	73.2	49	
1.1.2	Government effectiveness*	52.7	63	
1.2	**Regulatory environment**	**58.7**	**83**	
1.2.1	Regulatory quality*	49.2	58	
1.2.2	Rule of law*	36.4	85	
1.2.3	Cost of redundancy dismissal, salary weeks	20.8	89	
1.3	**Business environment**	**79.7**	**34**	● ◆
1.3.1	Ease of starting a business*	91.8	47	●
1.3.2	Ease of resolving insolvency*	67.7	36	●
HUMAN CAPITAL & RESEARCH		**20.3**	**95**	◇
2.1	**Education**	**31.6**	**100**	
2.1.1	Expenditure on education, % GDP	2.5	110	○ ◇
2.1.2	Government funding/pupil, secondary, % GDP/cap	8.0	100	○ ◇
2.1.3	School life expectancy, years	14.7	58	
2.1.4	PISA scales in reading, maths, & science	419.8	56	
2.1.5	Pupil-teacher ratio, secondary	11.2	46	
2.2	**Tertiary education**	**29.3**	**76**	
2.2.1	Tertiary enrolment, % gross	55.0	52	
2.2.2	Graduates in science & engineering, %	20.6	69	
2.2.3	Tertiary inbound mobility, %	1.5	81	
2.3	**Research & development (R&D)**	**0.0**	**[121]**	
2.3.1	Researchers, FTE/mn pop	n/a	n/a	
2.3.2	Gross expenditure on R&D, % GDP	n/a	n/a	
2.3.3	Global R&D companies, avg. exp. top 3, mn $US	0.0	42	○ ◇
2.3.4	QS university ranking, average score top 3*	0.0	77	○ ◇
INFRASTRUCTURE		**40.9**	**65**	
3.1	**Information & communication technologies (ICTs)**	**61.7**	**78**	
3.1.1	ICT access*	45.5	98	◇
3.1.2	ICT use*	51.9	74	
3.1.3	Government's online service*	73.6	58	
3.1.4	E-participation*	75.8	59	
3.2	**General infrastructure**	**20.0**	**97**	
3.2.1	Electricity output, kWh/mn pop	1,577.1	87	
3.2.2	Logistics performance*	27.7	86	
3.2.3	Gross capital formation, % GDP	24.1	57	
3.3	**Ecological sustainability**	**41.0**	**35**	●
3.3.1	GDP/unit of energy use	13.9	16	●
3.3.2	Environmental performance*	49.0	59	
3.3.3	ISO 14001 environmental certificates/bn PPP$ GDP	3.8	26	●
MARKET SOPHISTICATION		**46.8**	**70**	
4.1	**Credit**	**34.5**	**92**	
4.1.1	Ease of getting credit*	70.0	44	
4.1.2	Domestic credit to private sector, % GDP	33.1	90	
4.1.3	Microfinance gross loans, % GDP	0.5	37	
4.2	**Investment**	**46.0**	**[30]**	
4.2.1	Ease of protecting minority investors*	46.0	97	
4.2.2	Market capitalization, % GDP	n/a	n/a	
4.2.3	Venture capital deals/bn PPP$ GDP	n/a	n/a	
4.3	**Trade, competition, and market scale**	**59.7**	**73**	
4.3.1	Applied tariff rate, weighted avg., %	1.0	12	●
4.3.2	Intensity of local competition+	67.4	72	
4.3.3	Domestic market scale, bn PPP$	40.2	112	◇

		Score/Value	Rank	
BUSINESS SOPHISTICATION		**24.1**	**73**	
5.1	**Knowledge workers**	**37.9**	**[50]**	
5.1.1	Knowledge-intensive employment, %	17.5	88	
5.1.2	Firms offering formal training, %	46.2	21	●
5.1.3	GERD performed by business, % GDP	n/a	n/a	
5.1.4	GERD financed by business, %	n/a	n/a	
5.1.5	Females employed w/advanced degrees, %	9.9	67	
5.2	**Innovation linkages**	**15.5**	**109**	
5.2.1	University/industry research collaboration+	38.2	80	
5.2.2	State of cluster development+	30.4	123	○ ◇
5.2.3	GERD financed by abroad, % GDP	n/a	n/a	
5.2.4	JV-strategic alliance deals/bn PPP$ GDP	0.0	95	
5.2.5	Patent families 2+ offices/bn PPP$ GDP	0.1	68	
5.3	**Knowledge absorption**	**19.0**	**107**	
5.3.1	Intellectual property payments, % total trade	0.4	73	
5.3.2	High-tech imports, % total trade	2.0	129	○ ◇
5.3.3	ICT services imports, % total trade	1.3	57	
5.3.4	FDI net inflows, % GDP	8.2	13	● ◆
5.3.5	Research talent, % in business enterprise	n/a	n/a	
KNOWLEDGE & TECHNOLOGY OUTPUTS		**9.7**	**119**	◇
6.1	**Knowledge creation**	**3.4**	**120**	
6.1.1	Patents by origin/bn PPP$ GDP	0.4	86	
6.1.2	PCT patents by origin/bn PPP$ GDP	0.1	69	
6.1.3	Utility models by origin/bn PPP$ GDP	0.0	65	
6.1.4	Scientific & technical articles/bn PPP$ GDP	3.4	102	
6.1.5	Citable documents H-index	2.7	124	○
6.2	**Knowledge impact**	**13.7**	**107**	
6.2.1	Growth rate of PPP$ GDP/worker, %	0.4	82	
6.2.2	New businesses/th pop. 15-64	1.5	66	
6.2.3	Computer software spending, % GDP	0.0	86	
6.2.4	ISO 9001 quality certificates/bn PPP$ GDP	5.6	49	
6.2.5	High- and medium-high-tech manufacturing, %	3.3	102	○ ◇
6.3	**Knowledge diffusion**	**12.1**	**106**	
6.3.1	Intellectual property receipts, % total trade	0.2	42	◆
6.3.2	High-tech net exports, % total trade	0.0	127	○ ◇
6.3.3	ICT services exports, % total trade	1.4	73	
6.3.4	FDI net outflows, % GDP	-0.3	123	◇
CREATIVE OUTPUTS		**19.5**	**72**	
7.1	**Intangible assets**	**16.6**	**108**	
7.1.1	Trademarks by origin/bn PPP$ GDP	40.3	67	
7.1.2	Global brand value, top 5,000, % GDP	0.0	80	○ ◇
7.1.3	Industrial designs by origin/bn PPP$ GDP	0.5	83	
7.1.4	ICTs & organizational model creation+	39.5	114	◇
7.2	**Creative goods and services**	**20.2**	**53**	
7.2.1	Cultural & creative services exports, % total trade	1.4	17	● ◆
7.2.2	National feature films/mn pop. 15-69	3.3	56	
7.2.3	Entertainment & Media market/th pop. 15-69	n/a	n/a	
7.2.4	Printing and other media, % manufacturing	2.6	8	● ◆
7.2.5	Creative goods exports, % total trade	0.2	84	
7.3	**Online creativity**	**24.6**	**46**	●
7.3.1	Generic top-level domains (TLDs)/th pop. 15-69	6.7	48	●
7.3.2	Country-code TLDs/th pop. 15-69	3.2	61	
7.3.3	Wikipedia edits/mn pop. 15-69	65.7	48	
7.3.4	Mobile app creation/bn PPP$ GDP	n/a	n/a	

NOTES: ● indicates a strength; ○ a weakness; ◆ an income group strength; ◇ an income group weakness; * an index; + a survey question. ⏲ indicates that the economy's data are older than the base year; see Appendix II for details, including the year of the data, at http://globalinnovationindex.org. Square brackets [ ] indicate that the data minimum coverage (DMC) requirements were not met at the sub-pillar or pillar level.

DATA AVAILABILITY

The following tables list data that are either missing or outdated for Albania.

Missing data

Code	Indicator name	Country year	Model year	Source
2.3.1	Researchers, FTE/mn pop.	n/a	2018	UNESCO Institute for Statistics; Eurostat; OECD – Main Science and Technology Indicators
2.3.2	Gross expenditure on R&D, % GDP	n/a	2018	UNESCO Institute for Statistics; Eurostat; OECD – Main Science and Technology Indicators
4.2.2	Market capitalization, % GDP	n/a	2018	World Federation of Exchanges
4.2.3	Venture capital deals/bn PPP$ GDP	n/a	2019	Thomson Reuters
5.1.3	GERD performed by business, % GDP	n/a	2018	UNESCO Institute for Statistics; Eurostat; OECD – Main Science and Technology Indicators
5.1.4	GERD financed by business, %	n/a	2017	UNESCO Institute for Statistics; Eurostat; OECD – Main Science and Technology Indicators
5.2.3	GERD financed by abroad, % GDP	n/a	2017	UNESCO Institute for Statistics
5.3.5	Research talent, % in business enterprise	n/a	2018	UNESCO Institute for Statistics; Eurostat; OECD – Main Science and Technology Indicators
7.2.3	Entertainment & Media market/th pop. 15–69	n/a	2018	PwC
7.3.4	Mobile app creation/bn PPP$ GDP	n/a	2019	App Annie

Outdated data

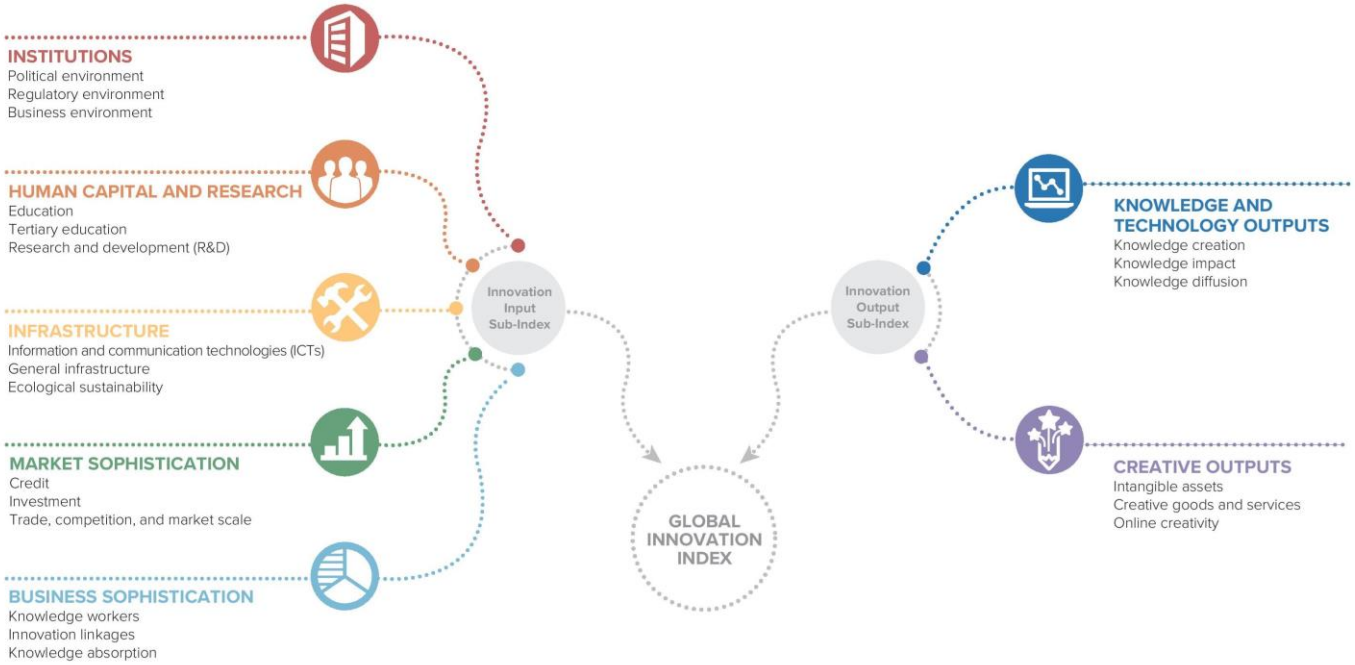
Code	Indicator name	Country year	Model year	Source
4.1.3	Microfinance gross loans, % GDP	2015	2018	Microfinance Information Exchange
5.1.1	Knowledge-intensive employment, %	2017	2018	International Labour Organization
5.1.5	Females employed w/advanced degrees, %	2017	2018	International Labour Organization
7.1.3	Industrial designs by origin/bn PPP$ GDP	2014	2018	World Intellectual Property Organization
7.2.2	National feature films/mn pop. 15–69	2015	2017	UNESCO Institute for Statistics
7.2.5	Creative goods exports, % total trade	2016	2018	United Nations, COMTRADE

ABOUT THE GLOBAL INNOVATION INDEX

The Global Innovation Index (GII) is co-published by Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations. In 2020, the GII presents its 13th edition devoted to the theme *Who Will Finance Innovation?*

Recognizing that innovation is a key driver of economic development, the GII aims to provide an innovation ranking and rich analysis referencing around 130 economies. Over the last decade, the GII has established itself as both a leading reference on innovation and a "tool for action" for economies that incorporate the GII into their innovation agendas.

Framework of the Global Innovation Index 2020



The Index is a ranking of the innovation capabilities and results of world economies. It measures innovation based on criteria that include institutions, human capital and research, infrastructure, credit, investment, linkages; the creation, absorption and diffusion of knowledge; and creative outputs.

The GII has two sub-indices: the Innovation Input Sub-Index and the Innovation Output Sub-Index, and seven pillars, each consisting of three sub-pillars.