

invest in Albania



FACTSHEET

ICT and BPO Sector



OVERVIEW

The ICT-BPO sector has been targeted as one of the activities with large increment in the last years. The top outsourced activities in Albania are Data entry and Call Centers, which export services to EU countries, mainly Italy. The ICT-BPO sector in Albania has the potential to further expand in two ways. Firstly, by taking advantage of the multilingual capabilities of its population, Albania aims to attract foreign investors which can export the already present services to a wider market in Western Europe. Secondly, the ICT-BPO sector shows the prospective to further develop by jumping into higher margin/niche services and by diversifying the range of its

activities, attracting investments related to more complex processes in Finance & Accounting, Digital processes, Software Design and Development, Block-chain technologies, Cyber-Security, etc. Albania has transformed into a major destination for ICT-BPO services with its urban culture, availability of resources, infrastructure and attractive Investment Incentives. Tirana is the main ICT-BPO hub of Albania, followed by Durrës, Shkodër and Vlorë. The ICT and BPO sector in Albania has seen steady growth and currently employs over 35,000 professionals across more than 4,005 companies in the ICT& BPO sector.

WHY INVEST IN ICT AND BPO



INFRASTRUCTURE AVAILABILITY

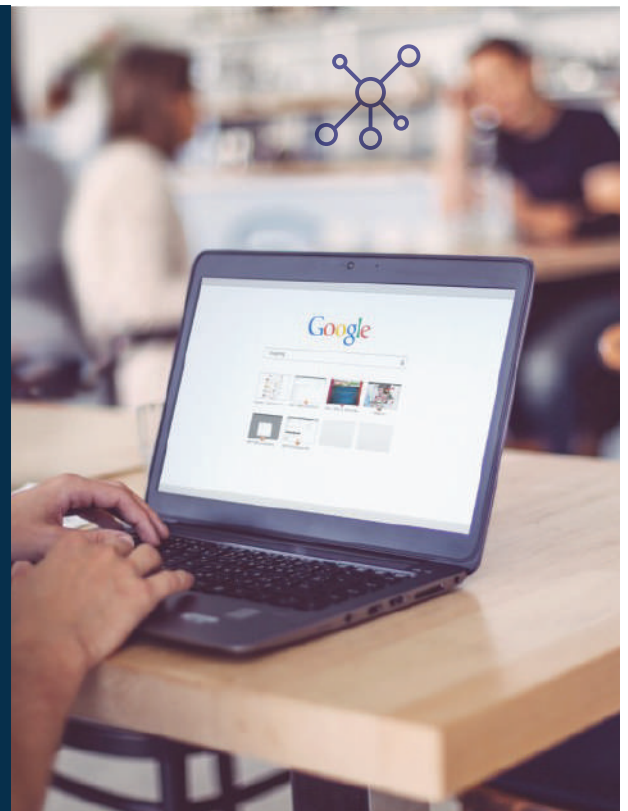
- Albania has a high ratio of internet penetration and fixed line connectivity, with a penetration rate of broadband access from fixed networks for 2021 of 77% per family and 19.7% per population.

The number of users with 3G/4G broadband access in 2021 is about 12.9% more than in 2020.

The penetration rate for fixed telephony (number of subscribers per 100 inhabitants) at the end of 2021 reached 7%.

The number of subscribers with fixed broadband access at the end of 2021 for the first time exceeded the figure of 550 thousand subscribers, increasing by about 10% compared to 2020.

- The percentage of enterprises with internet access is 98.5% of total enterprises and 100% of the enterprises with 250+ employees.





OVERVIEW OF HUMAN RESOURCES

Availability of skilled workers:

- 21.5 % unemployment rate in the 15-29 age group for Q4 2022
- Skills in foreign languages: 39.9% of the 26-64 years old population is able to use at least one foreign language, while in the younger the age group of 25-34 years old, 58.9% of the population know at least one foreign language.

Labor costs:

- Approximately 50% lower than regional countries, with a monthly minimum wage of 350 EUR.
- The average annual labor cost is estimated to be 827,534 ALL (=7,259 EUR), while the average annual labor cost in Information and Communication is 1,242,050 ALL (= 10,859 EUR).

Education and training institutions:

- 5.6% of students in 2021 are graduated from Information and Communication Technology (ICT) programs, while 6.8% of the total number of students is currently enrolled in ICT programs.

The total number of graduates in the field of Information and Communication Technologies has increased in 2020-2021 by 2.4% compared to the previous year, marking the number of 1,830 graduates.

- Of the total number of graduates in Information and Communication Technologies for the year 2020-2021, 61.6% are men while 38.4% are women.



INDUSTRY STRUCTURE

Currently, Albania is well-positioned in several key groups of services, which are illustrated in more detail in the list below:



CUSTOMER INTERACTION SERVICES AND CALL CENTERS

Inbound services

Outbound services



IT AND SOFTWARE OPERATIONS

Product Localization

IT Maintenance and Helpdesk

Human Resources

Web and Graphic Design

Software Development

Digital Marketing services



FINANCE AND ACCOUNTING

Auditing Services

Corporate governance services

Fraud protection

Sustainability Reporting services

Financial and Banking Law

Tax, Transaction and Legal Services



SUCCESS STORIES

There are currently 4,005 active enterprises that operate in the Information and Communication sector in Albania, where 1,252 were registered in 2021. According to data published by INSTAT, the number of Foreigner and Joint (Albanian + Foreign) active enterprises in the Information and Communication sector in 2021 is 528. 311 of them come from EU countries while the rest, respectively 217, come from non-EU countries. Their services are used by internationally renowned brands such as:

Apple, Vodafone, Adidas, eBay, Barclays, Groupon, Lufthansa Group, Air France, and Alitalia. Some of the major client markets include Italy, the UK, France, Spain, Germany, Austria, and Switzerland. Due to its significant potentials, Albania has become the destination of several successful companies and foreign investors in the ICT and BPO sector, such as Lufthansa Industry Solutions, Deloitte, Teleperformance, IDS, Innovaway, Alba Contact, Albacall, Ernest & Young, Euroservices and LocalEyes.

Deloitte.



**Lufthansa
Industry Solutions**

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AIDA

ALBANIAN INVESTMENT DEVELOPMENT AGENCY

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