**Role of SME in the Albania Economy Development**

**Rizhana Mancellari**

Epoka University

Albania

*rmancellari@epoka.edu.al*

***Abstract:*** *This paper aims to discuss the role of small and medium sized enterprises in the economic development of Albania in the last decade, increasing the employment rate and reduce the poverty of our society. More specifically the impact of increased number of SME on the GDP growth will be carefully analyzed and interpreted, and the analysis of this paper will take into consideration the effects of SME-s in terms of innovation and economic growth. In the last years Small and medium sized enterprises have played a crucial role in the economic development of Albania. SME-s is the main source of increased employment, innovation and productivity growth. Consequently, in this context an important element where the Albanian economy relies upon for development is due to the increased number of SME.*

*The aim of the research is to investigate and examine the impact of SME-s to the economic growth of Albania by influencing changes in the economic indicators such as: GDP, employment rate, export-import activities, entrepreneurial skills etc. This will be a research paper which consists on the demonstrating of the relationship between number of SME-s operating in the Albanian business environment including here their number in total & turnover and their impact to the GDP of economy. The impact of small-medium sized enterprises in economic development of Albania is relatively high. There is lots of SME-s which are operating in the urban areas as well as rural areas. They are burgeon of changes, central to local private sector development. Albanian government has supported the promotion of SME development because it gives rise to entrepreneurship which is the heart of economic development. Entrepreneurship is the key point for development not only in Albania but everywhere in the world. Also statistical data about the number of SME-s operating in Albania and their respective turnover will be included.*

***Keywords:*** *SMEs, Economic Growth, Employment, GDP, Albania*.