



# Quarterly Gross Domestic Product

**Publication of the third quarter of 2011**

February, 2012

# Highlights

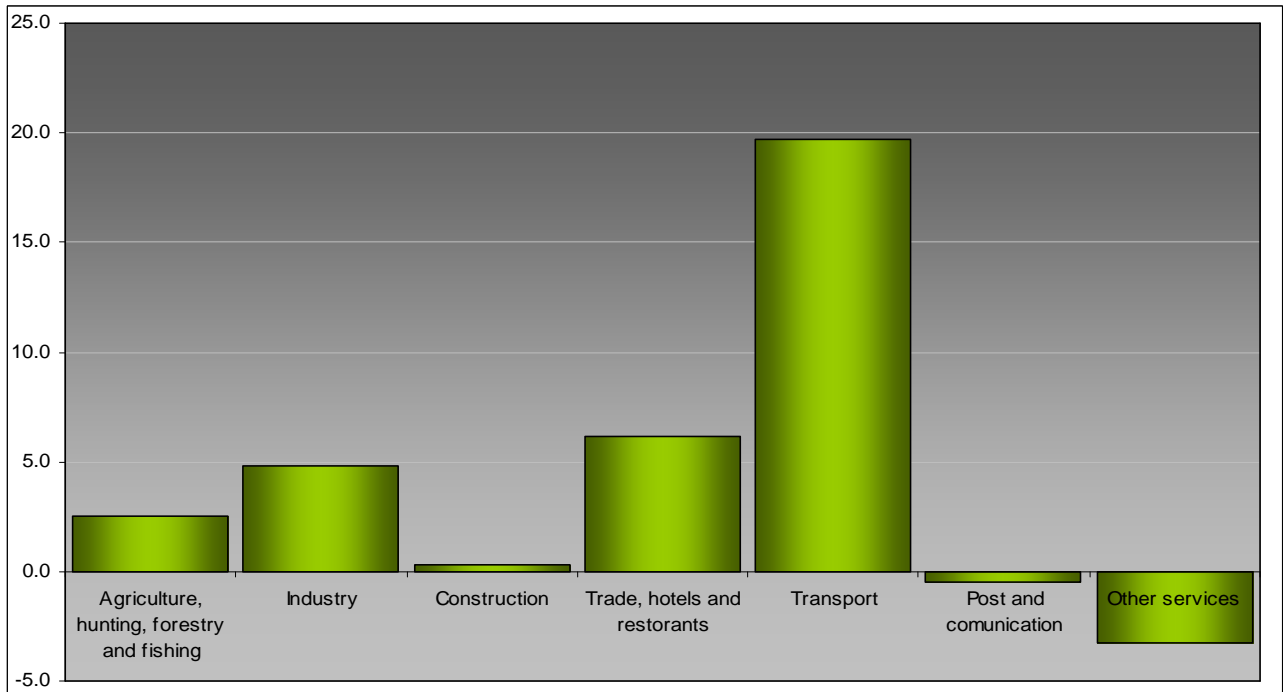
Economic activity increased **by 2.6 percent** compared with the third quarter of 2010, while is increased **by 1.8 percent** compared with the second quarter of 2011.

Comparing this quarter with the third quarter of 2010 the industries that had higher growth rate were transport, trade, industry and construction respectively by 19.7 percent, 6.2 percent and 4.8 and 0.3 percent. Meanwhile other services decreased by 3.3 percent and post and communication decreased by 0.5 percent compared with the third quarter of 2010.

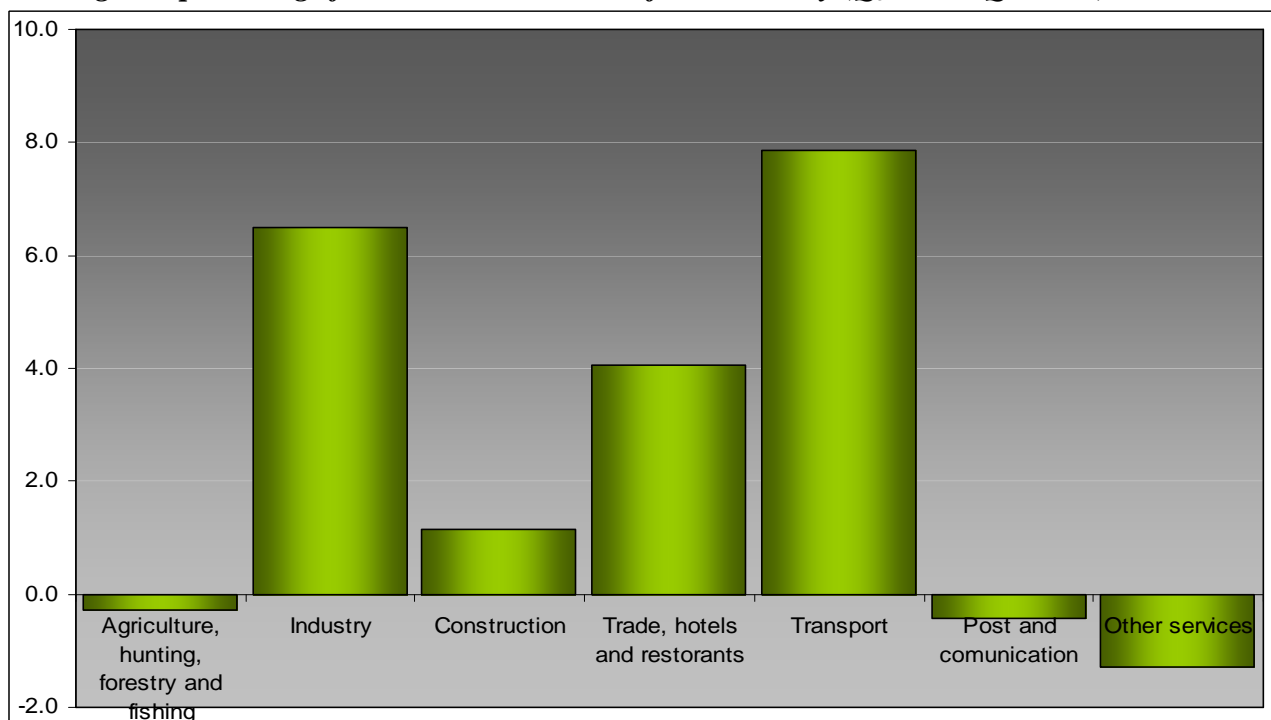
Compared with the second quarter of 2011 the industries that had higher growth were transport by 7.9 percent, industry by 6.5 percent trade by 4.1 percent and construction by 1.2 percent. A negative growth during this quarter compared with the previous quarter signed post communication and other services respectively by 0.4 percent and 1.3 percent.

Agriculture group increased by 2.5 percent, compared with the third quarter of 2010 and decreased by 0.3 percent compared with the previous quarter.

**Changes in percentage for the main branches of the economy (Q<sub>3</sub>\_2011/ Q<sub>3</sub>\_2010).**



*Changes in percentage for the main branches of the economy (Q<sub>3</sub>\_2011/ Q<sub>2</sub>\_2011).*



### **Commentary**

During the estimations of this quarter are taken in the assessment results of annual data of GDP for 2010 year, calculated from the Annual National Account sector and the reclassification of activities, for 2010 year, based on result of census of economic enterprises.

The objective of quarterly series data is to give dynamic information of economy. The publication includes estimates of quarterly volume measure of GDP where are not included taxes and subsidies on production. The volume measure is expressed in the average prices of the year

2005. The estimates of quarterly GDP are compiled in both, original and seasonally adjusted formats. The method used to estimate quarterly GDP, is considered an indirect method. The current and constant measures of Quarterly GDP are consistent with the annual national accounts statistics. The estimates are based on data available at February 2012. The main data sources that are used to estimate QGDP are in general administrative data and infra-annually data collected by INSTAT's surveys. The series are subject of revisions in the future as additional or improved information becomes available.

## Quarterly GDP by industries

### Agriculture

Agriculture activity in the third quarter of 2011 compared with the same quarter of 2010 was increased by 2.5 percent and decreased by 0.3 percent compare with previous quarter.

### Primary Industries

The industry group increased by 4.8 percent in the third quarter of 2011 compare with the third quarter of 2010. In the third quarter of 2011, industry increased by 6.5 percent compared with the previous quarter.

#### Industry:

It is necessary to specified that in this branch the estimation of the electricity is done with direct method. In this industry value added is produced as difference between output and intermediate consumption that are estimated separated.

### Construction

Construction activity decreased by 0.3 percent in the third quarter of 2011 compare with the third quarter of 2010

and 1.2 percent compared with the second quarter of 2011.

### Trade, Hotels and Restaurants

This group increased by 6.2 percent in this quarter compare with the same quarter of 2010 and by 4.1 percent compared with the second quarter of 2011.

### Transport

Transport activity in the third quarter of 2011 increased by 19.7 percent compared with the same quarter of 2010 and increased by 7.9 percent compared with the previous quarter.

### Post-telecommunication

This activity decreased by 0.5 percent in this quarter compare with the third quarter of 2010 and decreased by 0.4 percent compared with the second quarter of 2011.

### Other service

Service industries in the third quarter of 2011 decreased by 3.3 percent compared with third quarter of 2010 and decreased by 1.3 percent compared with the previous quarter.

## Technical notes

### Available information for the third quarter of 2011

Statistics in the attached tables provide the first available information of GDP for the third quarter of 2011, in constant prices and seasonal adjusted. Statistics for the recent period are based on information available at February 2012 and are subject to revision as additional or improved data becomes available.

To estimate QGDP is used an indirect method. It is considered an indirect method because we have only some quarterly indicators from which we produce quarterly value added. The

indirect method is based on the assumption that the proportion between the value added and output is constant in the period of estimation. At the other side in direct method we estimate output and intermediate consumption from which we produce value added.

### Sequence of compilation

In the indirect method, the general way used is:

- a) Data-set and balance of quarterly data in current and constant prices from different sources for the appropriate recent year.

- b) Development of time series for quarterly data in order that different periods to be comparable.
- c) Benchmark the non-seasonally adjusted series to the relevant annual series.
- d) Eliminate the seasonality from aggregated quarterly series
- e) Comparability of seasonal series.

It is worth mentioning the fact that the sum of seasonally adjusted quarters is not necessarily to be equal to the annual total for any particular year. Under normal circumstances, there will be enough variation in seasonality and/or trading day effects to explain a gap between the two.

### **Chain-volume series expressed in 2005 prices**

The series in this release are chain-linked and expressed in the average prices of the 2005 year. They are best described as annually reweighed chained Laspeyres volume indexes.

Series are expressed in value rather than as index numbers, since this has the advantage of showing the relative size of each component.

This procedure can be used at different levels of aggregation, but should keep in mind that the value of the amount that comes as a result of using the Laspeyres index is not equal to the amount that comes as a result of its constituents

### **Benchmarking**

The aim of benchmarking is to ensure the consistency between Quarterly and Annually National Accounts. It should be applied to both current and constant price data, where the constant price data are expressed in prices of the same base year as the annual data. It has to be underlined that the benchmarking alters the original figures, and consequently the volume growth of the aggregates, influencing in this way the chain-linked adjusted results.

### **Seasonal adjustment**

One of the major characteristics and issues of quarterly national accounts is seasonality. There are two methods for elimination the seasonal effect from quarter series.

#### *Indirect method*

The level at which a series is seasonally adjusted is important, since it has the potential to affect the quality of that seasonally adjusted series. The individual component series of the main economic variables can be seasonally adjusted and then summed to derive totals. This is called an indirect seasonal adjustment. The indirect approach has the advantage of retaining additively, but this applies only to the current price series. Although the indirect approach conceptually also provides additively for volume series, additively is lost by chain-linking.

#### *Direct method*

Alternatively, the main economic variables can be seasonally adjusted at the total level, independently from the seasonal adjustment of their components. The adjustment of the total of an aggregate series is called a direct seasonal adjustment. The direct approach often gives better results if the component series show similar seasonal patterns. At the most detailed level, the irregular factor may be large compared with the seasonal factor and therefore makes it difficult to perform a proper seasonal adjustment. In a small country such as Albania, irregular events can have a strong impact on particular data. However, if the component series show the same seasonal pattern, aggregation often reduces the impact of the irregular factors in the component series. This is particularly relevant for Albania, where many economic series are affected by same seasonal fluctuations in the primary industries.

INSTAT apply the direct seasonal adjustment method.

## Revisions policy

One of the most important moments of the quarterly series are revisions policies. These revisions are related with quarterly and annually data changes. Revisions to the previous published series may be made each quarter. The frequency and cause of these revisions are as follows:

### 1. Quarterly revisions:

As additional data becoming available for the last quarter, they have their impact in previous quarters because:

- With data coming for the last quarter, comes and some other data or improvements data for previous nearest quarters. It is necessary to mention that most of the data used for quarter estimations are administrative one.
- Including the last quarter data in the series and later on doing the seasonality adjustment will bring some changes in the previous quarters.

### 2. Annual revisions:

Quarterly data are based on annual one, as result their changes will influence the quarterly series. Annual changes becomes as a results of new annual resources or their improvement. One year has three steps of estimations; flesh, semi final and final one. Changes that happen during these steps have their direct effect on quarterly series. The flash estimations of one year are available 11 months after the year ends, semi final are available with a time discordance of 17 months and final version with 29 months. This means that quarterly series are much depended on annual changes.

### 3. Methodological revisions:

However, note that revisions of this nature are, as far as possible, incorporated to coincide with the annual cycle of revisions outlined above.

In addition, each of the above causes for revision, and/or the addition of a new point in the actual quarterly series, has the potential to alter seasonal factors and therefore may lead to a revision in the seasonally adjusted series.

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## Next release

Gross Domestic Product: Fourth quarter of 2011 will be released on 16 April 2012.

**Gross Domestic Product by Broad Industry Group**  
**Chain-volume series expressed in base year prices ( 2005=100) (1)**

	<b>Agriculture, hunting, forestry and fishing</b>	<b>Industry</b>	<b>Construction</b>	<b>Trade, hotels and restorants</b>	<b>Transport</b>	<b>Post and comunication</b>	<b>Other services</b>	<b>Total VA</b>	<b>FISIM</b>	<b>GDP at basic prices (2)</b>	
<b>Values without seasonal adjustment (3)</b>											
<b>Quarter</b>											
2005	Q1	34,585	16,349	17,747	31,622	7,196	6,287	41,117	<b>154,903</b>	5,659	<b>149,244</b>
	Q2	49,714	21,173	25,734	39,635	10,752	7,150	43,491	<b>197,649</b>	5,868	<b>191,780</b>
	Q3	37,216	20,155	27,058	43,669	11,419	7,523	44,933	<b>191,972</b>	6,042	<b>185,931</b>
	Q4	30,125	20,641	31,220	44,104	11,620	7,298	48,104	<b>193,112</b>	5,939	<b>187,173</b>
2006	Q1	35,998	18,836	18,804	34,003	8,207	7,607	43,495	<b>166,950</b>	6,076	<b>160,874</b>
	Q2	51,751	21,268	25,420	40,290	10,225	6,598	45,505	<b>201,056</b>	6,555	<b>194,501</b>
	Q3	38,132	22,142	29,868	42,731	12,251	8,294	46,288	<b>199,707</b>	6,776	<b>192,931</b>
	Q4	30,499	23,426	38,394	45,245	11,229	9,347	51,602	<b>209,742</b>	7,504	<b>202,238</b>
2007	Q1	36,687	17,340	24,962	34,907	9,479	8,245	46,743	<b>178,363</b>	8,335	<b>170,027</b>
	Q2	52,597	20,777	26,893	41,124	11,961	8,833	49,346	<b>211,531</b>	8,304	<b>203,227</b>
	Q3	39,178	19,489	30,493	46,471	12,380	9,876	51,679	<b>209,565</b>	8,491	<b>201,074</b>
	Q4	32,187	18,889	43,813	49,276	10,668	10,528	58,693	<b>224,053</b>	8,031	<b>216,022</b>
2008	Q1	39,616	17,944	28,753	39,080	9,876	8,876	53,928	<b>198,073</b>	8,503	<b>189,570</b>
	Q2	56,239	21,425	33,732	43,670	11,165	9,758	53,405	<b>229,393</b>	8,351	<b>221,042</b>
	Q3	41,678	22,180	35,623	50,887	11,571	11,230	54,820	<b>227,989</b>	8,866	<b>219,123</b>
	Q4	34,475	20,946	41,770	50,752	11,128	13,575	56,831	<b>229,476</b>	9,006	<b>220,470</b>
2009	Q1	40,150	19,443	28,751	40,512	9,255	12,615	56,642	<b>207,368</b>	9,285	<b>198,084</b>
	Q2	58,034	22,801	39,479	46,955	11,467	11,720	56,792	<b>247,248</b>	9,350	<b>237,898</b>
	Q3	42,159	22,789	36,068	51,589	12,289	13,732	57,257	<b>235,882</b>	9,377	<b>226,505</b>
	Q4	35,081	23,134	36,114	50,091	10,905	13,325	59,027	<b>227,676</b>	9,607	<b>218,069</b>
2010	Q1	43,554	22,739	23,328	40,626	10,634	10,907	58,522	<b>210,308</b>	9,099	<b>201,209</b>
	Q2	63,454	26,699	28,962	48,924	13,725	11,177	59,599	<b>252,540</b>	9,361	<b>243,179</b>
	Q3	45,465	25,838	29,611	54,125	15,943	12,426	61,025	<b>244,433</b>	9,639	<b>234,795</b>
	Q4	35,897	28,407	32,719	53,966	14,188	12,814	61,993	<b>239,983</b>	9,949	<b>230,034</b>
2011	Q1	44,764	26,297	24,591	43,170	12,786	10,559	58,040	<b>220,206</b>	10,034	<b>210,173</b>
	Q2	65,637	25,500	27,967	48,923	15,952	11,032	60,716	<b>255,727</b>	10,241	<b>245,486</b>
	Q3	46,606	27,081	29,694	57,471	19,077	12,363	59,040	<b>251,333</b>	10,498	<b>240,835</b>

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Values in milion Lek

**Gross Domestic Product by Broad Industry Group**  
**Chain-volume series expressed in base year prices ( 2005=100) (1)**

		<b>Agriculture, hunting, forestry and fishing</b>	<b>Industry</b>	<b>Construction</b>	<b>Trade, hotels and restorants</b>	<b>Transport</b>	<b>Post and comunication</b>	<b>Other services</b>	<b>Total VA</b>	<b>FISIM</b>	<b>GDP at basic prices (2)</b>
<b>Values with seasonal adjustment (3)</b>											
	<b>Quarter</b>										
2005	Q1	37,561	18,011	23,404	38,118	9,565	6,689	43,693	<b>177,042</b>	5,778	<b>171,264</b>
	Q2	37,530	20,862	26,251	40,365	10,305	7,341	44,445	<b>187,099</b>	5,868	<b>181,230</b>
	Q3	38,364	19,663	25,989	40,432	9,947	7,074	44,979	<b>186,449</b>	5,923	<b>180,526</b>
	Q4	38,509	19,616	25,484	39,811	10,617	7,074	45,334	<b>186,445</b>	5,938	<b>180,508</b>
2006	Q1	38,932	20,697	24,591	40,631	10,595	7,877	45,718	<b>189,040</b>	6,077	<b>182,964</b>
	Q2	39,091	20,876	26,039	41,008	9,895	7,149	46,426	<b>190,485</b>	6,555	<b>183,930</b>
	Q3	39,360	21,670	28,819	39,713	10,658	7,879	47,030	<b>195,130</b>	6,775	<b>188,355</b>
	Q4	39,073	22,324	31,397	41,010	10,878	8,761	48,119	<b>201,562</b>	7,349	<b>194,213</b>
2007	Q1	39,529	19,053	32,286	41,361	11,114	8,774	49,221	<b>201,339</b>	8,490	<b>192,849</b>
	Q2	39,733	20,281	27,599	42,083	11,641	9,344	50,502	<b>201,182</b>	8,304	<b>192,878</b>
	Q3	40,560	19,044	29,575	43,057	11,395	9,358	51,855	<b>204,844</b>	8,336	<b>196,508</b>
	Q4	41,262	18,525	36,035	44,935	11,936	9,875	53,195	<b>215,764</b>	8,388	<b>207,376</b>
2008	Q1	42,562	19,596	36,902	45,960	11,406	9,616	53,942	<b>219,983</b>	8,503	<b>211,480</b>
	Q2	42,397	20,819	34,475	44,831	10,811	10,315	54,546	<b>218,194</b>	8,351	<b>209,843</b>
	Q3	43,283	21,784	34,597	46,869	10,595	10,484	55,206	<b>222,820</b>	8,873	<b>213,947</b>
	Q4	44,266	19,980	34,691	46,782	10,908	13,006	55,837	<b>225,469</b>	9,089	<b>216,380</b>
2009	Q1	43,063	21,302	36,759	47,567	10,963	13,345	56,874	<b>229,872</b>	9,201	<b>220,671</b>
	Q2	43,555	22,218	40,137	47,931	11,016	12,476	57,441	<b>234,775</b>	9,350	<b>225,425</b>
	Q3	43,929	22,110	34,990	47,316	10,747	12,847	57,993	<b>229,933</b>	9,461	<b>220,472</b>
	Q4	45,317	22,380	30,214	46,567	10,932	12,492	58,410	<b>226,311</b>	9,435	<b>216,876</b>
2010	Q1	46,602	24,513	29,725	47,771	12,494	11,885	59,692	<b>232,682</b>	9,271	<b>223,411</b>
	Q2	47,278	26,101	29,437	49,880	13,255	11,912	59,950	<b>237,812</b>	9,361	<b>228,451</b>
	Q3	47,403	25,503	28,709	49,420	13,970	11,666	60,906	<b>237,577</b>	9,467	<b>228,110</b>
	Q4	46,673	27,338	27,469	50,184	14,276	11,806	60,838	<b>238,584</b>	9,830	<b>228,755</b>
2011	Q1	47,887	28,414	31,219	50,735	14,854	11,607	60,202	<b>244,918</b>	10,153	<b>234,766</b>
	Q2	48,724	24,947	28,453	50,203	15,597	11,721	60,344	<b>239,989</b>	10,241	<b>229,748</b>
	Q3	48,585	26,569	28,781	52,245	16,823	11,672	59,560	<b>244,235</b>	10,379	<b>233,857</b>

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Values in million Lek



**Gross Domestic Product by Broad Industry Group**  
Chain-volume series expressed in base year prices ( 2005=100) (1)

	Agriculture, hunting, forestry and fishing	Industry	Construction	Trade, hotels and restaurants	Transport	Post and communication	Other services	Total VA	FISIM	GDP at basic prices (2)
<b>Changes from one quarter to the same quarter of previous year not seasonal adjusted (Qt,i/Qt-1,i) (3)</b>										
Quarter										
2005 Q1	1.5	6.5	10.0	1.9	9.2	35.6	0.1	4.0	-3.5	4.3
Q2	-0.6	27.4	7.4	10.9	14.9	26.1	5.8	8.3	5.5	8.4
Q3	1.6	12.9	12.1	5.5	0.4	17.1	5.2	6.3	8.7	6.3
Q4	0.5	-1.1	-0.9	4.4	15.2	11.4	3.6	2.9	4.3	2.9
2006 Q1	4.1	15.2	6.0	7.5	14.1	21.0	5.8	7.8	7.4	7.8
Q2	4.1	0.4	-1.2	1.7	-4.9	-7.7	4.6	1.7	11.7	1.4
Q3	2.5	9.9	10.4	-2.1	7.3	10.3	3.0	4.0	12.2	3.8
Q4	1.2	13.5	23.0	2.6	-3.4	28.1	7.3	8.6	26.4	8.0
2007 Q1	1.9	-7.9	32.7	2.7	15.5	8.4	7.5	6.8	37.2	5.7
Q2	1.6	-2.3	5.8	2.1	17.0	33.9	8.4	5.2	26.7	4.5
Q3	2.7	-12.0	2.1	8.8	1.1	19.1	11.6	4.9	25.3	4.2
Q4	5.5	-19.4	14.1	8.9	-5.0	12.6	13.7	6.8	7.0	6.8
2008 Q1	8.0	3.5	15.2	12.0	4.2	7.7	15.4	11.1	2.0	11.5
Q2	6.9	3.1	25.4	6.2	-6.7	10.5	8.2	8.4	0.6	8.8
Q3	6.4	13.8	16.8	9.5	-6.5	13.7	6.1	8.8	4.4	9.0
Q4	7.1	10.9	-4.7	3.0	4.3	28.9	-3.2	2.4	12.1	2.1
2009 Q1	1.3	8.4	0.0	3.7	-6.3	42.1	5.0	4.7	9.2	4.5
Q2	3.2	6.4	17.0	7.5	2.7	20.1	6.3	7.8	12.0	7.6
Q3	1.2	2.7	1.2	1.4	6.2	22.3	4.4	3.5	5.8	3.4
Q4	1.8	10.4	-13.5	-1.3	-2.0	-1.8	3.9	-0.8	6.7	-1.1
2010 Q1	8.5	17.0	-18.9	0.3	14.9	-13.5	3.3	1.4	-2.0	1.6
Q2	9.3	17.1	-26.6	4.2	19.7	-4.6	4.9	2.1	0.1	2.2
Q3	7.8	13.4	-17.9	4.9	29.7	-9.5	6.6	3.6	2.8	3.7
Q4	2.3	22.8	-9.4	7.7	30.1	-3.8	5.0	5.4	3.6	5.5
2011 Q1	2.8	15.6	5.4	6.3	20.2	-3.2	-0.8	4.7	10.3	4.5
Q2	3.4	-4.5	-3.4	0.0	16.2	-1.3	1.9	1.3	9.4	0.9
Q3	2.5	4.8	0.3	6.2	19.7	-0.5	-3.3	2.8	8.9	2.6

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Percentage changes are calculated on unrounded numbers.

**Gross Domestic Product by Broad Industry Group**  
**Chain-volume series expressed in base year prices ( 2005=100) (1)**

		<b>Agriculture, hunting, forestry and fishing</b>	<b>Industry</b>	<b>Construction</b>	<b>Trade, hotels and restorants</b>	<b>Transport</b>	<b>Post and communication</b>	<b>Other services</b>	<b>Total VA</b>	<b>FISIM</b>	<b>GDP at basic prices (2)</b>
<b>Changes from one quarter to the previous quarter seasonal adjusted (3)</b>											
<b>Quarter</b>											
2005	Q1	-1.8	-8.5	-8.9	0.9	2.6	2.1	1.3	-1.9	3.7	-2.1
	Q2	-0.1	15.8	12.2	5.9	7.7	9.7	1.7	5.7	1.6	5.8
	Q3	2.2	-5.7	-1.0	0.2	-3.5	-3.6	1.2	-0.3	0.9	-0.4
	Q4	0.4	-0.2	-1.9	-1.5	6.7	0.0	0.8	0.0	0.3	0.0
2006	Q1	1.1	5.5	-3.5	2.1	-0.2	11.3	0.8	1.4	2.3	1.4
	Q2	0.4	0.9	5.9	0.9	-6.6	-9.2	1.5	0.8	7.9	0.5
	Q3	0.7	3.8	10.7	-3.2	7.7	10.2	1.3	2.4	3.4	2.4
	Q4	-0.7	3.0	8.9	3.3	2.1	11.2	2.3	3.3	8.5	3.1
2007	Q1	1.2	-14.7	2.8	0.9	2.2	0.1	2.3	-0.1	15.5	-0.7
	Q2	0.5	6.4	-14.5	1.7	4.7	6.5	2.6	-0.1	-2.2	0.0
	Q3	2.1	-6.1	7.2	2.3	-2.1	0.1	2.7	1.8	0.4	1.9
	Q4	1.7	-2.7	21.8	4.4	4.7	5.5	2.6	5.3	0.6	5.5
2008	Q1	3.2	5.8	2.4	2.3	-4.4	-2.6	1.4	2.0	1.4	2.0
	Q2	-0.4	6.2	-6.6	-2.5	-5.2	7.3	1.1	-0.8	-1.8	-0.8
	Q3	2.1	4.6	0.4	4.5	-2.0	1.6	1.2	2.1	6.3	2.0
	Q4	2.3	-8.3	0.3	-0.2	2.9	24.1	1.1	1.2	2.4	1.1
2009	Q1	-2.7	6.6	6.0	1.7	0.5	2.6	1.9	2.0	1.2	2.0
	Q2	1.1	4.3	9.2	0.8	0.5	-6.5	1.0	2.1	1.6	2.2
	Q3	0.9	-0.5	-12.8	-1.3	-2.4	3.0	1.0	-2.1	1.2	-2.2
	Q4	3.2	1.2	-13.7	-1.6	1.7	-2.8	0.7	-1.6	-0.3	-1.6
2010	Q1	2.8	9.5	-1.6	2.6	14.3	-4.9	2.2	2.8	-1.7	3.0
	Q2	1.5	6.5	-1.0	4.4	6.1	0.2	0.4	2.2	1.0	2.3
	Q3	0.3	-2.3	-2.5	-0.9	5.4	-2.1	1.6	-0.1	1.1	-0.1
	Q4	-1.5	7.2	-4.3	1.5	2.2	1.2	-0.1	0.4	3.8	0.3
2011	Q1	2.6	3.9	13.7	1.1	4.0	-1.7	-1.0	2.7	3.3	2.6
	Q2	1.7	-12.2	-8.9	-1.0	5.0	1.0	0.2	-2.0	0.9	-2.1
	Q3	-0.3	6.5	1.2	4.1	7.9	-0.4	-1.3	1.8	1.3	1.8

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Percentage changes are calculated on unrounded numbers.