

# Producer price Index

## First quarter, 2015

**Tirana. 05 June 2015:** In the first quarter 2015, Producer Price Index reached 101.5 % compared with base year 2010. (2010 = 100).

**The annual change of index is -1.8 %.** Lowest prices are signed in "Mining and quarrying" section by 9.6 %.

Compared with the same period of year 2014, prices of products produced for export increased by 0.8 %, while prices of products produced and sold on domestic market decreased by 3.4 %.

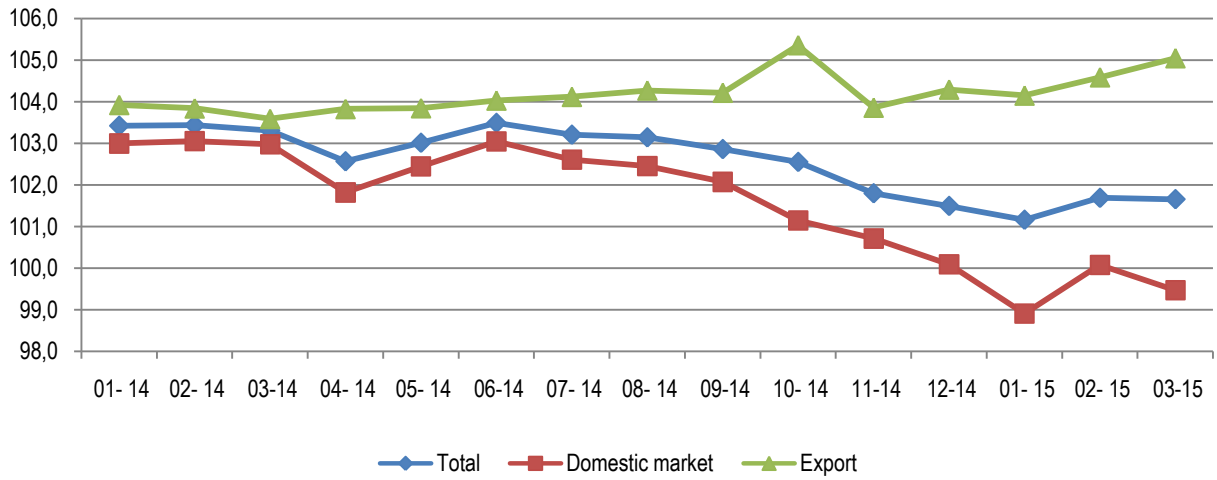
**Quarterly change of index is -0.4 %.** Producer Prices in "Mining and quarrying" decreased by 3.1 %. Lowest prices are recorded on extraction of crude petroleum and natural gas products, by 5.7 %.

Producer Price Index increased by 0.6 % in "Manufacturing" section. The prices increased in manufacture of chemical products by 2.8 %, manufacture of paper products by 2.5 %. Prices in activities of "Manufacture of coke and petroleum products" and "Installation of machinery and equipment" decreased by 2.4 % and 3.1 %.

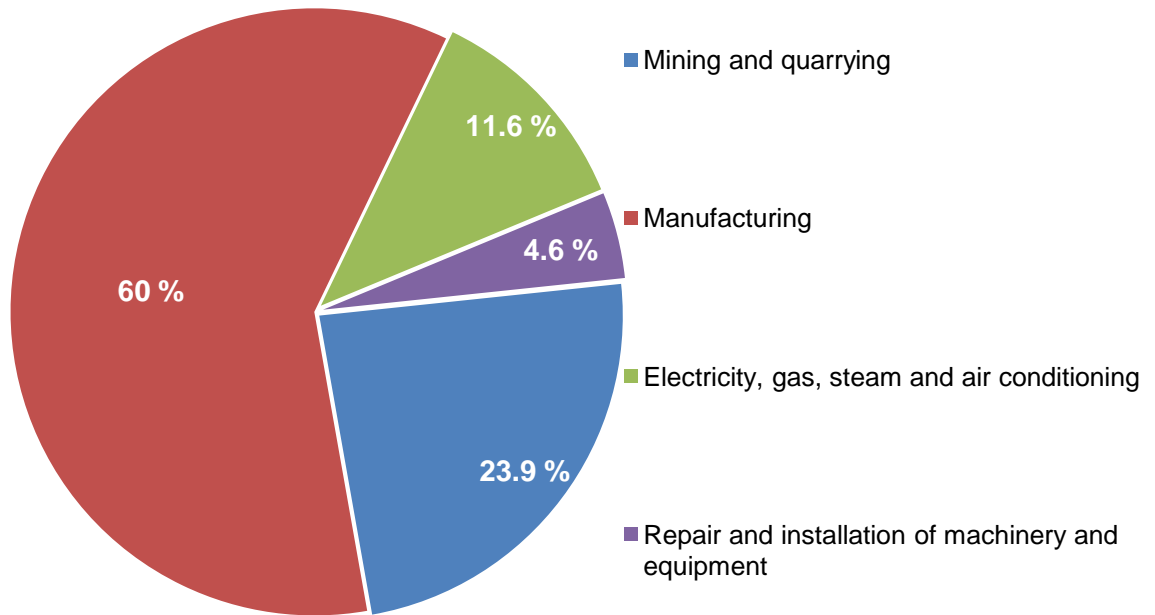
**Producer Price Index for Domestic** market reached 99.5 % signing a decrease by 1.2 % compared with fourth quarter 2014 (2010 = 100). Lower prices are recorded in "Mining and quarrying" section by 6.8 %. Producer prices of "Manufacturing" section increased by 0.6 %.

**Export Price Index** reached 104.6 % signing an increase by 0.1 % compared with the previous quarter. Export price index increased by 0.5 % in "Manufacturing" section.

**Fig. 1 Monthly Producer Price Index , January 2014 – March 2015**



**Fig. 2 Industry Sections Structure**



**Tab. 1 Producer Price Index**

2010=100

%

NACE	Description	Weights	01 - 15	02 - 15	03 - 15	I - 15
	<b>Total</b>	<b>100.0</b>	<b>101.2</b>	<b>101.7</b>	<b>101.7</b>	<b>101.5</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>23.9</b>	<b>92.8</b>	<b>94.4</b>	<b>95.3</b>	<b>94.1</b>
	05 Mining of coal and lignite; extraction of peat	0.1	100.0	100.0	100.0	100.0
	06 Extraction of crude petroleum and natural gas; auxiliary services	15.9	92.7	95.7	96.7	95.0
	07 Mining of metal ores	5.4	101.2	99.3	100.7	100.4
	08 Other mining and quarrying	2.5	101.9	101.8	101.8	101.8
<b>C</b>	<b>Manufacturing</b>	<b>60.0</b>	<b>104.9</b>	<b>105.0</b>	<b>104.7</b>	<b>104.9</b>
	10 Manufacture of food products	9.5	106.7	106.7	106.8	106.7
	11 Manufacture of beverages	3.3	108.5	108.1	106.0	107.5
	12 Manufacture of tobacco products	0.2	92.6	92.6	92.6	92.6
	13 Manufacture of textiles	0.2	106.6	106.6	106.6	106.6
	14 Manufacture of dressing: wearing apparel	4.5	106.9	106.4	106.9	106.8
	15 Manufacture of leathers and leather products	5.1	108.4	108.5	109.1	108.6
	16 Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed	1.2	109.6	109.6	109.7	109.6
	17 Manufacture of papers and paper products	0.9	106.1	106.1	106.1	106.1
	18 Paper printing and regroupin of recorded media	1.6	94.0	94.0	94.0	94.0
	19 Manufacture of coke and petroleum products refinery	1.4	108.1	109.3	108.1	108.5
	20 Manufacture of chemicals and chemical products	1.1	100.1	100.1	100.1	100.1
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	97.4	97.4	97.4	97.4
	22 Manufacture of rubbers and plastic products	1.5	116.2	116.2	116.2	116.2
	23 Manufacture of non-metallic mineral products	10.7	101.8	101.8	100.8	101.5
	24 Metallurgy	8.7	94.7	95.7	95.2	95.2
	25 Manufacture of fabricated metal products, except machinery and equipment	6.2	106.2	105.9	105.9	106.0
	26 Manufacture of optics, electronics and computer products	0.0	104.8	104.8	104.8	104.8
	27 Manufacture of electrical equipment	0.6	110.0	110.0	110.0	110.0
	28 Manufacture of machinery and equipment	0.1	109.7	109.7	109.7	109.7
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.3	103.7	103.7	103.7	103.7
	31 Manufacture of furniture	2.1	116.6	116.7	116.4	116.6
	32 Other Industries	0.3	105.2	105.2	105.2	105.2
	33 Repair and installation of machinery and equipment	0.1	107.7	105.9	109.4	107.7
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>11.6</b>	<b>99.4</b>	<b>99.8</b>	<b>98.9</b>	<b>99.4</b>
	35 Electricity, gas, steam and air conditioning	11.6	99.4	99.8	98.9	99.4
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>4.6</b>	<b>101.9</b>	<b>102.5</b>	<b>103.0</b>	<b>102.4</b>
	36 Water supply, treatment activities and waste management	2.1	112.2	112.2	112.2	112.2
	37 Sewage removal and treatment services	0.4	101.5	101.5	101.5	101.5
	38 Activities of collection, treatment and disposal of waste, materials recovery	2.1	85.6	86.8	87.7	86.7

Tab.2 Quarterly and annualy change of Producer Price Index

%

NACE	Description	Weights	I-15 / IV-14	I-15 / I-14
	<b>Total</b>	<b>100.0</b>	<b>-0.4</b>	<b>-1.8</b>
<b>C</b>	<b>Mining and quarrying</b>	<b>23.9</b>	<b>-3.1</b>	<b>-9.6</b>
05	Mining of coal and lignite; extraction of peat	0.1	0.0	0.0
06	Extraction of crude petroleum and natural gas; auxiliary services	15.9	-5.7	-14.7
07	Mining of metal ores	5.4	3.5	3.6
08	Other mining and quarrying	2.5	0.5	0.5
<b>D</b>	<b>Manufacturing</b>	<b>60.0</b>	<b>0.6</b>	<b>0.5</b>
10	Manufacture of food products	9.5	0.9	1.8
11	Manufacture of beverages	3.3	1.7	2.5
12	Manufacture of tobacco products	0.2	0.0	-8.3
13	Manufacture of textiles	0.2	0.6	5.6
14	Manufacture of dressing: wearing apparel	4.5	1.8	2.3
15	Manufacture of leathers and leather products	5.1	-0.9	-5.0
16	Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed	1.2	-0.5	0.2
17	Manufacture of papers and paper products	0.9	2.5	4.3
18	Paper printing and regroupin of recorded media	1.6	0.0	0.5
19	Manufacture of coke and petroleum products refinery	1.4	-2.4	-3.4
20	Manufacture of chemicals and chemical products	1.1	2.8	1.4
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	0.0	-1.4
22	Manufacture of rubbers and plastic products	1.5	-0.1	1.7
23	Manufacture of non-metallic mineral products	10.7	0.4	-2.2
24	Metallurgy	8.7	-0.4	1.8
25	Manufacture of fabricated metal products, except machinery and equipment	6.2	0.4	1.7
26	Manufacture of optics, electronics and computer products	0.0	0.3	0.3
27	Manufacture of electrical equipment	0.6	0.5	4.4
28	Manufacture of machinery and equipment	0.1	-0.1	-0.3
29	Manufacture of transport vehicles, trailers and semi-trailers	0.3	3.0	3.0
31	Manufacture of furniture	2.1	4.9	4.9
32	Other Industries	0.3	-2.1	-3.1
33	Repair and installation of machinery and equipment	0.1	-3.1	-2.5
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>11.6</b>	<b>-0.8</b>	<b>-0.8</b>
35	Electricity, gas, steam and air conditioning	11.6	-0.8	-0.8
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>4.6</b>	<b>-0.8</b>	<b>-0.5</b>
36	Water supply, treatment activities and waste management	2.1	2.3	3.9
37	Sewage removal and treatment services	0.4	-0.4	-1.8
38	Activities of collection, treatment and disposal of waste, materials recovery	2.1	-4.1	-5.4

**Tab. 3 Producer Price Index for domestic market**

2010 = 100

%

NACE	Description	Weights	01 - 15	02 - 15	03 - 15	I - 15	I - 15 / IV - 14
	<b>Total</b>	<b>100.0</b>	<b>98.9</b>	<b>100.1</b>	<b>99.5</b>	<b>99.5</b>	<b>-1.2</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>18.8</b>	<b>91.9</b>	<b>98.3</b>	<b>97.2</b>	<b>95.8</b>	<b>-6.8</b>
05	Mining of coal and lignite; extraction of peat	0.1	100.0	100.0	100.0	100.0	0.0
06	Extraction of crude petroleum and natural gas; auxiliary services	13.6	93.0	102.3	100.8	98.7	-9.8
07	Mining of metal ores	1.2	115.8	115.8	115.8	115.8	4.1
08	Other mining and quarrying	3.9	102.2	102.1	102.1	102.1	0.3
<b>C</b>	<b>Manufacturing</b>	<b>57.1</b>	<b>103.5</b>	<b>103.3</b>	<b>102.9</b>	<b>103.2</b>	<b>0.6</b>
10	Manufacture of food products	11.8	107.7	107.6	107.8	107.7	1.7
11	Manufacture of beverages	5.3	107.9	107.6	105.4	107.0	1.8
12	Manufacture of tobacco products	0.3	92.6	92.6	92.6	92.6	-4.8
13	Manufacture of textile	0.1	87.4	87.4	87.4	87.4	1.9
14	Manufacture of dressing: wearing apparel	2.3	106.2	104.5	105.7	105.5	1.4
15	Manufacture of leathers and leather products	2.6	113.2	112.1	113.5	113.0	-2.9
16	Manufacture of woods and products of wood and oak.except furniture; manufacture of articles of straw and reed	1.1	104.8	104.8	104.9	104.8	-0.4
17	Manufacture of papers and paper products	0.4	108.8	108.8	108.8	108.8	5.6
18	Paper printing and regroupin of recorded media	2.7	94.0	94.0	94.0	94.0	-6.8
19	Manufacture of coke and petroleum products refinery	0.9	103.9	103.9	103.9	103.9	-6.3
20	Manufacture of chemicals and chemical products	1.0	95.0	95.0	94.9	94.9	-0.4
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.6	97.4	97.4	97.4	97.4	0.3
22	Manufacture of rubbers and plastic products	1.8	113.7	113.7	113.7	113.7	-0.9
23	Manufacture of non-metallic mineral products	13.6	91.5	91.4	90.2	91.1	0.5
24	Metallurgy	2.4	89.5	89.5	89.5	89.5	0.1
25	Manufacture of fabricated metal products. except machinery and equipment	7.0	99.0	98.9	98.9	98.9	-2.0
27	Manufacture of electrical equipment	0.3	105.9	105.9	105.9	105.9	1.4
28	Manufacture of machinery and equipment	0.1	102.6	102.6	102.6	102.6	-0.7
29	Manufacture of transport vehicles. trailers and semi-trailers	0.2	100.0	100.0	100.0	100.0	0.0
31	Manufacture of furniture	2.5	121.1	121.5	120.8	121.1	8.4
32	Other Industries	0.1	112.6	112.6	112.6	112.6	0.5
33	Repair and installation of machinery and equipment	0.1	113.4	109.9	116.9	113.4	0.4
<b>D</b>	<b>Electricity.gas. steam and air conditioning</b>	<b>19.8</b>	<b>99.4</b>	<b>99.8</b>	<b>98.9</b>	<b>99.4</b>	<b>-0.8</b>
35	Electricity.gas. steam and air conditioning	19.8	99.4	99.8	98.9	99.4	-0.8
<b>E</b>	<b>Water supply. treatment activities and waste management</b>	<b>4.4</b>	<b>105.1</b>	<b>105.1</b>	<b>105.1</b>	<b>105.1</b>	<b>1.8</b>
36	Water supply, treatment activities and waste management	3.6	112.2	112.2	112.2	112.2	1.4
37	Sewage removal and treatment services	0.6	101.5	101.5	101.5	101.5	0.8
38	Activities of collection, treatment and disposal of waste, materials recovery	0.2	79.0	79.0	79.0	79.0	0.1

**Tab. 4 Export Price Index**

2010= 100

%

NACE	Description	Weights	01 - 15	02 - 15	03 - 15	I - 15	I - 15 / IV - 14
	<b>Total</b>	<b>100.0</b>	<b>104.2</b>	<b>104.6</b>	<b>105.0</b>	<b>104.6</b>	<b>0.1</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>31.3</b>	<b>96.9</b>	<b>97.1</b>	<b>98.7</b>	<b>97.6</b>	<b>0.0</b>
	06 Extraction of crude petroleum and natural gas; auxiliary services	19.3	94.5	96.2	97.7	96.2	0.8
	07 Mining of metal ores	11.4	93.3	91.4	92.8	92.5	2.1
	08 Other mining and quarrying	0.6	102.2	102.2	102.2	102.2	0.9
<b>C</b>	<b>Manufacturing</b>	<b>63.9</b>	<b>106.4</b>	<b>106.8</b>	<b>106.7</b>	<b>106.6</b>	<b>0.5</b>
	10 Manufacture of food products	6.1	104.3	104.2	104.2	104.2	-1.0
	11 Manufacture of beverages	0.4	103.9	103.9	102.7	103.5	1.6
	13 Manufacture of textiles	0.5	116.4	116.4	116.4	116.4	0.3
	14 Manufacture of dressing: wearing apparel	7.6	107.2	107.2	107.5	107.3	2.0
	15 Manufacture of leathers and leather products	8.7	108.9	109.4	109.7	109.3	0.0
	16 Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed	1.3	111.0	110.9	111.2	111.0	-0.6
	17 Manufacture of papers and paper products	1.5	105.5	105.5	105.5	105.5	1.2
	19 Manufacture of coke and petroleum products refinery	2.1	100.9	102.5	100.9	101.4	0.6
	20 Manufacture of chemicals and chemical products	1.2	109.1	109.1	109.1	109.1	6.7
	22 Manufacture of rubbers and plastic products	1.0	123.3	123.3	123.3	123.3	1.5
	23 Manufacture of non-metallic mineral products	6.5	148.9	149.4	149.4	149.2	-0.3
	24 Metallurgy	17.9	99.4	100.7	100.1	100.1	-0.5
	25 Manufacture of fabricated metal products, except machinery and equipment	5.1	114.0	113.1	113.1	113.4	5.2
	26 Manufacture of optics, electronics and computer products	0.1	104.8	104.8	104.8	104.8	0.7
	27 Manufacture of electrical equipment	1.0	111.7	111.7	111.7	111.7	0.1
	28 Manufacture of machinery and equipment	0.3	111.0	111.0	111.0	111.0	0.1
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.4	105.1	105.1	105.1	105.1	5.1
	31 Manufacture of furniture	1.6	105.7	105.1	105.9	105.5	-2.7
	32 Other Industries	0.5	102.9	102.9	102.9	102.9	-2.7
	33 Repair and installation of machinery and equipment	0.1	95.0	95.0	95.0	95.0	-6.7
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>4.8</b>	<b>100.5</b>	<b>102.0</b>	<b>103.1</b>	<b>101.9</b>	<b>-4.8</b>
	38 Activities of collection, treatment and disposal of waste, materials recovery	4.8	89.2	90.6	91.6	90.5	-2.3

# Metodology

## User information

INSTAT in the wake of its efforts to calculate and publish statistical indicators, publishes the Producer Price Index, from the second quarter 2014 based on Nomenclature of Economic Activities, NACE Rev.2. The application of the Nomenclature of economic activities NACE Rev. 2 is based on the legal act approved through the Decreed of the Council of Ministers N°320, date 20.05. 2014.

[http://www.instat.gov.al/media/248316/njoftim\\_per\\_media\\_ndryshimi\\_i\\_nomenklatur\\_s\\_s\\_veprimtarive\\_ekonomike\\_rev\\_2.pdf](http://www.instat.gov.al/media/248316/njoftim_per_media_ndryshimi_i_nomenklatur_s_s_veprimtarive_ekonomike_rev_2.pdf).

In the contexts of standardizing and approaching the Short term statistics indicators to the standards of EU statistics, INSTAT has revised the reference period of the Producer price Index from 2005 = 100 to 2010 = 100.

The process of passing of statistical units from NACE Rev. 1.1 to NACE Rev. 2 is performed through the construction of a converted matrix, based on the statistical information obtained from the Structural Business Survey of Enterprises 2010, 2011,2012.

Producer price index measures the change in the prices of products at the first point of sale after production. Producer Price Index is compatible with Eurostat methodology and covers following economic activities:

- Extracting industry, B
- Manufacturing industry, C
- Electric power, water and gas, D
- Water supply, treatment activities and waste management

INSTAT calculates Producer Price Index for Domestic Production and Export Price Index. Calculation and publication of Producer Price Index in Albania include:

- Producer Price Index in Total

- Producer Price Index for Domestic Production
- Export Price Index

These indices are calculated for each product classified according to the Classification of Products by Economic Activity (CPA) in 6 – digit level and are published in two digit level. Renovation of the basket of enterprises and products is based on the results of Annual Structural Survey of Enterprises. For calculation of products 'weights of Producer Price Index for Domestic Production are used data coming from SBS while for calculation of products' weights of Export Price Index are used data coming from Foreign Trade Statistics.

Producer Price Index (PPI) is calculated taking into consideration 2010 as base year (2010 = 100). Calculation's method used in compiling of this index is Laspayer chain – index. It means that each transaction will be compared with its previous year December price (y -1).

### Index calculation

For calculation of index is used Laspayer type and is calculated as following:

$$I_{2010}^{y,m} = \frac{100}{\frac{1}{12} \sum_{M=JAN}^{DEC} I_{2010Dec}^{2010M}} \times \prod_{Y=2010}^{y-1} I_{Y-1,dec}^{Y,dec} \times I_{y-1,dec}^{y,m}$$

- The first part before the equal sign is stating the price level of December 2004 in percent of the average price level during 2010, hence adjusting the average of 2010 to 100.
- The second term is the chained index movement from December 2004 to December y-1 (a product of yearly index links [short-term - links] from December to December).
- The last part is showing the movement from December y-1 to month m year y.

### Measures of index

**The annual change measures** the price change between the current quarter and the same quarter of



previous year. This measure is responsive to recent changes in price levels but can be influenced by one –

off effects in either quarter.

**Quarterly change** measures the price changes between current quarter and previous quarter.