

Producer price Index

Tirana, 04 December 2015: In the third quarter 2015, Producer Price Index reached 100.0 % compared with base year 2010. (2010 = 100).

The annual change of index is - 3.0 %. Lowest prices are signed in products produced in "Mining and quarrying" section by 13.9 %. Here we can mention the decrease price of products on "Extraction of crude petroleum and natural gas" 19.4%.

Producer prices on activities of manufacturing sections increased by 0.2 % referred to the same period of 2014. Here we can mention the increase price of chemical products by 6.5 % and dressing products by 3.6 %.

The index price decreased on "Manufacture of coke and petroleum products refinery" activity, by 4.1 %.

Compared with the same period of year 2014, prices of products produced and sold on domestic market decreased by 4.0 %. Here we can mention the decrease prices in sections of "Mining and quarrying" by 19.1%.

Index prices of products produced for export decreased by 0.9 % compared with the same period of previous year.

Quarterly change of index is -1.8 %. Producer Prices in "Mining and quarrying" decreased by 7.4 %. Lower prices are recorded on extraction of crude petroleum and natural gas products, by 10.9 %.

Producer Price Index increased by 0.2 % in "Manufacturing" section. The prices increased in manufacture of drinks by 1.9 %, manufacture of machinery and equipments products by 2.5 %.

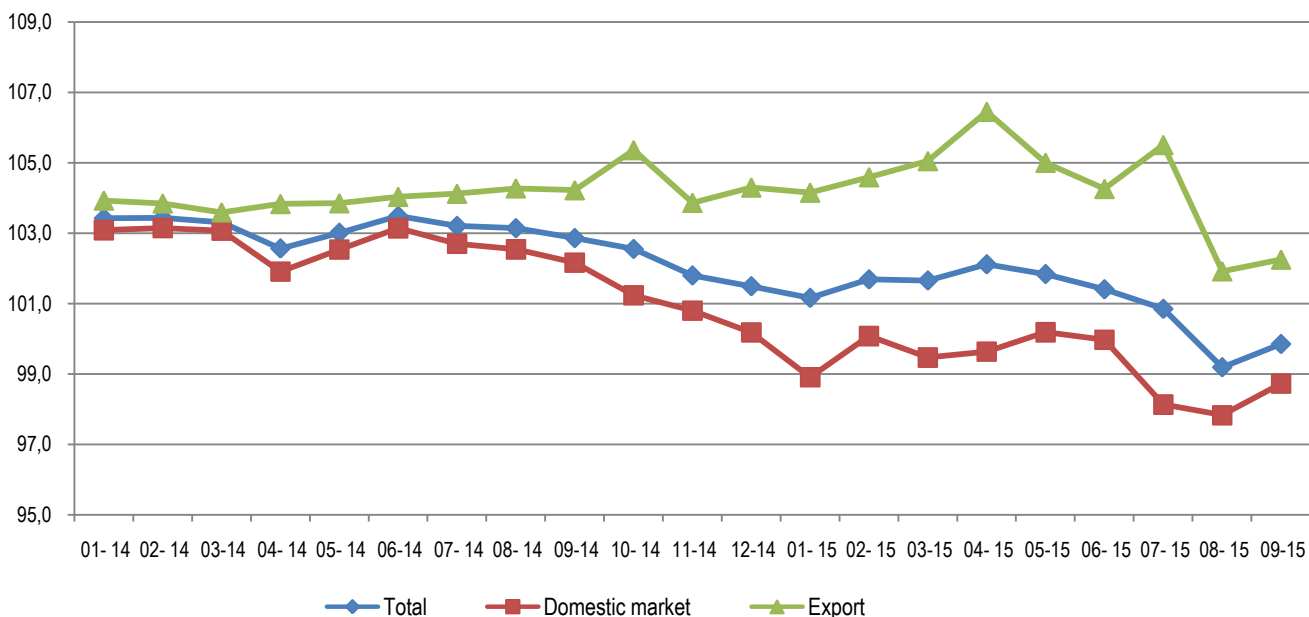
Prices of products decreased in "Metallurgy" activity by 2.0% and "Paper printing and recorded media" by 1.3 %.

Index price of section "Water supply, treatment activities and waste management" increased 0.2% compared with previous quarter. Here we can mention the increase price of products in activities of collection, treatment and disposal of waste, materials recovery by 0.2 %.

Producer Price Index for Domestic market reached 98.2 % signing a decrease by 1.7 % compared with second quarter 2015. Lower prices are recorded in “Mining and quarrying” section by 11.6 %. Producer prices of “Manufacturing” section increased by 0.7 %.

Export Price Index reached 103.2 % signing a decrease by 1.9 % compared with the previous quarter. Here we can mention the increase of export price products in section “Mining and quarrying” by 4.5 % and “Manufacturing” by 0.6 %.

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



Tab. 1 Producer Price Index

2010=100		%				
NACE	Description	Weights	07 - 15	08 - 15	09 - 15	III - 15
	Total	100.0	100.9	99.2	99.9	100.0
B	Mining and quarrying	23.9	91.7	86.0	88.0	88.6
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	93.7	84.7	86.3	88.2
07	Mining of metal ores	5.4	93.9	96.0	100.8	96.9
08	Other mining and quarrying	2.5	101.3	101.2	101.2	101.2
C	Manufacturing	59.9	104.7	104.6	104.7	104.7
10	Manufacture of food products	9.5	107.0	107.1	107.1	107.1
11	Manufacture of beverages	3.3	108.2	108.0	108.0	108.1
12	Manufacture of tobacco products	0.2	92.6	92.6	92.6	92.6
13	Manufacture of textiles	0.2	105.1	105.1	105.6	105.3
14	Manufacture of dressing; wearing apparel	4.5	107.8	107.8	107.9	107.8
15	Manufacture of leathers and leather products	5.1	110.8	110.8	110.9	110.8
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.2	111.7	112.0	112.0	111.9
17	Manufacture of papers and paper products	0.9	102.0	101.9	102.0	102.0
18	Paper printing and regrouping of recorded media	1.6	92.7	92.7	92.7	92.7
19	Manufacture of coke and petroleum products refinery	1.4	107.8	107.8	107.7	107.8
20	Manufacture of chemicals and chemical products	1.1	103.1	103.1	103.1	103.1
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	117.6	117.6	117.6	117.6
23	Manufacture of non-metallic mineral products	10.7	100.2	99.2	99.9	99.8
24	Metallurgy	8.7	93.0	93.0	93.0	93.0
25	Manufacture of fabricated metal products, except machinery and equipment	6.2	107.9	107.9	108.0	107.9
26	Manufacture of optics, electronics and computer products	0.0	104.4	104.4	104.4	104.4
27	Manufacture of electrical equipment	0.6	109.2	109.2	109.2	109.2
28	Manufacture of machinery and equipment	0.1	113.1	113.1	113.1	113.1
29	Manufacture of transport vehicles, trailers and semi-trailers	0.3	102.0	102.0	102.0	102.0
31	Manufacture of furniture	2.1	114.4	114.4	114.4	114.4
32	Other Industries	0.3	102.1	102.1	102.1	102.1
33	Repair and installation of machinery and equipment	0.1	109.6	109.7	109.6	109.6
D	Electricity, gas, steam and air conditioning	11.6	99.4	99.4	99.4	99.4
35	Electricity, gas, steam and air conditioning	11.6	99.4	99.4	99.4	99.4
E	Water supply, treatment activities and waste management	4.6	104.7	104.7	105.2	104.8
36	Water supply, treatment activities and waste management	2.1	113.0	113.0	113.0	113.0
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	90.4	90.4	91.4	90.7

Tab.2 Quarterly and annually change of Producer Price Index

			%	
NACE	Description	Weights	III-15 / II-15	III-15 / III-14
	Total	100.0	-1.8	-3.0
B	Mining and quarrying	23.9	-7.4	-13.9
	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	-10.9	-19.4
	07 Mining of metal ores	5.4	1.5	0.1
	08 Other mining and quarrying	2.5	-0.2	-0.7
C	Manufacturing	59.9	0.2	0.5
	10 Manufacture of food products	9.5	0.1	2.0
	11 Manufacture of beverages	3.3	1.9	3.0
	12 Manufacture of tobacco products	0.2	0.0	-1.7
	13 Manufacture of textiles	0.2	-1.3	-1.0
	14 Manufacture of dressing: wearing apparel	4.5	0.8	3.6
	15 Manufacture of leathers and leather products	5.1	1.1	-0.9
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.2	1.7	1.9
	17 Manufacture of papers and paper products	0.9	-0.6	-2.5
	18 Paper printing and regrouping of recorded media	1.6	-1.3	-0.5
	19 Manufacture of coke and petroleum products refinery	1.4	1.6	-4.1
	20 Manufacture of chemicals and chemical products	1.1	0.1	6.5
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	0.0	0.5
	22 Manufacture of rubbers and plastic products	1.5	0.7	1.6
	23 Manufacture of non-metallic mineral products	10.7	-0.1	-1.9
	24 Metallurgy	8.7	-2.0	-1.4
	25 Manufacture of fabricated metal products, except machinery and equipment	6.2	1.2	1.8
	26 Manufacture of optics, electronics and computer products	0.0	-0.7	0.9
	27 Manufacture of electrical equipment	0.6	-0.8	2.0
	28 Manufacture of machinery and equipment	0.1	2.5	3.2
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.3	0.6	2.0
	31 Manufacture of furniture	2.1	0.5	3.1
	32 Other Industries	0.3	-3.1	-5.0
	33 Repair and installation of machinery and equipment	0.1	-0.1	-1.2
D	Electricity, gas, steam and air conditioning	11.6	0.0	-0.8
	35 Electricity, gas, steam and air conditioning	11.6	0.0	-0.8
E	Water supply, treatment activities and waste management	4.6	0.2	1.1
	36 Water supply, treatment activities and waste management	2.1	-0.6	2.1
	37 Sewage removal and treatment services	0.4	0.0	-1.5
	38 Activities of collection, treatment and disposal of waste, materials recovery	2.1	0.2	-0.6

Tab. 3 Producer Price Index for domestic market

2010 = 100							%
NACE	Description	Weights	07 - 15	08 - 15	09 - 15	III - 15	III-15 / II - 15
	Total	100.0	98.1	97.8	98.7	98.2	-1.7
B	Mining and quarrying	18.8	87.8	86.7	90.8	88.5	-11.6
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	87.6	85.9	91.9	88.4	-15.8
07	Mining of metal ores	1.2	115.7	115.7	115.7	115.7	-0.5
08	Other mining and quarrying	3.9	101.4	101.3	101.3	101.3	-0.2
C	Manufacturing	57.1	103.4	103.2	103.4	103.3	0.7
10	Manufacture of food products	11.8	107.7	107.9	107.9	107.8	-0.3
11	Manufacture of beverages	5.3	107.8	107.5	107.5	107.6	2.0
12	Manufacture of tobacco products	0.3	92.6	92.6	92.6	92.6	0.0
13	Manufacture of textile	0.1	86.9	86.9	88.7	87.5	1.0
14	Manufacture of dressing: wearing apparel	2.3	106.3	106.3	106.3	106.3	0.9
15	Manufacture of leathers and leather products	2.6	118.0	118.0	118.2	118.1	4.7
16	Manufacture of woods and products of wood and oak. except furniture; Manufacture of articles of straw and reed	1.1	108.1	108.7	108.7	108.5	3.3
17	Manufacture of papers and paper products	0.4	98.2	98.1	98.3	98.2	-0.2
18	Paper printing and regrouping of recorded media	2.7	92.7	92.7	92.7	92.7	-1.3
19	Manufacture of coke and petroleum products refinery	0.9	100.7	100.7	100.7	100.7	-0.6
20	Manufacture of chemicals and chemical products	1.0	96.5	96.5	96.5	96.5	0.8
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.6	97.4	97.4	97.4	97.4	0.0
22	Manufacture of rubbers and plastic products	1.8	116.0	116.0	116.0	116.0	1.4
23	Manufacture of non-metallic mineral products	13.6	90.0	89.4	90.2	89.9	0.5
24	Metallurgy	2.4	89.4	89.4	89.4	89.4	0.0
25	Manufacture of fabricated metal products. except machinery and equipment	7.0	101.1	101.0	101.0	101.0	1.6
27	Manufacture of electrical equipment	0.3	104.9	104.9	104.9	104.9	-0.8
28	Manufacture of machinery and equipment	0.1	106.8	106.8	106.8	106.8	2.3
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	117.8	117.8	117.9	117.8	0.2
32	Other Industries	0.1	112.1	112.1	112.1	112.1	-0.7
33	Repair and installation of machinery and equipment	0.1	118.3	118.3	118.3	118.3	0.8
D	Electricity.gas. steam and air conditioning	19.8	99.4	99.4	99.4	99.4	0.0
35	Electricity.gas. steam and air conditioning	19.8	99.4	99.4	99.4	99.4	0.0
E	Water supply. treatment activities and waste management	4.4	105.7	105.7	105.7	105.7	0.2
36	Water supply, treatment activities and waste management	3.6	113.0	113.0	113.0	113.0	-0.6
37	Sewage removal and treatment services	0.6	101.5	101.5	101.5	101.5	0.0
38	Activities of collection, treatment and disposal of waste, materials recovery	0.2	79.4	79.4	79.4	79.4	0.0

Tab. 4 Export Price Index

2010= 100							%	
NACE	Description	Weights	07 - 15	08 - 15	09 - 15	III - 15	III-15 / II - 15	
	Total	100.0	105.5	101.9	102.2	103.2	-1.9	
B	Mining and quarrying	31.3	100.3	91.0	91.7	94.3	-4.5	
	06 Extraction of crude petroleum and natural gas; auxiliary services	19.3	103.9	89.1	87.6	93.5	-7.2	
	07 Mining of metal ores	11.4	85.6	87.8	92.9	88.8	1.8	
	08 Other mining and quarrying	0.6	103.4	103.4	103.4	103.4	0.3	
C	Manufacturing	63.9	106.1	106.0	106.0	106.0	-0.6	
	10 Manufacture of food products	6.1	105.2	105.2	105.2	105.2	1.4	
	11 Manufacture of beverages	0.4	102.7	102.7	102.7	102.7	0.0	
	13 Manufacture of textiles	0.5	114.4	114.4	114.4	114.4	-1.9	
	14 Manufacture of dressing; wearing apparel	7.6	108.4	108.5	108.6	108.5	0.8	
	15 Manufacture of leathers and leather products	8.7	110.4	110.3	110.4	110.4	-0.2	
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.3	111.3	111.3	111.3	111.3	-0.3	
	17 Manufacture of papers and paper products	1.5	104.1	104.1	104.1	104.1	-0.7	
	19 Manufacture of coke and petroleum products refinery	2.1	102.1	102.1	102.0	102.1	2.9	
	20 Manufacture of chemicals and chemical products	1.2	114.0	114.0	114.0	114.0	-0.6	
	22 Manufacture of rubbers and plastic products	1.0	122.2	122.2	122.2	122.2	-1.1	
	23 Manufacture of non-metallic mineral products	6.5	146.9	144.5	144.5	145.3	-1.9	
	24 Metallurgy	17.9	97.4	97.4	97.3	97.3	-2.3	
	25 Manufacture of fabricated metal products, except machinery and equipment	5.1	114.7	114.8	115.0	114.8	0.5	
	26 Manufacture of optics, electronics and computer products	0.1	104.4	104.4	104.4	104.4	-0.7	
	27 Manufacture of electrical equipment	1.0	110.9	110.9	110.9	110.9	-0.7	
	28 Manufacture of machinery and equipment	0.3	114.1	114.1	114.1	114.1	2.6	
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.4	102.3	102.3	102.3	102.3	0.0	
	31 Manufacture of furniture	1.6	105.8	105.8	105.8	105.8	0.1	
	32 Other Industries	0.5	99.2	99.2	99.2	99.2	-3.7	
	33 Repair and installation of machinery and equipment	0.1	94.2	94.2	94.2	94.2	-1.2	
E	Water supply, treatment activities and waste management	4.8	94.5	94.5	95.6	94.9	-1.2	
	38 Activities of collection, treatment and disposal of waste, materials recovery	4.8	94.5	94.5	95.6	94.9	-1.2	

Methodology

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 Laspeyer 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 Laspeyer 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 2009 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 2010 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.