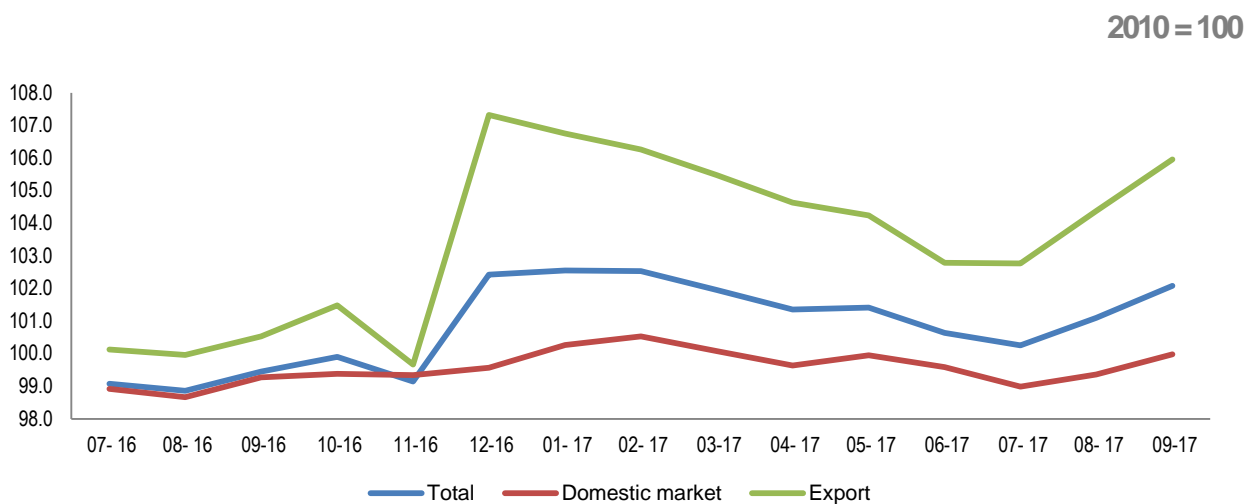


Producer price Index

Third quarter, 2017

Tirana, 05 December 2017: In the third quarter 2017, producer price index reached 101.1 compared with base year 2010 (2010 = 100). The producer price index signed an increase 2 % compared with the same period of 2016 and didn't sign any notable change compared with second quarter 2017.

Fig. 1 Producer Price Index



The annual change of producer price index is 2 %. Producer price index in “mining and quarrying” section signed an increased by 12.3 %. In this section we can mention the increased price index of extraction of crude petroleum and natural gas products by 11.8 %.

Producer prices index in “manufacture” section, increased by 1.8 %. The main impact on this increase gave the activities such as metallurgy by 7.5 %, manufacture of non-metallic mineral products by 4.3 % and manufacture of dressing by 0.8 %.

Producer prices for domestic market signed an increase by 0.5 % compared with the same period of 2016.

Annual change of **export producer prices** in third quarter 2017 is 4.2 %.

Quarterly change of producer price index didn't sign any notable change. Producer prices index in "mining and quarrying" section increased by 0.1 %, compared with second quarter 2017. In this section the highest increase is recorded on extraction of crude petroleum and natural gas products, by 0.3 %.

Producer price index in "manufacturing" section didn't sign any notable change compared with the previous quarter. Within this industry, the producer price index decreased in activities: manufacture of textiles by 2.0 %, manufacture of food products by 0.8 %, production of electrical equipment by 0.8 %.

Producer price Index for domestic market reached 99.4 compared with base year 2010 (2010 = 100), signing a decrease by 0.3 % compared with second quarter 2017. The main impact on this increase gave the "mining and quarrying" and "manufacturing" sections, respectively by 2.1 % and 0.1 %.

Export price index reached 104.4 compared with base year 2010 (2010 = 100), signing an increase by 0.5 % compared with the previous quarter. The export price index in "mining and quarrying" increased by 1.7 % while "manufacturing" didn't sign any notable change.

Tab. 1 Producer Price Index

2010=100

NACE	Description	Weights	07- 17	08- 17	09-17	III -17
	Total	100.0	100.3	101.1	102.1	101.1
B	Mining and quarrying	16.0	94.4	99.7	105.8	100.0
	06 Extraction of crude petroleum and natural gas; auxiliary services	10.7	89.5	97.3	106.2	97.7
	07 Mining of metal ores	3.6	100.7	100.7	100.7	100.7
	08 Other mining and quarrying	1.7	105.3	105.3	105.3	105.3
C	Manufacturing	54.7	105.5	105.5	105.5	105.5
	10 Manufacture of food products	6.6	106.7	106.8	106.6	106.7
	11 Manufacture of beverages	2.5	105.1	105.1	105.1	105.1
	12 Manufacture of tobacco products	0.1	99.1	99.1	99.1	99.1
	13 Manufacture of textiles	0.7	100.7	100.7	100.7	100.7
	14 Manufacture of dressing: wearing apparel	13.5	108.5	108.6	108.5	108.5
	15 Manufacture of leathers and leather products	4.5	109.9	109.8	109.9	109.9
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.7	108.8	108.9	108.9	108.8
	17 Manufacture of papers and paper products	1.2	104.9	104.7	104.7	104.8
	18 Paper printing and regrouping of recorded media	1.6	93.8	93.8	93.8	93.8
	19 Manufacture of coke and petroleum products refinery	0.5	109.0	109.0	109.0	109.0
	20 Manufacture of chemicals and chemical products	1.0	107.6	107.3	107.4	107.4
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.4	96.8	96.8	96.8	96.8
	22 Manufacture of rubbers and plastic products	1.1	117.0	117.0	116.9	117.0
	23 Manufacture of non-metallic mineral products	7.2	101.8	101.4	101.8	101.7
	24 Metallurgy	5.7	99.4	99.4	99.3	99.4
	25 Manufacture of fabricated metal products, except machinery and equipment	4.5	105.1	105.1	105.1	105.1
	26 Manufacture of optics, electronics and computer products	0.1	117.8	117.8	117.8	117.8
	27 Manufacture of electrical equipment	0.1	105.5	105.5	105.5	105.5
	28 Manufacture of machinery and equipment	0.1	116.0	116.0	116.0	116.0
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.1	101.8	101.8	101.8	101.8
	30 Other transport equipment	0.1	105.2	105.2	105.2	105.2
	31 Manufacture of furniture	1.9	115.7	115.7	115.6	115.6
	32 Other Industries	0.3	95.6	95.6	95.6	95.6
	33 Repair and installation of machinery and equipment	0.3	110.4	110.4	110.4	110.4
D	Electricity, gas, steam and air conditioning	25.5	99.0	99.0	99.0	99.0
	35 Electricity, gas, steam and air conditioning	25.5	99.0	99.0	99.0	99.0
E	Water supply, treatment activities and waste management	3.8	99.7	99.8	99.8	99.7
	36 Water supply, treatment activities and waste management	1.6	113.4	113.4	113.4	113.4
	37 Sewage removal and treatment services	0.1	101.5	101.5	101.5	101.5
	38 Activities of collection, treatment and disposal of waste, materials recovery	2.1	80.3	80.4	80.4	80.3

Tab. 2 Quarterly and annual change of Producer Price Index

					%
NACE	Description	Weights	III-17 / II - 17	III-17/ III - 16	
	Total	100.0	0.0	2.0	
B	Mining and quarrying	16.0	0.1	12.3	
	06 Extraction of crude petroleum and natural gas; auxiliary services	10.7	0.3	11.8	
	07 Mining of metal ores	3.6	-0.7	0.5	
	08 Other mining and quarrying	1.7	0.3	0.6	
C	Manufacturing	54.7	0.0	1.8	
	10 Manufacture of food products	6.6	-0.8	-0.3	
	11 Manufacture of beverages	2.5	0.1	-1.3	
	12 Manufacture of tobacco products	0.1	0.7	7.0	
	13 Manufacture of textiles	0.7	-2.0	1.6	
	14 Manufacture of dressing; wearing apparel	13.5	-0.4	0.8	
	15 Manufacture of leathers and leather products	4.5	0.5	1.5	
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.7	0.0	-1.6	
	17 Manufacture of papers and paper products	1.2	0.4	2.0	
	18 Paper printing and regrouping of recorded media	1.6	-0.1	-1.0	
	19 Manufacture of coke and petroleum products refinery	0.5	0.0	1.2	
	20 Manufacture of chemicals and chemical products	1.0	-0.1	3.7	
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.4	0.0	0.0	
	22 Manufacture of rubbers and plastic products	1.1	-0.2	1.3	
	23 Manufacture of non-metallic mineral products	7.2	0.9	4.3	
	24 Metallurgy	5.7	0.5	7.5	
	25 Manufacture of fabricated metal products, except machinery and equipment	4.5	-0.2	-0.8	
	26 Manufacture of optics, electronics and computer products	0.1	1.7	6.7	
	27 Manufacture of electrical equipment	0.1	-0.8	-3.7	
	28 Manufacture of machinery and equipment	0.1	-0.7	-0.8	
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.1	-0.1	-0.1	
	30 Other transport equipment	0.1	0.0	1.5	
	31 Manufacture of furniture	1.9	-0.3	-0.4	
	32 Other Industries	0.3	-1.0	-1.5	
	33 Repair and installation of machinery and equipment	0.3	-0.1	1.0	
D	Electricity, gas, steam and air conditioning	25.5	0.0	0.0	
	35 Electricity, gas, steam and air conditioning	25.5	0.0	0.0	
E	Water supply, treatment activities and waste management	3.8	0.3	1.6	
	36 Water supply, treatment activities and waste management	1.6	0.0	0.1	
	37 Sewage removal and treatment services	0.1	0.0	0.0	
	38 Activities of collection, treatment and disposal of waste, materials recovery	2.1	0.5	2.9	

Tab. 3 Producer Price Index for domestic market

2010 = 100

NACE	Description	Weights	%					
			I7-17	08-17	09-17	III-17	III-17 / II-17	III-17 / III-16
	Total	100.0	99.0	99.4	100.0	99.4	-0.3	0.5
B	Mining and quarrying	10.8	97.5	101.0	107.0	101.9	-2.1	4.8
	06 Extraction of crude petroleum and natural gas; auxiliary services	6.8	93.7	99.3	108.9	100.6	-3.5	0.9
	07 Mining of metal ores	1.5	118.0	118.0	118.0	118.0	0.0	4.2
	08 Other mining and quarrying	2.5	106.1	106.1	106.1	106.1	0.3	0.6
C	Manufacturing	42.7	102.8	102.8	102.8	102.8	-0.1	0.7
	10 Manufacture of food products	7.5	108.2	108.2	108.3	108.2	0.2	1.0
	11 Manufacture of beverages	4.1	104.6	104.6	104.6	104.6	0.1	-1.5
	13 Manufacture of textile	0.5	87.6	87.6	87.6	87.6	0.0	0.0
	14 Manufacture of dressing: wearing apparel	5.5	107.9	108.1	108.1	108.0	-1.9	0.4
	15 Manufacture of leathers and leather products	2.2	114.5	114.5	114.5	114.5	2.4	-0.5
	16 Manufacture of woods and products of wood and oak. except furniture; Manufacture of articles of straw and reed	0.4	107.4	107.7	107.7	107.6	0.5	1.5
	17 Manufacture of papers and paper products	0.6	96.8	96.8	96.8	96.8	2.1	1.6
	18 Paper printing and regrouping of recorded media	2.6	93.8	93.8	93.8	93.8	-0.1	-1.0
	19 Manufacture of coke and petroleum products refinery	0.3	98.6	98.6	98.6	98.6	0.0	1.7
	20 Manufacture of chemicals and chemical products	0.9	98.6	98.3	98.3	98.4	0.2	1.9
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.4	96.7	96.7	96.7	96.7	0.0	0.0
	22 Manufacture of rubbers and plastic products	1.1	114.2	114.2	114.2	114.2	-0.1	-0.2
	23 Manufacture of non-metallic mineral products	8.4	91.1	91.1	91.2	91.1	0.0	4.8
	24 Metallurgy	0.5	87.8	87.8	87.8	87.8	-1.6	-1.6
	25 Manufacture of fabricated metal products. except machinery and equipment	4.4	96.5	96.5	96.5	96.5	0.0	-2.1
	26 Manufacture of optics. electronics and computer products	0.1	105.2	105.2	105.2	105.2	3.4	3.1
	27 Manufacture of electrical equipment	0.1	109.8	109.8	109.8	109.8	-0.3	-0.8
	28 Manufacture of machinery and equipment	0.1	119.4	119.4	119.4	119.4	-1.9	-0.1
	29 Manufacture of transport vehicles. trailers and semi-trailers	0.1	99.5	99.5	99.5	99.5	-0.2	-0.5
	30 Other transport equipment	0.1	102.5	102.5	102.5	102.5	0.0	0.5
	31 Manufacture of furniture	2.2	119.9	119.9	119.9	119.9	0.0	-0.2
	32 Other Industries	0.1	97.3	97.3	97.3	97.3	-1.1	-9.6
	33 Repair and installation of machinery and equipment	0.5	119.3	119.3	119.3	119.3	-0.1	9.1
D	Electricity.gas. steam and air conditioning	41.7	99.0	99.0	99.0	99.0	0.0	0.0
	35 Electricity.gas. steam and air conditioning	41.7	99.0	99.0	99.0	99.0	0.0	0.0
E	Water supply. treatment activities and waste management	4.8	106.0	106.0	106.0	106.0	0.0	0.1
	36 Water supply. treatment activities and waste management	2.6	113.4	113.4	113.4	113.4	0.0	0.1
	37 Sewage removal and treatment services	0.0	101.5	101.5	101.5	101.5	0.0	0.0
	38 Activities of collection. Treatment and disposal of waste. materials recovery	2.2	79.7	79.7	79.7	79.7	0.0	0.1

Tab. 4 Export Price Index

2010= 100

%

NACE	Description	Weights	07- 17	08- 17	09-17	III -17	III-17/ II - 17	III-17/ III - 16
	Total	100.0	102.8	104.4	106.0	104.4	0.5	4.2
B	Mining and quarrying	25.0	86.4	92.5	98.2	92.4	1.7	4.4
06	Extraction of crude petroleum and natural gas; auxiliary services	17.5	79.2	87.4	95.2	87.3	2.8	5.6
07	Mining of metal ores	7.0	92.0	92.0	92.0	92.0	-0.9	-0.7
08	Other mining and quarrying	0.5	102.1	102.1	102.1	102.1	0.1	0.2
C	Manufacturing	73.0	108.5	108.4	108.4	108.4	0.0	2.9
10	Manufacture of food products	5.1	103.2	103.5	102.9	103.2	-3.1	-3.1
12	Manufacture of tobacco products	0.1	113.9	113.9	113.9	113.9	0.7	6.7
13	Manufacture of textiles	0.9	106.9	106.9	106.9	106.9	-3.7	0.3
14	Manufacture of dressing; wearing apparel	26.0	108.7	108.7	108.7	108.7	0.2	1.0
15	Manufacture of leathers and leather products	8.0	110.5	110.5	110.5	110.5	-0.2	2.2
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.2	107.5	107.5	107.5	107.5	-0.2	-3.8
17	Manufacture of papers and paper products	2.1	107.5	107.2	107.2	107.3	-0.3	1.8
19	Manufacture of coke and petroleum products refinery	1.0	103.8	103.8	103.8	103.8	0.0	0.8
20	Manufacture of chemicals and chemical products	1.1	122.2	122.2	122.2	122.2	-0.4	5.9
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	106.7	106.7	106.7	106.7	0.0	0.0
22	Manufacture of rubbers and plastic products	1.0	123.0	123.0	122.8	123.0	-0.4	3.9
23	Manufacture of non-metallic mineral products	5.0	151.0	148.8	150.5	150.1	3.3	2.9
24	Metallurgy	13.9	105.1	105.2	105.1	105.1	0.6	8.5
25	Manufacture of fabricated metal products, except machinery and equipment	4.7	115.0	115.0	115.0	115.0	-0.4	1.1
26	Manufacture of optics, electronics and computer products	0.2	119.7	119.7	119.7	119.7	1.0	8.3
27	Manufacture of electrical equipment	0.3	103.7	103.7	103.7	103.7	-1.1	-4.9
28	Manufacture of machinery and equipment	0.2	114.3	114.3	114.3	114.3	-0.1	-1.0
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	102.3	102.3	102.3	102.3	0.0	0.0
31	Manufacture of furniture	1.3	105.7	105.7	105.5	105.6	-1.0	-0.9
32	Other Industries	0.5	95.8	95.8	95.8	95.8	-1.0	1.9
E	Water supply, treatment activities and waste management	2.0	84.3	84.5	84.5	84.4	1.3	6.4
38	Activities of collection, treatment and disposal of waste, materials recovery	2.0	84.3	84.5	84.5	84.4	1.3	6.4

Metodology

User information

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:

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

- 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 measures 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.