

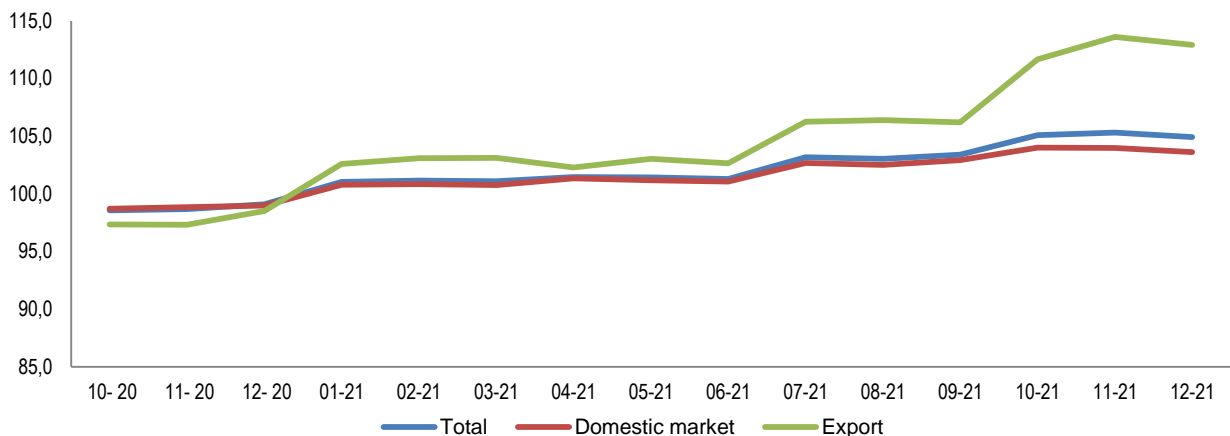
Producer price Index

Fourth quarter, 2021

Tirana, on 07 March 2021: In the fourth quarter 2021, Producer Price Index reached 105.1 increasing by 5.3 % compared with fourth quarter 2020.

Producer Price Index in the fourth quarter 2021 increased by 1.8 % compared with third quarter 2021.

Fig. 1 Producer Price Index



Annual change: Compared to the fourth quarter of 2020, the largest price increase of 12.8 % is observed in the section "Extractive industry" followed by the sections "Electricity, gas, steam and air conditioning" by 5.3 %. Price Index of Production in the section "Manufacturing" has increased by 4.8%. Within this section, the largest increase of prices is observed in the activity "Metallurgy" with 9.1 %, followed by the activities "Manufacture of food products" with 7.4 %, "Manufacture of coke and petroleum products refinery" with 7.2 % etc. On the other side, the largest decrease in prices is observed in the section "Printing and regrouping of recorded media" by 2.1 %, followed by sections "Manufacture of electrical equipment" by 0.9 %, "Manufacture of transport vehicles, trailers and semi-trailers" by 0.6 % etc.

Producer Price Index for Domestic Market: Compared to the fourth quarter of 2020, the index increased by 4.0 %. The largest increase of prices is observed in the section " Mining and quarrying " with 11.0 %, followed by the section " Manufacturing " with 4.6 %, the section "Electricity, gas, steam and air conditioning " with 2.9 % and section "Water supply, waste treatment and management activities, waste" by 1.0 % .

Export price index: Compared to the fourth quarter of 2020, the index increased by 14.0 %. The largest price increase was recorded in the section "Electricity, gas, steam and air conditioning", followed by the section "Mining and quarrying " with 22.6 %, the section "Water supply, treatment activities and waste management" with 14.8 % and the section "Manufacturing " with 4.2 %.

Quarter changes: Compared to the previous quarter 2021, the largest increase of 3.1 % is observed in the section "Mining and quarrying ". Producer Price Index, in the section "Manufacturing" has increased by 1.9 %. Within this section, the largest increase in prices is observed in the activity "Manufacture of coke and petroleum products refinery "by 8.2 %.

Producer Prices Index for Domestic Market: Compared to the third quarter of 2021, the index increased by 1.1%. The largest increase is observed in the section "Mining and quarrying "with 2.3 %.

Export Price Index: Compared to the previous quarter, the index increased by 6.1%. The largest increase of 58.6% is observed in the section "Electricity, gas, steam and air conditioning".

Tab. 1 Producer Price Index

2020=100

NACE	Description	Weights %	10-21	11-21	12-21	IV-21	IV-21 / III-21	IV-21 / IV-20
	Total	100.0	105.1	105.3	104.9	105.1	1.8	5.6
B	Mining and quarrying	12.3	116.4	115.4	112.5	114.8	3.1	12.8
06	Extraction of crude petroleum and natural gas; auxiliary services	1.2	134.5	135.3	123.4	131.1	4.0	28.2
07	Mining of metal ores	6.8	121.1	119.1	116.0	118.8	4.0	16.6
08	Other mining and quarrying	4.2	103.6	103.6	103.6	103.6	1.1	3.4
C	Manufacturing	44.4	103.9	104.1	104.1	104.1	1.9	4.8
10	Manufacture of food products	11.4	107.3	107.3	107.4	107.3	3.3	7.4
11	Manufacture of beverages	2.5	102.6	102.6	102.7	102.6	2.7	2.5
13	Manufacture of textiles	0.3	101.0	101.1	100.9	101.0	1.5	0.9
14	Manufacture of dressing: wearing apparel	3.2	101.1	101.3	101.2	101.2	0.5	1.2
15	Manufacture of leathers and leather products	1.6	100.8	101.1	100.8	100.9	0.1	1.2
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.5	102.4	102.5	102.5	102.4	2.0	2.7
17	Manufacture of papers and paper products	0.5	100.7	100.8	100.7	100.7	0.6	3.1
18	Paper printing and regrouping of recorded media	1.0	99.0	99.1	99.1	99.1	0.7	-2.1
19	Manufacture of coke and petroleum products refinery	0.8	107.6	109.6	110.8	109.3	8.2	7.2
20	Manufacture of chemicals and chemical products	0.6	105.0	105.2	105.4	105.2	3.6	6.2
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	100.1	100.1	100.1	100.1	0.0	0.2
22	Manufacture of rubbers and plastic products	0.6	102.3	102.2	102.2	102.2	-1.7	2.0
23	Manufacture of non-metallic mineral products	9.5	103.6	104.2	104.1	104.0	2.3	4.1
24	Metallurgy	2.2	104.3	104.3	104.3	104.3	-0.8	9.1
25	Manufacture of fabricated metal products, except machinery and equipment	3.6	104.4	104.5	104.4	104.4	2.7	4.6
26	Manufacture of optics, electronics and computer products	0.1	99.4	99.5	99.0	99.3	-0.1	-0.5
27	Manufacture of electrical equipment	0.6	98.6	98.7	98.6	98.6	-0.1	-0.9
28	Manufacture of machinery and equipment	0.2	99.9	99.9	99.9	99.9	-1.3	0.0
29	Manufacture of transport vehicles, trailers and semi-trailers	0.2	99.3	99.4	99.4	99.4	0.0	-0.6
30	Other transport equipment	0.0	104.5	104.5	104.5	104.5	-0.1	4.4
31	Manufacture of furniture	4.3	101.8	101.8	101.8	101.8	-0.8	1.9
32	Other Industries	0.0	99.3	99.5	99.1	99.3	0.6	-0.3
33	Repair and installation of machinery and equipment	0.1	102.6	102.1	102.1	102.3	1.0	2.3
D	Electricity, gas, steam and air conditioning	35.6	103.5	104.3	104.2	104.0	1.8	5.3
35	Electricity, gas, steam and air conditioning	35.6	103.5	104.3	104.2	104.0	1.8	5.3
E	Water supply, treatment activities and waste management	7.7	100.9	100.9	100.9	100.9	-0.1	1.5
36	Water supply, treatment activities and waste management	7.2	100.5	100.5	100.5	100.5	0.0	0.5
37	Sewage removal and treatment services	0.0	100.0	100.0	100.0	100.0	0.0	0.0
38	Activities of collection, treatment and disposal of waste, materials recovery	0.5	105.9	106.2	106.2	106.1	-1.2	7.2

Tab. 2 Producer Price Index for domestic market

2020=100

NACE	Description	Weights %	10-21	11-21	12-21	IV-21	IV-21 / III-21	IV-21 / IV-20
	Total	100.0	104.0	104.0	103.6	103.9	1.1	4.0
B	Mining and quarrying	11,7	114.1	113.0	109.9	112.3	2.3	11.0
06	Extraction of crude petroleum and natural gas; auxiliary services	0.9	132.0	133.5	119.0	128.2	4.0	24.8
07	Mining of metal ores	6.0	119.7	117.3	113.4	116.8	2.9	15.9
08	Other mining and quarrying	4.8	103.7	103.7	103.7	103.7	1.0	3.6
C	Manufacturing	39.2	104.5	104.7	104.6	104.6	2.1	4.6
10	Manufacture of food products	12.0	107.8	107.8	107.8	107.8	3.6	7.8
11	Manufacture of beverages	2.8	102.6	102.6	102.6	102.6	2.7	2.5
13	Manufacture of textile	0.1	104.9	104.9	104.9	104.9	3.8	4.8
14	Manufacture of dressing: wearing apparel	0.8	100.7	100.8	100.8	100.8	-1.5	0.7
15	Manufacture of leathers and leather products	0.3	101.7	101.7	101.7	101.7	2.7	1.6
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.3	103.1	103.3	103.3	103.2	2.4	3.3
17	Manufacture of papers and paper products	0.1	105.4	105.9	105.4	105.6	5.0	3.9
18	Paper printing and regrouping of recorded media	1.1	99.0	99.1	99.1	99.1	0.7	-2.1
19	Manufacture of coke and petroleum products refinery	0.0	107.9	107.9	107.9	107.9	0.0	7.9
20	Manufacture of chemicals and chemical products	0.5	105.9	106.1	106.1	106.0	4.3	6.3
22	Manufacture of rubbers and plastic products	0.4	104.1	104.1	104.1	104.1	-2.7	3.8
23	Manufacture of non-metallic mineral products	10.8	103.4	104.0	103.9	103.7	2.1	4.0
24	Metallurgy	1.0	106.7	106.7	106.7	106.7	0.0	6.4
25	Manufacture of fabricated metal products, except machinery and equipment	3.7	104.5	104.6	104.6	104.6	3.0	5.0
26	Manufacture of optics, electronics and computer products	0.0	98.9	98.9	97.8	98.5	-0.1	-1.3
27	Manufacture of electrical equipment	0.0	99.1	99.1	99.2	99.2	-0.1	-0.9
28	Manufacture of machinery and equipment	0.0	103.4	103.4	103.3	103.4	1.3	3.3
29	Manufacture of transport vehicles, trailers and semi-trailers	0.0	98.5	98.9	98.6	98.6	0.1	-1.4
30	Other transport equipment	0.0	100.0	100.0	100.0	100.0	0.0	0.0
31	Manufacture of furniture	4.7	101.5	101.5	101.5	101.5	-1.0	1.5
32	Other Industries	0.0	98.6	98.6	98.6	98.6	1.4	-1.3
33	Repair and installation of machinery and equipment	0.1	102.6	102.1	102.1	102.3	1.0	2.3
D	Electricity, gas, steam and air conditioning	40.5	101.5	101.5	101.6	101.5	0.1	2.9
35	Electricity, gas, steam and air conditioning	40.5	101.5	101.5	101.6	101.5	0.1	2.9
E	Water supply, treatment activities and waste management	8.6	100.2	100.2	100.2	100.2	-0.2	1.0
36	Water supply, treatment activities and waste management	8.4	100.5	100.5	100.5	100.5	0.0	0.5
37	Sewage removal and treatment services	0.0	100.0	100.0	100.0	100.0	0.0	0.0
38	Activities of collection, Treatment and disposal of waste, materials recovery	0.2	89.9	90.0	89.8	89.9	-7.1	-8.7

Tab. 3 Export Price Index

2020=100

NACE	Description	Weights	10-21	11-21	12-21	IV-21	IV-21 / III-21	IV-21 / IV-20
	Total	100.0	111.7	113.6	112.9	112.7	6.1	14.0
B	Mining and quarrying	16.0	126.9	126.3	124.4	125.9	6.6	22.6
06	Extraction of crude petroleum and natural gas; auxiliary services	3.2	139.2	138.6	131.5	136.4	3.9	33.9
07	Mining of metal ores	12.0	125.5	124.8	124.1	124.8	7.4	19.6
08	Other mining and quarrying	0.8	100.9	101.7	101.0	101.2	6.3	0.0
C	Manufacturing	76.4	102.2	102.4	102.5	102.3	1.2	4.2
10	Manufacture of food products	7.5	102.9	102.9	102.9	102.9	1.1	2.8
11	Manufacture of beverages	0.3	104.9	104.9	104.9	104.9	4.9	4.9
13	Manufacture of textiles	1.4	99.1	99.3	99.1	99.2	0.4	-1.0
14	Manufacture of dressing: wearing apparel	18.5	101.2	101.4	101.3	101.3	1.0	1.4
15	Manufacture of leathers and leather products	9.9	100.7	101.0	100.7	100.8	-0.4	1.1
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.4	101.2	101.3	101.3	101.3	1.4	1.7
17	Manufacture of papers and paper products	3.2	99.7	99.7	99.7	99.7	-0.3	3.1
19	Manufacture of coke and petroleum products refinery	6.0	107.6	109.6	110.8	109.3	8.3	6.7
20	Manufacture of chemicals and chemical products	1.5	103.0	103.4	104.0	103.5	2.0	5.2
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.0	104.6	104.6	104.6	104.6	1.5	6.1
22	Manufacture of rubbers and plastic products	1.9	99.7	99.6	99.5	99.6	-0.3	-0.3
23	Manufacture of non-metallic mineral products	1.8	113.0	112.8	113.7	113.2	8.8	13.1
24	Metallurgy	9.4	102.6	102.7	102.7	102.7	-1.3	10.0
25	Manufacture of fabricated metal products, except machinery and equipment	3.3	103.3	103.3	103.3	103.3	1.0	3.0
26	Manufacture of optics, electronics and computer products	0.5	99.7	99.8	99.5	99.7	0.0	-0.1
27	Manufacture of electrical equipment	4.6	98.6	98.7	98.6	98.6	-0.1	-0.8
28	Manufacture of machinery and equipment	1.4	99.6	99.6	99.6	99.6	-1.5	-0.2
29	Manufacture of transport vehicles, trailers and semi-trailers	1.1	99.4	99.4	99.4	99.4	0.0	-0.6
31	Manufacture of furniture	2.0	105.4	105.4	105.3	105.4	2.7	6.1
32	Other Industries	0.3	99.4	99.5	99.2	99.4	0.5	-0.2
D	Electricity, gas, steam and air conditioning	5.1	204.7	240.3	232.0	225.7	58.6	-
35	Electricity, gas, steam and air conditioning	5.1	204.7	240.3	232.0	225.7	58.6	125.7
E	Water supply, treatment activities and waste management	2.5	114.8	115.2	115.4	115.1	1.6	14.8
38	Activities of collection, treatment and disposal of waste, materials recovery	2.5	114.8	115.2	115.4	115.1	1.6	14.8

Methodology

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

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:

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

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 2020 as base year (2020 = 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 Laspeyer type and is calculated as following:

$$I_{2020}^{y,m} = \frac{100}{\frac{1}{12} \sum^{Dec} I_{Y-1,Dec}^{Y,M}} + \prod_{Y=2020}^{y-1} I_{Y-1,Dec}^{Y,M} * I_{y-1,Dec}^{y,m}$$

- The first part before the equal sign is stating the price level of December 2020 in percent of the average price level during 2020. hence adjusting the average of 2020 to 100.
- The second term is the chained index movement from December 2020 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.