

Consumer Price Index

January, 2016

Tirana, on February 10, 2016: Consumer Price Index in January 2016 arrived 100.9 % considerate December 2015 as base period.

In January 2016 the annual rate of consumer price is 1.5 %. A year before the annual rate was 1.3 %.

Contribution of main groups in yearly changes of CPI: Annual growth rate in January was push up mainly from "Food and non-alcoholic beverage" group by +1.55 p.p. Prices of "Education service" group contributed by + 0.19 p.p. in annual rate. Prices of "Alcoholic beverages and tobacco" group contributed by +0.16 p.p... Prices of "Hotel, coffee-house and restaurants" and "Recreation and culture" groups contributed +0.03 p.p.. Price of "Housing, water, electricity gas and other fuel" group contributed by -0.27 p.p.. Prices of "Transport" groups, contributed by -0.16 p.p.. Prices of "Clothing and footwear" group contributed by -0.15 p.p.. Prices of "Health" and "Communication" group contributed respectably by -0.06 and -0.03 p.p. (see Fig. 2, pg 2)

Yearly rate of main groups: Compared to January 2015, prices increased the most in the group "Food and non-alcoholic beverage" by 4.3 %, followed by "Education services" group by 4.8 %, "Alcoholic drinks and tobacco" by 3.3 %, etc. Within the food group prices of "fruits" are increased by 24.7 %, followed by "vegetables include potatoes" subgroup by 19.3 %, "sugar, jam and dessert" subgroup by 1.4 %, "oil and fat" subgroup by 0.8 %, , etc. Meanwhile prices of "milk, cheese and eggs" subgroup are decreased by 5.5 %, followed by "coffee and tea" subgroup by 1.3 %, "meet" subgroup" by 0.8 %. etc. On the other hand prices decreased the most in the "Clothing and footwear" group by 3.7 %, followed by "Transport" group by 2.5 %, "Health" group by 1.6 %,

Monthly rate of consumer price is 0.9 %. Compared to December 2015 prices increased the most in "Food and non-alcoholic beverage" group by 2.5 %. Price are decreased the most in "transport" group by 3,3 %. Compared with previous month price of diesel was decrease by 5,8 % and price of petrol was decrease by 5.6 %.

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Fig. 1 Annual rate of consumer price index

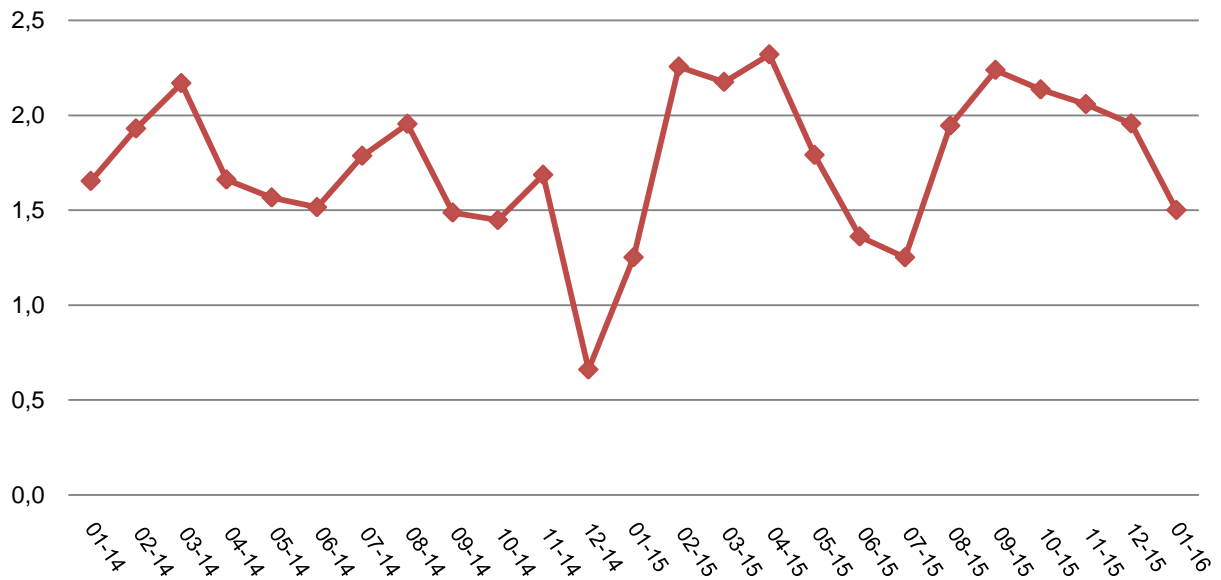
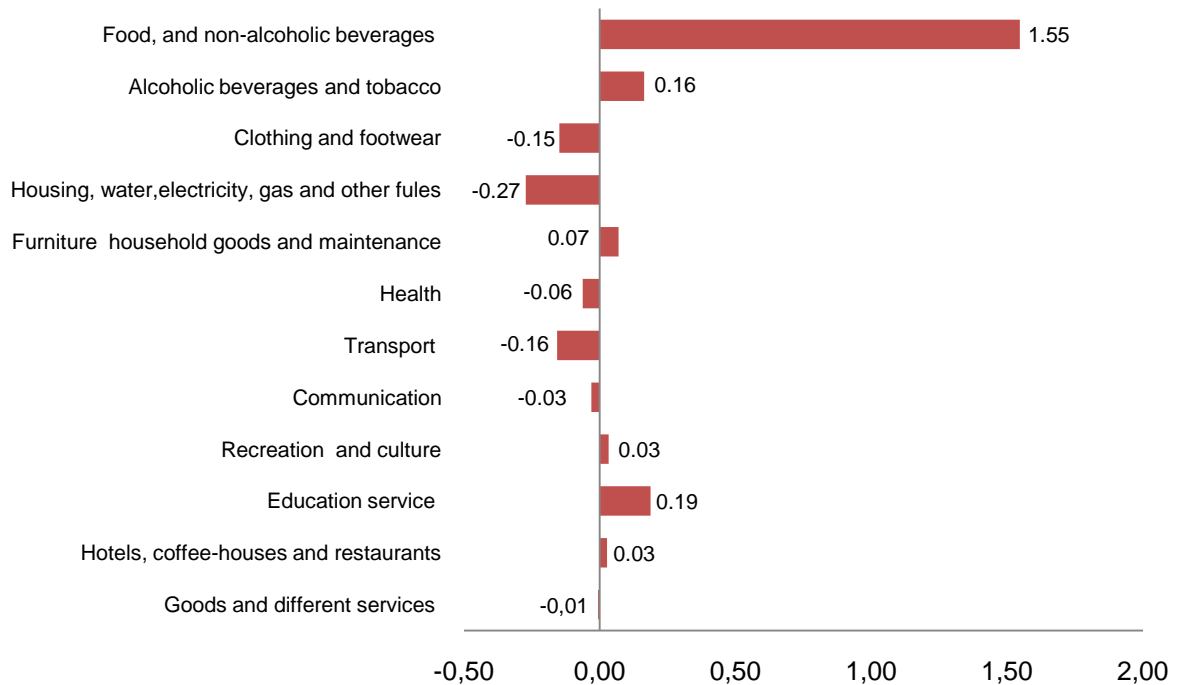


Fig. 2 Contribute of main groups in annual rate



Notice: Contribution measure the impact of each expenditure main groups on the total yearly changes of the consumer price index in percent point. The total contribution is equal with yearly changes. For example yearly changes of "Alcoholic beverage and tobacco" group in January 2016 is 3.3 %, their contribution on the yearly changes is 0.16 p.p..

Tab. 1 Consumer Price Index

December 2015=100 %

Code	Groups	Weights	01-15	02-15	03-15	04-15	05-15	06-15	07-15	08-15	09-15	10-15	11-15	12-15	01-16
	Total	100.0	99.4	101.8	102.2	101.7	100.1	99.0	98.4	99.1	99.7	99.7	99.4	100.0	100.9
1	Food, and non-alcoholic beverages	36.1	98.3	103.7	104.7	103.8	100.1	97.8	96.3	98.2	99.4	99.3	98.7	100.0	102.5
2	Alcoholic beverages and tobacco	5.0	97.3	98.3	98.6	99.1	99.3	99.6	99.3	99.5	99.5	99.6	99.4	100.0	100.5
3	Clothing and footwear	4.0	103.2	101.5	100.8	100.6	100.4	99.8	99.3	98.5	98.5	99.3	99.8	100.0	99.4
4	Housing, water, electricity, gas and other fuels	20.3	102.1	102.1	101.6	100.1	100.0	100.2	100.3	100.3	100.3	100.0	100.0	100.0	100.7
5	Furniture household goods and maintenance	7.4	99.4	99.2	99.3	99.4	99.6	99.4	99.5	99.6	99.5	99.4	99.5	100.0	100.3
6	Health	3.9	101.6	102.4	102.4	102.8	102.8	99.6	100.1	100.1	100.3	100.5	100.0	100.0	100.0
7	Transport	6.3	99.2	99.9	100.8	101.6	101.9	102.3	102.7	102.0	101.2	101.2	100.0	100.0	96.7
8	Communication	2.8	101.1	101.0	101.0	101.0	101.1	101.1	101.1	100.0	100.0	100.0	100.0	100.0	100.0
9	Recreation and culture	2.8	99.0	99.5	99.4	99.3	99.4	99.3	98.9	99.1	100.0	100.2	100.1	100.0	100.2
10	Education service	3.9	95.4	95.4	95.4	95.4	95.4	95.4	95.4	95.8	96.2	100.0	100.0	100.0	100.0
11	Hotels, coffee-houses and restaurants	2.6	99.0	99.0	99.0	99.0	99.0	99.1	99.1	99.2	100.0	100.0	99.9	100.0	100.0
12	Goods and different services	4.9	100.2	100.0	99.9	100.3	100.4	100.3	99.9	99.7	100.6	100.2	100.4	100.0	100.0

Tab. 2 Annual rate of CPI

%

Code	Groups	01-15/01-14	02-15/02-14	03-15/03-14	04-15/04-14	05-15/05-14	06-15/06-14	07-15/07-14	08-15/08-14	09-15/09-14	10-15/10-14	11-15/11-14	12-15/12-14	01-16/01-15
	Total	1.3	2.3	2.2	2.3	1.8	1.4	1.3	1.9	2.2	2.1	2.1	2.0	1.5
1	Food, and non-alcoholic beverages	2.2	4.8	4.7	5.2	3.8	2.7	2.4	4.2	4.9	5.5	5.9	5.1	4.3
2	Alcoholic beverages and tobacco	4.6	6.3	6.3	6.5	6.8	7.0	6.6	6.7	6.9	6.1	3.3	3.3	3.3
3	Clothing and footwear	0.1	-0.2	-0.9	-1.3	-1.2	-1.3	-1.0	-1.6	-2.1	-3.7	-4.0	-3.2	-3.7
4	Housing, water, Electricity, gas and other fuels	0.7	0.7	0.3	-1.0	-0.8	-0.4	-0.3	-0.3	-0.2	-1.4	-1.7	-2.0	-1.3
5	Furniture household goods and maintenance	-0.2	-0.5	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.4	-0.3	0.0	0.6	0.9
6	Health	-5.2	-4.5	-4.4	-1.5	0.1	-1.9	-0.8	-0.9	-0.6	-0.5	-1.3	-0.9	-1.6
7	Transport	-3.7	-3.3	-2.2	-1.5	-1.4	-1.1	-0.9	-1.9	-2.5	-2.1	-2.8	-0.6	-2.5
8	Communication	3.8	3.7	3.7	2.3	2.2	2.2	1.7	0.6	0.0	0.0	-0.8	-1.1	-1.1
9	Recreation and culture	0.5	0.7	0.6	0.5	0.5	0.4	0.1	0.2	0.4	1.0	1.0	1.1	1.2
10	Education service	11.0	10.2	10.3	10.1	10.1	10.1	10.1	10.4	10.5	4.8	4.8	4.8	4.8
11	Hotels, coffee-houses and restaurants	1.6	1.4	0.6	0.6	0.5	0.4	0.3	0.5	0.8	0.6	0.7	1.1	1.0
12	Goods and different services	2.9	-1.3	-1.7	-1.1	-1.0	-0.8	-0.7	-0.7	-0.1	-0.6	-0.1	-0.2	-0.1

Tab. 3 Monthly rate of CPI

		%												
Code	Groups	01-15	02-15	03-15	04-15	05-15	06-15	07-15	08-15	09-15	10-15	11-15	12-15	01-16
	Total	1.4	2.4	0.4	-0.5	-1.6	-1.1	-0.7	0.8	0.6	0.0	-0.3	0.6	0.9
1	Food. and non-alcoholic beverages	3.3	5.4	1.0	-0.8	-3.6	-2.3	-1.5	2.0	1.2	-0.1	-0.6	1.3	2.5
2	Alcoholic beverages and tobacco	0.5	1.0	0.4	0.5	0.2	0.3	-0.3	0.2	0.0	0.1	-0.2	0.6	0.5
3	Clothing and footwear	-0.1	-1.7	-0.7	-0.1	-0.3	-0.5	-0.5	-0.9	0.1	0.8	0.5	0.2	-0.6
4	Housing, water. Electricity, gas and other fuels	0.1	0.0	-0.5	-1.5	-0.1	0.2	0.0	0.0	0.0	-0.3	0.0	0.0	0.7
5	Furniture household goods and maintenance	0.0	-0.2	0.1	0.1	0.1	-0.1	0.1	0.1	-0.2	-0.1	0.1	0.5	0.3
6	Health	0.7	0.7	0.0	0.4	0.0	-3.1	0.4	0.0	0.3	0.2	-0.5	0.0	0.0
7	Transport	-1.5	0.7	1.0	0.8	0.3	0.4	0.4	-0.7	-0.8	0.0	-1.2	0.0	-3.3
8	Communication	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-1.1	0.0	0.0	0.0	0.0	0.0
9	Recreation and culture	0.2	0.4	-0.1	0.0	0.1	-0.1	-0.4	0.2	0.9	0.2	-0.1	-0.1	0.2
10	Education service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.5	3.9	0.0	0.0	0.0
11	Hotels, coffee-houses and restaurants	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.8	0.0	-0.1	0.1	0.0
12	Goods and different services	-0.1	-0.2	-0.1	0.5	0.1	-0.1	-0.4	-0.2	0.9	-0.4	0.2	-0.4	0.0

Information for the users

CONSUMER PRICE INDEX WITH NEW BASKET

Institute of Statistics informs all the users that Consumer Price Index, starting from January 2016 will be calculate and publish with new basket of items.

The weights of goods and services are calculated based on the 2014 Household Budget Survey expenditure.

New index will be calculated considering month December 2015 as based period. (December 2015=100).

The Consumer Price Index will be continued to publish on the level of the country on date 8th of following month on the INSTAT webpage www.instat.gov.al.

On the INSTAT webpage www.instat.gov.al, also will find the old detailed series of the CPI. All old series are rebased with new bases December 2015 and will published parallel with publication of the January index 2016.

Methodology

Consumer Price Index (CPI) is calculated with a new basket of product from December 2015. Weights are based on the results of the Household Budgeted Survey carried out during in INSTAT in 2014. December 2015 is considered as the base period (December 2015 = 100). Previous change of the product basket was from January 2007. where the number of the products was increased from 262 to 271 products. In the new basket the number of product is 333. The international classification ECOICOP with 12 main groups was introduced which is totally comparable with the expenditure classification used by EUROSTAT.

The new index will cover all territory of Albania (weights concept). Each product have three type of weights: the product weights at country level, product weights at region level and the geographic weights. .Prices are collected in main cities of 11 prefectures were Kukës is within the prefecture of Dibër.

The Consumer Price Index of Albania is a Laspeyres type index:

$$I_{0,i}^t = \frac{\sum_i P_i^t * Q_i^0}{\sum_i P_i^0 * Q_i^0}$$

With weights (w = P*Q) from base period this is approximated to:

$$I_{0,i}^t = \sum_i w_i * \left(\frac{P_i^t}{P_i^0} \right)$$

In more detail. a price relative is calculated for each item and region with geometrical mean on the sample of outlets:

$$PR_{t-1,ij}^t = \prod_{k=1}^n \left(\frac{P_{ijk}^t}{P_{ijk}^{Dec(t-1)}} \right)^{1/n}$$

Chaining from December of previous year gives the price relative from the base period:

$$PR_{0,ij}^t = PR_{0,ij}^1 * \dots * PR_{Dec(t-1),ij}^t$$

Regional CPI is calculated:

$$RCPII_{i,0}^t = \sum_i r_{ij} * PR_{0,ij}^t$$

The price relatives are aggregated geographically to form product indices on items for whole Albania:

$$I_{0,i}^t = \sum_j r_{ij} * PR_{0,ij}^t \quad \text{Where: } \sum_j r_{ij} = 1 \quad : \quad \forall_i \text{ (for all cases)}$$

Aggregation over items then gives the CPI of Albania:

$$CPI_0^t = \sum_i w_i * I_{0,i}^t \quad \text{Where: } \sum_i w_i = 1$$

Acronyms

P	price
PR	price relative
I	index
CPI	Consumer Price Index
t	time period t
t=0	base period
r	geographical weights
w	item weights
j	numbering of regions
i	numbering of items

The annual rate measures the price change between the current month and the same month of the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effect in either month

The monthly rate measures the price change between current month and previous month. Although up-to-date it can be affected by seasonal and other effects.

The 12-month average rate compares average Consumer Price Indices ant the latest 12 month to the average of the previous 12 months.