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Consumer Price Index

September, 2016

Tirana, on October 10, 2016: Consumer Price Index in September 2016 arrived 101.5 % considerate December 2015 as base period.

In September 2016 the annual rate of consumer price is 1.8 %. A year before the annual rate was 2.2 %.

Contribution of main groups in yearly changes of CPI: Annual growth rate in September was push up mainly from "Food and non-alcoholic beverage" group by +1.35 p.p. Prices of "Education service" group contributed by + 0.15 p.p. in annual rate. Prices of "Different goods and service" group contributed by +0.13 p.p.. Prices of "Alcoholic beverages and tobacco" group contributed by +0.07 p.p.. Price of "Clothing and footwear" and "Furniture household goods and maintenance" group contributed each of them by + 0.6 p.p. Prices of "Recreation and culture" group contributed by + 0.05 p.p. Prices of "Transport" groups, contributed by -0.11 p.p.. Prices of "Health" groups contributed by -0.01 p.p.. (See Fig. 2, pg 2).

Yearly rate of main groups: Compared to September 2015, prices increased the most in the group, "Education services" group by 3.8 %, followed by "Food and non-alcoholic beverage" by 3.7 %, "Different goods and services" by 2.6 %, "Recreation and culture" group by 1.7 %, "Alcoholic beverages and tobacco" and "Clothing and footwear" groups by 1.4 % etc.. Within the food group prices of "vegetables include potatoes" subgroup are increased by 14.9 %, followed by "fruits" subgroup by 12.8 %, "milk, cheese and eggs" subgroup by 3.5 %, "fish" and "sugar, jam and dessert" subgroups by 3.1 %, etc. Meanwhile, prices of "meat" subgroup are decreased by 0.9 %, "bread and cereals" subgroup by 0.4 %, "oil and fat" by 0.2 %, etc.. On the other hand prices decreased the most in the "Transport" group by 1.7 %, followed by "Health" group by 0.2 %.

Monthly rate of consumer price is 0.3 %. Compared to August 2016 prices increased the most in "Different goods and services" groups by 2.9 %. This increase was mainly as results of car insurance increase of.

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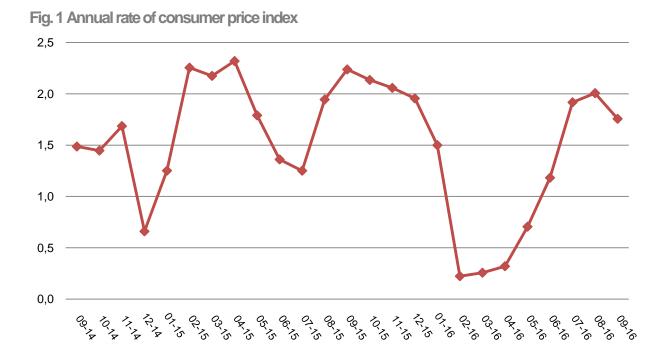
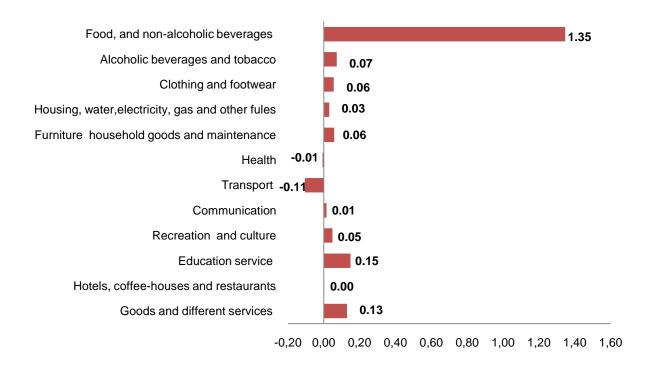


Fig. 2 Contribute of main groups in annual rate



Notice: Individual Contribution may no sum to total annual changes due to rounding.

For more information, visit INSTAT webpage: http://www.instat.gov.al/

Tab. 1 Consumer Price Index

Decem	December 2015=100 %														
Code	Groups	Weights	09-15	10-15	11-15	12-15	01-16	02-16	03-16	04-16	05-16	06-16	07-16	08-16	09-16
	Total	100.0	99.7	99.7	99.4	100.0	100.9	102.0	102.5	102.0	100.8	100.2	100.2	101.1	101.5
1	Food, and non-alcoholic beverages	36.1	99.4	99.3	98.7	100.0	102.5	105.9	107.0	105.9	102.4	100.4	100.4	102.8	103.1
2	Alcoholic beverages and tobacco	5.0	99.5	99.6	99.4	100.0	100.5	100.8	101.2	100.8	100.9	101.0	101.0	100.9	100.9
3	Clothing and footwear	4.0	98.5	99.3	99.8	100.0	99.4	98.1	98.4	98.3	98.4	98.3	98.1	98.1	99.9
4	Housing, water, electricity, gas and other fuels	20.3	100.3	100.0	100.0	100.0	100.7	100.7	100.7	100.6	100.5	100.4	100.3	100.2	100.4
5	Furniture household goods and maintenance	7.4	99.5	99.4	99.5	100.0	100.3	100.3	100.0	100.3	100.3	100.3	100.5	100.5	100.2
6	Health	3.9	100.3	100.5	100.0	100.0	100.0	100.1	100.2	100.2	100.0	100.2	100.1	100.0	100.1
7	Transport	6.3	101.2	101.2	100.0	100.0	96.7	95.8	96.3	96.3	97.2	98.6	99.4	99.8	99.5
8	Communication	2.8	100.0	100.0	100.0	100.0	100.0	100.0	100.3	99.9	99.9	100.0	99.9	99.9	100.5
9	Recreation and culture	2.8	100.0	100.2	100.1	100.0	100.2	100.1	100.1	100.2	100.2	100.9	101.7	101.4	101.7
10	Education service	3.9	96.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.9
11	Hotels, coffee-houses and restaurants	2.6	100.0	100.0	99.9	100.0	100.0	100.0	100.0	100.1	100.1	100.1	100.1	100.1	100.1
12	Goods and different services	4.9	100.6	100.2	100.4	100.0	100.0	100.1	100.1	100.2	100.3	100.2	100.0	100.4	103.3

Tab. 2 Annual rate of CPI

													%
Groups	09-15/09-14	10-15/10-14	11-15/11-14	12-15/12-14	01-16/01-15	02-16/02-15	03-16/03-15	04-16/04-15	05-16/05-15	06-16/06-15	07-16/07-15	08-16/08-15	09-16/09-15
Total	2.2	2.1	2.1	2.0	1.5	0.2	0.3	0.3	0.7	1.2	1.9	2.0	1.8
Food. and non-alcoholic beverages	4.9	5.5	5.9	5.1	4.3	2.2	2.2	2.0	2.3	2.7	4.3	4.7	3.7
Alcoholic beverages and tobacco	6.9	6.1	3.3	3.3	3.3	2.6	2.6	1.7	1.6	1.4	1.7	1.4	1.4
Clothing and footwear	-2.1	-3.7	-4.0	-3.2	-3.7	-3.4	-2.3	-2.3	-1.9	-1.5	-1.3	-0.4	1.4
Housing, water. Electricity, gas and other fuels	-0.2	-1.4	-1.7	-2.0	-1.3	-1.3	-0.9	0.5	0.5	0.2	0.0	0.0	0.1
Furniture household goods and maintenance	-0.4	-0.3	0.0	0.6	0.9	1.1	0.7	0.8	0.7	0.9	1.0	0.8	0.8
Health	-0.6	-0.5	-1.3	-0.9	-1.6	-2.2	-2.2	-2.5	-2.8	0.5	0.1	-0.1	-0.2
Transport	-2.5	-2.1	-2.8	-0.6	-2.5	-4.1	-4.5	-5.3	-4.7	-3.6	-3.3	-2.2	-1.7
Communication	0.0	0.0	-0.8	-1.1	-1.1	-1.0	-0.7	-1.1	-1.2	-1.0	-1.2	-0.1	0.5
Recreation and culture	0.4	1.0	1.0	1.1	1.2	0.7	0.8	0.9	0.8	1.6	2.8	2.4	1.7
Education service	10.5	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.4	3.8
Hotels. coffee-houses and restaurants	0.8	0.6	0.7	1.1	1.0	1.0	1.0	1.1	1.1	1.0	1.0	0.8	0.1
Goods and different services	-0.1	-0.6	-0.1	-0.2	-0.1	0.2	0.2	-0.1	-0.1	-0.1	0.1	0.7	2.6
	Total Food. and non-alcoholic beverages Alcoholic beverages and tobacco Clothing and footwear Housing, water. Electricity, gas and other fuels Furniture household goods and maintenance Health Transport Communication Recreation and culture Education service Hotels. coffee-houses and restaurants	Total2.2Food. and non-alcoholic beverages4.9Alcoholic beverages and tobacco6.9Clothing and footwear-2.1Housing, water. Electricity, gas and other fuels-0.2Furniture household goods and maintenance-0.4Health-0.6Transport-2.5Communication0.0Recreation and culture0.4Education service10.5Hotels. coffee-houses and restaurants0.8	Total2.22.1Food. and non-alcoholic beverages4.95.5Alcoholic beverages and tobacco6.96.1Clothing and footwear-2.1-3.7Housing, water. Electricity, gas and other fuels-0.2-1.4Furniture household goods and maintenance-0.4-0.3Health-0.6-0.5Transport-2.5-2.1Communication0.00.0Recreation and culture0.41.0Education service10.54.8Hotels. coffee-houses and restaurants0.80.6	Total2.22.12.1Food. and non-alcoholic beverages4.95.55.9Alcoholic beverages and tobacco6.96.13.3Clothing and footwear-2.1-3.7-4.0Housing, water. Electricity, gas and other fuels-0.2-1.4-1.7Furniture household goods and maintenance-0.4-0.30.0Health-0.6-0.5-1.3Transport-2.5-2.1-2.8Communication0.00.0-0.8Recreation and culture0.41.01.0Education service10.54.84.8Hotels. coffee-houses and restaurants0.80.60.7	Total 2.2 2.1 2.1 2.0 Food. and non-alcoholic beverages 4.9 5.5 5.9 5.1 Alcoholic beverages and tobacco 6.9 6.1 3.3 3.3 Clothing and footwear -2.1 -3.7 -4.0 -3.2 Housing, water. Electricity, gas and other fuels -0.2 -1.4 -1.7 -2.0 Furniture household goods and maintenance -0.4 -0.3 0.0 0.6 Health -0.6 -0.5 -1.3 -0.9 Transport -2.5 -2.1 -2.8 -0.6 Communication 0.0 0.0 -0.8 -1.1 Recreation and culture 0.4 1.0 1.0 1.1 Education service 10.5 4.8 4.8 4.8	Total 2.2 2.1 2.0 1.5 Food. and non-alcoholic beverages 4.9 5.5 5.9 5.1 4.3 Alcoholic beverages and tobacco 6.9 6.1 3.3 3.3 3.3 Clothing and footwear -2.1 -3.7 -4.0 -3.2 -3.7 Housing, water. Electricity, gas and other fuels -0.2 -1.4 -1.7 -2.0 -1.3 Furniture household goods and maintenance -0.4 -0.3 0.0 0.6 0.9 Health -0.6 -0.5 -1.3 -0.9 -1.6 Transport -2.5 -2.1 -2.8 -0.6 -2.5 Communication 0.0 0.0 -0.8 -1.1 -1.1 Recreation and culture 0.4 1.0 1.0 1.1 1.2 Education service 10.5 4.8 4.8 4.8 4.8	Total2.22.12.01.50.2Food. and non-alcoholic beverages4.95.55.95.14.32.2Alcoholic beverages and tobacco6.96.13.33.33.32.6Clothing and footwear-2.1-3.7-4.0-3.2-3.7-3.4Housing, water. 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Electricity, gas and other fuels-0.2-1.4-1.7-2.0-1.3-1.3-0.9Furniture household goods and maintenance-0.4-0.30.00.60.91.10.7Health-0.6-0.5-1.3-0.9-1.6-2.2-2.2Transport-2.5-2.1-2.8-0.6-2.5-4.1-4.5Communication0.00.0-0.8-1.1-1.1-1.0-0.7Recreation and culture0.41.01.01.11.20.70.8Education service10.54.84.84.84.84.8	Total2.22.12.01.50.20.30.3Food. and non-alcoholic beverages4.95.55.95.14.32.22.22.0Alcoholic beverages and tobacco6.96.13.33.33.32.62.61.7Clothing and footwear-2.1-3.74.0-3.2-3.7-3.4-2.3-2.3Housing, water. 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Electricity, gas and other fuels-0.2-1.4-1.7-2.0-1.3-1.3-0.90.50.50.20.0Furniture household goods and maintenance-0.4-0.30.00.60.91.10.70.80.70.91.0Health-0.6-0.5-1.3-0.9-1.6-2.2-2.2-2.5-2.80.50.1Transport-2.5-2.1-2.8-0.6-2.5-4.14.5-5.34.7-3.6-3.3Communication0.00.0-0.8-1.1-1.1-1.0-0.7-1.1-1.2-1.0-1.2Recreation and culture0.41.01.01.11.20.70.80.90.81.62.8Education service10.54.84.84.84.84.84.84.84.84.84.8Hotels. coffee-houses and restaurants0.80.60.71.1	Total2.22.12.12.01.50.20.30.30.71.21.92.0Food. and non-alcoholic beverages4.95.55.95.14.32.22.22.02.32.74.34.7Alcoholic beverages and tobacco6.96.13.33.33.32.62.61.71.61.41.71.4Clothing and footwear-2.1-3.74.0-3.2-3.7-3.4-2.3-2.3-1.9-1.5-1.3-0.4Housing, water. 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Tab. 3 Monthly rate of CPI

														%
Code	Groups	09-15	10-15	11-15	12-15	01-16	02-16	03-16	04-16	05-16	06-16	07-15	08-16	09-16
	Total	0.6	0.0	-0.3	0.6	0.1	0.9	0.4	-0.4	-1.2	-0.6	0.1	0.9	0.3
1	Food. and non-alcoholic beverages	1.2	-0.1	-0.6	1.3	0.1	3.3	1.1	-1.1	-3.4	-1.9	0.1	2.3	0.3
2	Alcoholic beverages and tobacco	0.0	0.1	-0.2	0.6	0.0	0.3	0.4	-0.4	0.1	0.1	0.0	-0.1	0.0
3	Clothing and footwear	0.1	0.8	0.5	0.2	-0.3	-1.3	0.4	-0.1	0.1	-0.1	-0.3	0.0	1.8
4	Housing, water. Electricity, gas and other fuels	0.0	-0.3	0.0	0.0	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.0	0.2
5	Fumiture household goods and maintenance	-0.2	-0.1	0.1	0.5	0.2	0.0	-0.3	0.2	0.0	0.0	0.2	0.0	-0.2
6	Health	0.3	0.2	-0.5	0.0	0.0	0.1	0.1	0.1	-0.2	0.2	0.0	-0.2	0.1
7	Transport	-0.8	0.0	-1.2	0.0	0.8	-0.9	0.5	0.0	0.9	1.5	0.8	0.4	-0.3
8	Communication	0.0	0.0	0.0	0.0	-0.1	0.0	0.3	-0.4	0.0	0.2	-0.1	0.0	0.6
9	Recreation and culture	0.9	0.2	-0.1	-0.1	0.8	-0.1	0.0	0.0	0.0	0.7	0.8	-0.3	0.3
10	Education service	0.5	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
11	Hotels, coffee-houses and restaurants	0.8	0.0	-0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
12	Goods and different services	0.9	-0.4	0.2	-0.4	-0.2	0.1	-0.1	0.1	0.1	0.0	-0.2	0.3	2.9

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 Budged 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:

$$I_{0,i}^{t} = \sum_{i} w_{i} * \begin{pmatrix} p_{i}^{t} \\ p_{i}^{0} \end{pmatrix}$$

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:

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

For more information, visit INSTAT webpage: http://www.instat.gov.al/

Consumer Price Index

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:

$$I_{0,i}^{t} = \sum_{j} r_{ij} * PR_{0,ij}^{t}$$
 Where: $\sum_{j} r_{ij} = 1$: \forall_{i} (for all cases)

Aggregation over items then gives the CPI of Albania:

$$CPI_{0}^{t} = \sum_{i} w_{i.} * I_{0,i}^{t}$$
 Where: $\sum_{i} w_{i.} = 1$

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

$$\text{Yearly changes} = \left(\frac{I_{m_t}^{y_t}}{I_{m_t}^{y_{(t-1)}}} - 1\right) * 100$$

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

Monthly changes =
$$\left(\frac{I_{m_t}^{y_t}}{I_{m_{(t-1)}}^{y_t}} - 1\right) * 100$$

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

Yearly average changes =
$$\left(\frac{I_{mes}^{y_t}}{I_{mes}^{y_{(t-1)}}} - 1\right) * 100$$

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
$I_{m_t}^{y_t}$	monthly index of corrent year
$I_{m_t}^{y_{(t-1)}}$	monthly index of previews year
$I_{m_{(t-1)}}^{y_t}$	index of previews month of corrent year
$I_{mes}^{y_t}$	average index of current year
$I_{mes}^{y_{(t-1)}}$	average index of previews year