INSTAT
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Consumer Price Index

September, 2014

Tirana, on October 08, 2014: Consumer Price Index in August 2014 result 116.3 % considerate December 2007 as base period.

In September 2014 the annual rate of consumer price is 1.5 %. A year before the annual rate was 1.7 %.

Contribution of main groups in yearly changes of CPI: Annual growth rate in September was push up mainly from "Food and non-alcoholic beverage" by +0.83 p.p.. Prices of "Goods and different services" group contributed by + 0.43 p.p.. Higher prices of "Alcoholic beverages and tobacco" contributed by + 0.25 p.p. in annual rate. Prices of "Transport" and "Hotels and restaurants" group contributed respectively by +0.09 and +0.08 p.p.. Low prices of "Health" group contributed by - 0.20 p.p. in annual rate. "Clothing and footwear" groups contributed by -0.10 p.p. (see Fig. 2, pg 2)

Yearly rate of main groups: Compared to September 2013, prices increased the most in the group "Goods and different service" group by 8.7 %, followed by "Alcoholic drinks and tobacco" by 6.8 %. In this group compared with one year before, price of tobacco is increased by 11.7 %. Prices in "Food and non-alcoholic beverage" group are increased by 2.1 % in this group prices of "vegetables include potatoes" subgroup are increased by 20.1 %, followed by "fruits" subgroup by 2.2 %, "milk, cheese and eggs" subgroup by 1.7 %. Meanwhile prices of "oil and feat" are decreased by 7.0 %, followed by "sugar and desert" subgroup by 3.8 %, "coffee and tea" by 3.3 %, etc. Prices in "Hotel, coffee-house and restaurant" group are increase by 1.8 %, etc. On the other hand prices for goods and service are lower in the "Health" group by 5.7 %, followed by "Clothing and footwear" group by 1.9 %, "Communication" group by 0.3 %, etc.

Monthly rate of consumer price is 0.3 %. Compared to August 2014, prices increased the most in the group "Recreation and culture" group by 0.8 %, followed by "Clothing and footwear" subgroup by 0.6 %, "Communications" by 0.6 % and "Food and non-alcoholic beverage" group by 0.5 %. Prices decreased the most on the "Transport" group by 0.2 %.

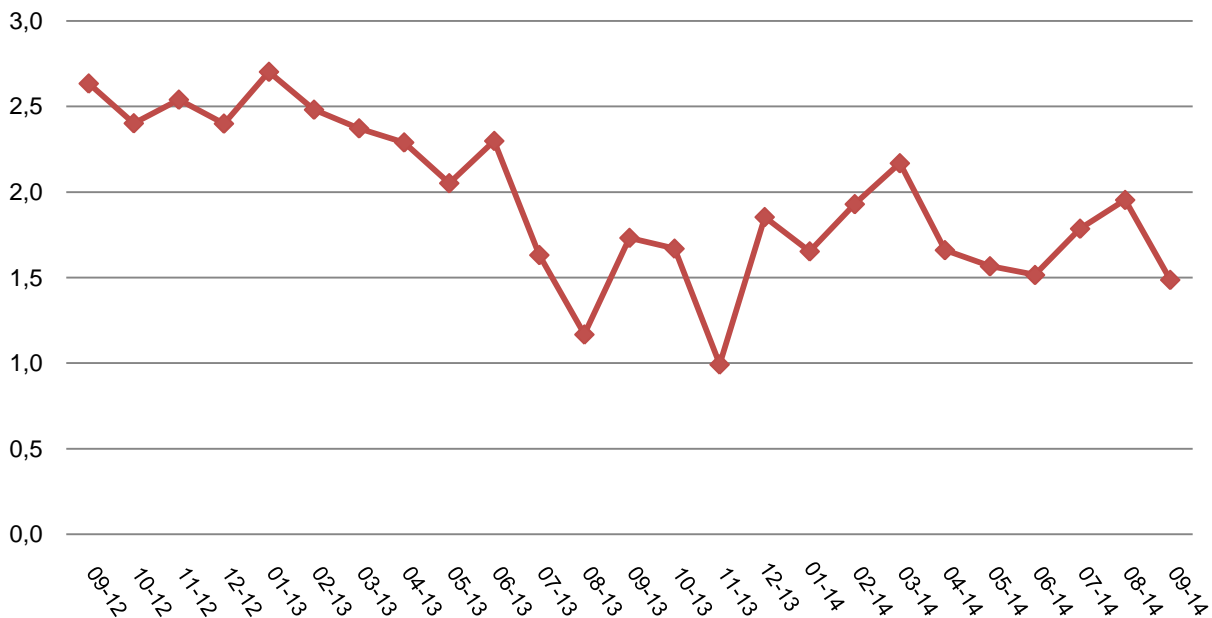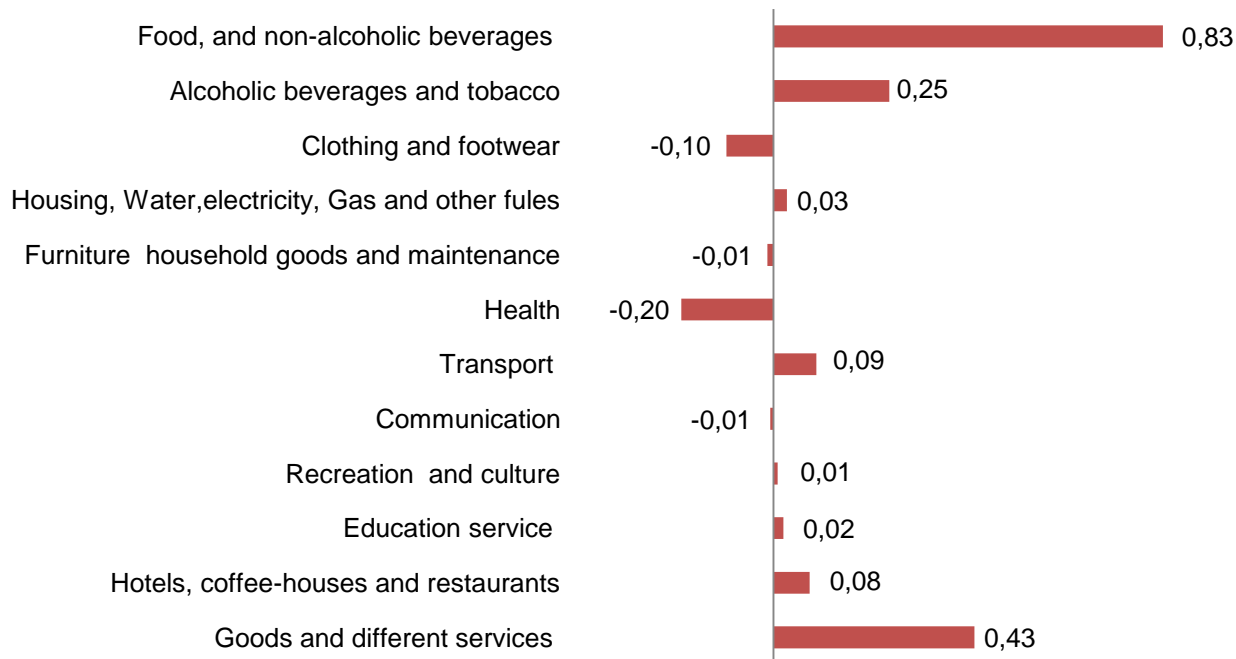**For Release 08/10/2014**

Fig. 1 Annual rate of consumer price index

Fig. 2 Contribute of main groups in annual rate

Group	Value
Food, and non-alcoholic beverages	0,83
Alcoholic beverages and tobacco	0,25
Clothing and footwear	-0,10
Housing, Water,electricity, Gas and other fules	0,03
Furniture household goods and maintenance	-0,01
Health	-0,20
Transport	0,09
Communication	-0,01
Recreation and culture	0,01
Education service	0,02
Hotels, coffee-houses and restaurants	0,08
Goods and different services	0,43

Notice: Contribution measure the impact of each expenditure 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 "Food and non-alcoholic beverage" group in September 2014 is 2.1%, their contribution on the yearly changes by 1.5 % is 0.8 p.p.

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Tab. 1 Consumer Price Index

December 2007=100　　　　　　　　　　　　　　　　　　　　　　　%

Code	Groups	Weights	09-13	10-13	11-13	12-13	01-14	02-14	03-14	04-14	05-14	06-14	07-14	08-13	09-14
	Total	**100.0**	**114.6**	**114.8**	**114.2**	**116.2**	**117.1**	**118.7**	**119.3**	**118.6**	**117.3**	**116.5**	**115.9**	**116.0**	**116.3**
1	Food, and non-alcoholic beverages	39.3	122.6	122.4	120.7	125.3	127.1	130.7	132.2	130.4	127.5	125.8	124.3	124.5	125.1
2	Alcoholic beverages and tobacco	3.6	129.4	129.8	132.6	134.4	138.2	137.3	137.9	138.3	138.2	138.3	138.5	138.5	138.3
3	Clothing and footwear	5.1	85.1	85.5	85.5	85.6	85.5	84.3	84.3	84.6	84.2	83.9	83.1	83.0	83.5
4	Housing, Water, electricity, Gas and other fuels	16.3	113.9	114.0	114.3	115.2	115.0	115.0	114.9	114.7	114.4	114.2	114.2	114.1	114.1
5	Furniture household goods and maintenance	10.0	103.7	103.4	103.6	103.4	103.3	103.4	103.1	103.4	103.3	103.2	103.3	103.4	103.5
6	Health	3.4	121.9	121.9	121.9	121.7	122.0	122.0	121.9	118.8	117.0	115.6	114.8	114.9	114.9
7	Transport	6.1	118.5	118.3	118.0	117.9	119.3	119.6	119.5	119.6	119.7	119.9	120.1	120.5	120.2
8	Communication	2.6	82.3	79.9	79.9	79.9	80.0	80.0	80.0	81.1	81.2	81.2	81.6	81.6	82.1
9	Recreation and culture	3.1	115.3	115.0	114.8	114.7	114.5	114.7	114.8	114.8	114.9	114.9	114.7	114.8	115.6
10	Education service	1.4	109.1	109.0	109.0	109.0	109.3	110.0	109.9	110.2	110.2	110.2	110.2	110.2	110.7
11	Hotels, coffee-houses and restaurants	4.2	110.8	110.9	110.9	110.9	110.8	111.0	111.8	111.8	112.0	112.2	112.3	112.3	112.8
12	Goods and different services	4.9	107.0	112.2	111.9	112.2	112.4	116.9	117.2	117.0	117.1	116.8	116.1	115.9	116.3

Tab. 2 Monthly rate of CPI

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Code	Groups	09-13	10-13	11-13	12–13	01-14	02-14	03-14	04-14	05-14	06-14	07-14	08-13	09-14
	Total	**0.8**	**0.1**	**-0.5**	**1.7**	**0.8**	**1.4**	**0.5**	**-0.6**	**-1.1**	**-0.7**	**-0.6**	**0.1**	**0.3**
1	Food. and non-alcoholic beverages	1.6	-0.1	-1.4	3.8	1.4	2.9	1.1	-1.4	-2.3	-1.3	-1.2	0.2	0.5
2	Alcoholic beverages and tobacco	0.1	0.3	2.2	1.3	2.9	-0.7	0.4	0.3	-0.1	0.1	0.1	0.0	-0.1
3	Clothing and footwear	0.3	0.4	0.0	0.2	-0.1	-1.4	-0.1	0.3	-0.4	-0.4	-0.9	-0.2	0.6
4	Housing. Water. electricity. Gas and other fuels	0.9	0.2	0.3	0.8	-0.1	-0.1	-0.1	-0.1	-0.3	-0.2	0.0	-0.1	0.0
5	Furniture household goods and maintenance	-0.3	-0.2	0.1	-0.1	-0.1	0.1	-0.3	0.3	-0.1	-0.1	0.1	0.2	0.1
6	Health	0.1	0.0	0.0	-0.1	0.2	0.0	-0.1	-2.6	-1.5	-1.2	-0.7	0.1	0.0
7	Transport	-0.6	-0.1	-0.2	-0.1	1.2	0.2	-0.1	0.1	0.2	0.2	0.1	0.3	-0.2
8	Communication	0.0	-2.9	0.0	0.0	0.1	0.0	0.0	1.4	0.1	0.0	0.5	0.0	0.6
9	Recreation and culture	0.3	-0.3	-0.2	-0.1	-0.2	0.2	0.0	2.6	0.1	0.0	-0.1	0.1	0.8
10	Education service	-0.2	0.0	0.0	0.0	0.2	0.7	-0.1	0.2	0.0	0.0	0.0	0.0	0.4
11	Hotels. coffee-houses and restaurants	0.5	0.1	0.0	0.0	0.0	0.2	0.7	0.0	0.2	0.1	0.0	0.0	0.5
12	Goods and different services	-0.5	4.9	-0.2	0.2	0.2	4.0	0.3	-0.1	0.0	-0.3	-0.5	-0.2	0.3

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Tab. 3 Annual rate of CPI

%

Code	Groups	09-13/09-12	10-13/10-12	11-13/11-12	12-13/12-12	01-14/01-13	02-14/02-13	03-14/03-13	04-14/04-13	05-14/05-13	06-14/06-13	07-14/07-13	08-14/08-13	09-14/09-13
	Total	**1.7**	**1.7**	**1.0**	**1.9**	**1.7**	**1.9**	**2.2**	**1.7**	**1.6**	**1.5**	**1.8**	**2.0**	**1.5**
1	Food. and non-alcoholic beverages	3.9	3.5	2.1	3.5	2.7	2.9	2.8	1.8	2.1	2.1	2.6	3.2	2.1
2	Alcoholic beverages and tobacco	2.4	1.2	3.2	4.2	7.3	6.3	6.8	7.2	6.6	6.9	6.9	7.1	6.8
3	Clothing and footwear	-3.7	-3.8	-3.7	-3.4	-2.7	-3.4	-3.2	-2.8	-2.8	-2.0	-2.2	-2.3	-1.9
4	Housing. Water. electricity. Gas and other fuels	1.5	1.6	1.5	2.3	2.0	2.0	2.1	2.0	1.8	1.2	1.3	1.1	0.2
5	Furniture household goods and maintenance	0.2	-0.1	-0.1	-0.5	-0.7	-0.7	-1.0	-0.8	-0.8	-0.8	-0.6	-0.5	-0.1
6	Health	-1.4	-1.5	-1.6	-1.5	-1.3	-1.3	-1.4	-3.9	-5.3	-6.3	-6.1	-5.6	-5.7
7	Transport	-0.9	-1.0	-1.0	-1.2	0.6	0.9	0.9	0.5	0.6	1.0	1.2	1.0	1.5
8	Communication	1.3	-1.4	-1.4	-2.9	-2.8	-2.8	-2.8	-1.4	-1.2	-1.3	-0.7	-0.8	-0.3
9	Recreation and culture	0.6	0.4	0.1	-0.2	-0.2	0.1	0.3	0.3	0.4	0.3	0.0	-0.2	0.3
10	Education service	2.0	0.1	0.1	0.1	0.3	1.0	0.9	1.1	1.1	0.8	0.8	0.8	1.5
11	Hotels. coffee-houses and restaurants	3.1	3.0	2.5	1.9	1.8	1.9	2.7	2.6	2.7	2.4	2.5	1.9	1.8
12	Goods and different services	-3.0	1.8	-1.2	3.3	1.6	5.6	11.0	10.8	8.0	8.2	8.5	7.8	8.7

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Methodology

Consumer Price Index (CPI) is calculated with a new basket of product from December 2007. Weights are based on the results of the Household budges Survey. carried out during October 2006 – September 2007. December 2007 is considered as the base period (December 2007 = 100). Previous change of the product basket was from January 2002. where the number of the products was increased from 221 to 262 products. In the new basket the number of product is 272. The international classification. COICOP. with 12 main groups was introduced to the previous product basket and it will continue to be used with the new product basket. The index cover all Albanian (rural and urban) territory. The previous index covered only the urban area. The product weights will be different for each region. 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:

$$I_{0,i}^{t} = \sum_{i} w_{i} * \left({p_{i}^{t}} \middle/ {p_{i}^{0}} \right)$$

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

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

Monthly chaining gives the price relative from the base period:

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

Regional CPI is calculated:

$$RI\mathrm{\c{C}}KI_{i,0}^{t} = \sum_{i} r_{ij} * PR_{0,ij}^{t}$$

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

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

Aggregation over items then gives the CPI of Albania:

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

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.