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## **Consumer Price Index**

## October, 2015

**Tirana, on November 09, 2015:** Consumer Price Index in October arrived 118,9 % considerate December 2007 as base period.

In October 2015 the annual rate of consumer price is 2.1 %. A year before the annual rate was 1.4 %.

**Contribution of main groups in yearly changes of CPI:** Annual growth rate in October was push up mainly from "Food and non-alcoholic beverage" group by +2.17 p.p. Higher prices of "Alcoholic beverages and tobacco" group contributed by +0.22 p.p.. Prices of "Education service" group contributed by + 0.07 p.p. in annual rate. Prices of "Hotel, coffee-house and restaurants" and "Recreation and culture" groups contributed by +0.03 p.p.. Price of "Housing, water, electricity gas and other fuel" group contributed by -0.23 p.p.. Prices of "Clothing and footwear" group contributed by -0.19 p.p.. Prices of "Transport" groups, contributed by -0.13 p.p.. Prices of "Health" group contributed by -0.02 p.p. (see Fig. 2, pg 2)

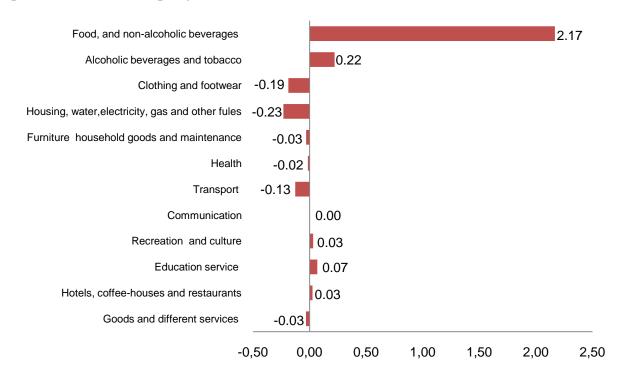
**Yearly rate of main groups:** Compared to October 2014, prices increased the most in the group "Alcoholic drinks and tobacco" by 6.1 %, followed by "Education services" group by 4.8 %, Prices in "Food and non-alcoholic beverage" group are increased by 5.5 %. In this group prices of "vegetables include potatoes" are increased by 27.8 %, followed by "fruits" subgroup by 15.4 %, "oil and fat" subgroup by 2.1 %, "sugar, jam and dessert" subgroup by 1.6 %, etc. Meanwhile prices of "milk, cheese and eggs" subgroup are decreased by 2.7 %, followed by "coffee and tea" subgroup by 0.7 %, etc. On the other hand prices decreased the most in the "Clothing and footwear" group by 3.7 %, followed by "Transport" group by 2.1 %, "Housing, water, electricity gas and other fuel" group by 1.4 %, etc.

**Monthly rate of consumer price is 0.01 %.** Compared to September 2015 prices increased the most in the "Education service" group by 3.9 %. Within this group the fees for public university are university by 6.7 %. The prices are decreased the most in the "Goods and different services" group by 0.4 %.

#### For Release 09/11/2015



#### 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 September 2015 is 6.1 %, their contribution on the yearly changes is + 0.22 p.p..

#### **Tab. 1 Consumer Price Index**

December	2007=100
Deceniber	2001-100

Decem	December 2007=100 %												%		
Code	Groups	Weights	10-14	11-14	12-14	01-15	02-15	03-15	04-15	05-15	06-15	07-15	08-15	09-15	10-15
	Total	100.0	116.4	116.1	117.0	118.6	121.4	121.9	121.3	119.4	118.1	117.3	118.2	118.9	118.9
1	Food, and non-alcoholic beverages	39.3	124.4	123.3	125.8	129.9	137.0	138.4	137.2	132.2	129.2	127.2	129.7	131.3	131.3
2	Alcoholic beverages and tobacco	3.6	139.4	142.9	143.9	144.6	146.0	146.5	147.3	147.6	148.0	147.5	147.8	147.8	148.0
3	Clothing and footwear	5.1	85.5	86.2	85.7	85.6	84.1	83.5	83.4	83.2	82.8	82.3	81.6	81.7	82.3
4	Housing, water, electricity, gas and other fuels	16.3	115.1	115.4	115.7	115.9	115.8	115.3	113.6	113.5	113.7	113.8	113.8	113.8	113.5
5	Furniture household goods and maintenance	10.0	103.3	103.1	103.1	103.1	102.9	102.9	103.1	103.2	103.1	103.1	103.3	103.1	103.0
6	Health	3.4	114.9	115.4	114.9	115.7	116.6	116.6	117.1	117.1	113.4	113.9	113.9	114.2	114.4
7	Transport	6.1	119.7	119.3	116.6	114.9	115.7	116.8	117.8	118.1	118.6	119.0	118.2	117.2	117.2
8	Communication	2.6	82.1	82.8	83.0	83.0	82.9	82.9	83.0	83.0	83.0	83.0	82.1	82.1	82.1
9	Recreation and culture	3.1	115.2	115.1	114.8	115.0	115.5	115.4	115.4	115.4	115.3	114.8	115.0	116.1	116.4
10	Education service	1.4	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.7	122.2	127.0
11	Hotels, coffee-houses and restaurants	4.2	113.0	112.8	112.5	112.6	112.6	112.6	112.6	112.6	112.7	112.7	112.8	113.7	113.7
12	Goods and different services	4.9	116.4	116.0	115.7	115.6	115.4	115.3	115.8	115.9	115.8	115.3	115.1	116.2	115.6

#### Tab. 2 Annual rate of CPI

													%
Groups	10-14/10-13	11-14/11-13	12-14/12-13	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
Total	1.4	1.7	0.7	1.3	2.3	2.2	2.3	1.8	1.4	1.3	1.9	2.2	2.1
Food. and non-alcoholic beverages	1.6	2.1	0.4	2.2	4.8	4.7	5.2	3.8	2.7	2.4	4.2	4.9	5.5
Alcoholic beverages and tobacco	7.4	7.7	7.1	4.6	6.3	6.3	6.5	6.8	7.0	6.6	6.7	6.9	6.1
Clothing and footwear	0.0	0.8	0.1	0.1	-0.2	-0.9	-1.3	-1.2	-1.3	-1.0	-1.6	-2.1	-3.7
Housing, water. Electricity, gas and other fuels	1.0	0.9	0.5	0.7	0.7	0.3	-1.0	-0.8	-0.4	-0.3	-0.3	-0.2	-1.4
Furniture household goods and maintenance	-0.1	-0.5	-0.3	-0.2	-0.5	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.4	-0.3
Health	-5.7	-5.3	-5.6	-5.2	-4.5	-4.4	-1.5	0.1	-1.9	-0.8	-0.9	-0.6	-0.5
Transport	1.2	1.0	-1.1	-3.7	-3.3	-2.2	-1.5	-1.4	-1.1	-0.9	-1.9	-2.5	-2.1
Communication	2.7	3.6	3.9	3.8	3.7	3.7	2.3	2.2	2.2	1.7	0.6	0.0	0.0
Recreation and culture	0.2	0.3	0.1	0.5	0.7	0.6	0.5	0.5	0.4	0.1	0.2	0.4	1.0
Education service	11.2	11.2	11.2	11.0	10.2	10.3	10.1	10.1	10.1	10.1	10.4	10.5	4.8
Hotels, coffee-houses and restaurants	1.9	1.7	1.5	1.6	1.4	0.6	0.6	0.5	0.4	0.3	0.5	0.8	0.6
Goods and different services	3.8	3.6	3.1	2.9	-1.3	-1.7	-1.1	-1.0	-0.8	-0.7	-0.7	-0.1	-0.6
	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	Total1.4Food. and non-alcoholic beverages1.6Alcoholic beverages and tobacco7.4Clothing and footwear0.0Housing, water. Electricity, gas and other fuels1.0Furniture household goods and maintenance-0.1Health-5.7Transport1.2Communication2.7Recreation and culture0.2Education service11.2Hotels, coffee-houses and restaurants1.9	Total1.41.7Food. and non-alcoholic beverages1.62.1Alcoholic beverages and tobacco7.47.7Clothing and footwear0.00.8Housing, water. Electricity, gas and other fuels1.00.9Furniture household goods and maintenance-0.1-0.5Health-5.7-5.3Transport1.21.0Communication2.73.6Recreation and culture0.20.3Education service11.211.2Hotels, coffee-houses and restaurants1.91.7	Total1.41.70.7Food. and non-alcoholic beverages1.62.10.4Alcoholic beverages and tobacco7.47.77.1Clothing and footwear0.00.80.1Housing, water. Electricity, gas and other fuels1.00.90.5Furniture household goods and maintenance-0.1-0.5-0.3Health-5.7-5.3-5.6Transport1.21.0-1.1Communication2.73.63.9Recreation and culture0.20.30.1Education service11.211.211.2Hotels, coffee-houses and restaurants1.91.71.5	Total   1.4   1.7   0.7   1.3     Food. and non-alcoholic beverages   1.6   2.1   0.4   2.2     Alcoholic beverages and tobacco   7.4   7.7   7.1   4.6     Clothing and footwear   0.0   0.8   0.1   0.1     Housing, water. Electricity, gas and other fuels   1.0   0.9   0.5   0.7     Furniture household goods and maintenance   -0.1   -0.5   -0.3   -0.2     Health   -5.7   -5.3   -5.6   -5.2     Transport   1.2   1.0   -1.1   -3.7     Communication   2.7   3.6   3.9   3.8     Recreation and culture   0.2   0.3   0.1   0.5     Education service   11.2   11.2   11.0   1.5     Hotels, coffee-houses and restaurants   1.9   1.7   1.5   1.6	Total   1.4   1.7   0.7   1.3   2.3     Food. and non-alcoholic beverages   1.6   2.1   0.4   2.2   4.8     Alcoholic beverages and tobacco   7.4   7.7   7.1   4.6   6.3     Clothing and footwear   0.0   0.8   0.1   0.1   -0.2     Housing, water. Electricity, gas and other fuels   1.0   0.9   0.5   0.7   0.7     Furniture household goods and maintenance   -0.1   -0.5   -0.3   -0.2   -0.5     Health   -5.7   -5.3   -5.6   -5.2   4.5     Transport   1.2   1.0   -1.1   -3.7   -3.3     Communication   2.7   3.6   3.9   3.8   3.7     Recreation and culture   0.2   0.3   0.1   0.5   0.7     Education service   112   11.2   11.0   10.2   11.0   10.2	Total1.41.70.71.32.32.2Food. and non-alcoholic beverages1.62.10.42.24.84.7Alcoholic beverages and tobacco7.47.77.14.66.36.3Clothing and footwear0.00.80.10.1-0.2-0.9Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1Health-5.7-5.3-5.6-5.24.44.4Transport1.21.0-1.1-3.7-3.3-2.2Communication2.73.63.93.83.73.7Recreation and culture0.20.30.10.50.70.6Education service11.211.211.010.210.3Hotels, coffee-houses and restaurants1.91.71.51.61.40.6	Total1.41.70.71.32.32.22.3Food. and non-alcoholic beverages1.62.10.42.24.84.75.2Alcoholic beverages and tobacco7.47.77.14.66.36.36.5Clothing and footwear0.00.80.10.1-0.2-0.9-1.3Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3-1.0Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3Health-5.7-5.3-5.6-5.24.54.4-1.5Transport1.21.0-1.1-3.7-3.3-2.2-1.5Communication2.73.63.93.83.73.72.3Recreation and culture0.20.30.10.50.70.60.5Education service11.211.211.010.210.310.1Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.6	Total1.41.70.71.32.32.22.31.8Food. and non-alcoholic beverages1.62.10.42.24.84.75.23.8Alcoholic beverages and tobacco7.47.77.14.66.36.36.56.8Clothing and footwear0.00.80.10.1-0.2-0.9-1.3-1.2Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3-1.0-0.8Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3-0.1Health-5.7-5.3-5.6-5.24.4-1.50.1Transport1.21.0-1.1-3.7-3.3-2.2-1.5-1.4Communication2.73.63.93.83.73.72.32.2Recreation and culture0.20.30.10.50.70.60.50.5Education service11.211.211.010.210.310.110.1Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.60.5	Total1.41.70.71.32.32.22.31.81.4Food. and non-alcoholic beverages1.62.10.42.24.84.75.23.82.7Alcoholic beverages and tobacco7.47.77.14.66.36.36.56.87.0Clothing and footwear0.00.80.10.1-0.2-0.9-1.3-1.2-1.3Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3-1.0-0.8-0.4Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3-0.1-0.1Health-5.7-5.3-5.6-5.24.54.4-1.50.1-1.1Transport1.21.0-1.1-3.7-3.3-2.2-1.5-1.4-1.1Communication2.73.63.93.83.73.72.32.22.2Recreation and culture0.20.30.10.50.70.60.50.50.4Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.60.50.4	Total1.41.70.71.32.32.22.31.81.41.3Food. and non-alcoholic beverages1.62.10.42.24.84.75.23.82.72.4Alcoholic beverages and tobacco7.47.77.14.66.36.36.56.87.06.6Clothing and footwear0.00.80.10.1-0.2-0.9-1.3-1.2-1.3-1.0Housing, water. Electricity, gas and other tuels1.00.90.50.70.70.3-1.0-0.8-0.4-0.3Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3-0.1-0.1-0.1Health-5.7-5.3-5.6-5.24.54.4-1.50.1-1.9-0.8Transport1.21.0-1.1-3.7-3.3-2.2-1.5-1.4-1.1-0.9Communication2.73.63.93.83.73.72.32.22.21.7Recreation and culture0.20.30.10.50.70.60.50.50.40.1Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.60.50.40.3	Total1.41.70.71.32.32.22.31.81.41.31.9Food. and non-alcoholic beverages1.62.10.42.24.84.75.23.82.72.44.2Alcoholic beverages and tobacco7.47.77.14.66.36.36.56.87.06.66.7Clothing and footwear0.00.80.10.1-0.2-0.9-1.3-1.2-1.3-1.0-1.6Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3-1.0-0.80.4-0.30.3Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3-0.1-0.1-0.1-0.1Health-5.7-5.3-5.6-5.2-4.54.4-1.50.1-1.9-0.8-0.9-1.9Transport1.21.0-1.1-3.7-3.3-2.2-1.5-1.4-1.1-0.9-1.9Communication2.73.63.93.83.73.72.32.22.21.70.6Recreation and culture0.20.30.10.50.70.60.50.50.40.10.4Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.60.50.40.30.5	Total1.41.70.71.32.32.22.31.81.41.31.92.2Food. and non-alcoholic beverages1.62.10.42.24.84.75.23.82.72.44.24.9Alcoholic beverages and tobacco7.47.77.14.66.36.36.56.87.06.66.76.9Clothing and footwear0.00.80.10.1-0.2-0.9-1.3-1.2-1.3-1.0-1.6-2.1Housing, water. Electricity, gas and other fuels1.00.90.50.70.70.3-1.0-0.8-0.4-0.3-0.3-0.2Furniture household goods and maintenance-0.1-0.5-0.3-0.2-0.5-0.1-0.3-0.1-0.1-0.1-0.4Health-5.7-5.3-5.6-5.24.54.4-1.50.1-1.9-0.8-0.9-2.5Communication2.73.63.93.83.73.72.32.22.21.70.60.0Recreation and culture0.20.30.10.50.70.60.50.50.40.10.20.4Hotels, coffee-houses and restaurants1.91.71.51.61.40.60.60.50.40.30.50.8

### Tab. 3 Monthly rate of CPI

														%
Code	Groups	10-14	11-14	1214	01-15	02-15	03-15	04-15	05-15	06-15	07-15	08-15	09-15	10-15
	Total	0.1	-0.2	0.7	1.4	2.4	0.4	-0.5	-1.6	-1.1	-0.7	0.8	0.6	0.01
1	Food. and non-alcoholic beverages	-0.6	-0.9	2.0	3.3	5.4	1.0	-0.8	-3.6	-2.3	-1.5	2.0	1.2	-0.1
2	Alcoholic beverages and tobacco	0.8	2.5	0.7	0.5	1.0	0.4	0.5	0.2	0.3	-0.3	0.2	0.0	0.1
3	Clothing and footwear	2.4	0.9	-0.6	-0.1	-1.7	-0.7	-0.1	-0.3	-0.5	-0.5	-0.9	0.1	0.8
4	Housing, water. Electricity, gas and other fuels	0.9	0.2	0.3	0.1	0.0	-0.5	-1.5	-0.1	0.2	0.0	0.0	0.0	-0.3
5	Fumiture household goods and maintenance	-0.2	-0.3	0.0	0.0	-0.2	0.1	0.1	0.1	-0.1	0.1	0.1	-0.2	-0.1
6	Health	0.0	0.4	-0.4	0.7	0.7	0.0	0.4	0.0	-3.1	0.4	0.0	0.3	0.2
7	Transport	-0.5	-0.4	-2.2	-1.5	0.7	1.0	0.8	0.3	0.4	0.4	-0.7	-0.8	0.0
8	Communication	0.0	0.9	0.3	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-1.1	0.0	0.0
9	Recreation and culture	-0.4	-0.1	-0.2	0.2	0.4	-0.1	0.0	0.1	-0.1	-0.4	0.2	0.9	0.2
10	Education service	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.5	3.9
11	Hotels. coffee-houses and restaurants	0.2	-0.2	-0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.8	0.0
12	Goods and different services	0.1	-0.4	-0.2	-0.1	-0.2	-0.1	0.5	0.1	-0.1	-0.4	-0.2	0.9	-0.4

# 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 which is totally comparable with the expenditure classification used by EUROSTAT.

The weights are calculate based on the urban and rural household expenditure. The index covers 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:

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

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

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

Monthly chaining gives the price relative from the base period:

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

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

Regional CPI is calculated:

$$RIÇKI_{i,0}^{t} = \sum_{i} r_{ij} * PR_{0,ij}^{t}$$

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:  $\sum_{i} w_{i.} = 1$ 

Acronyms

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

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 upto-date it can be affected by seasonal and other effects.

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