



Quarterly Gross Domestic Product

Publication of the first quarter of 2011

July 2011

Highlights

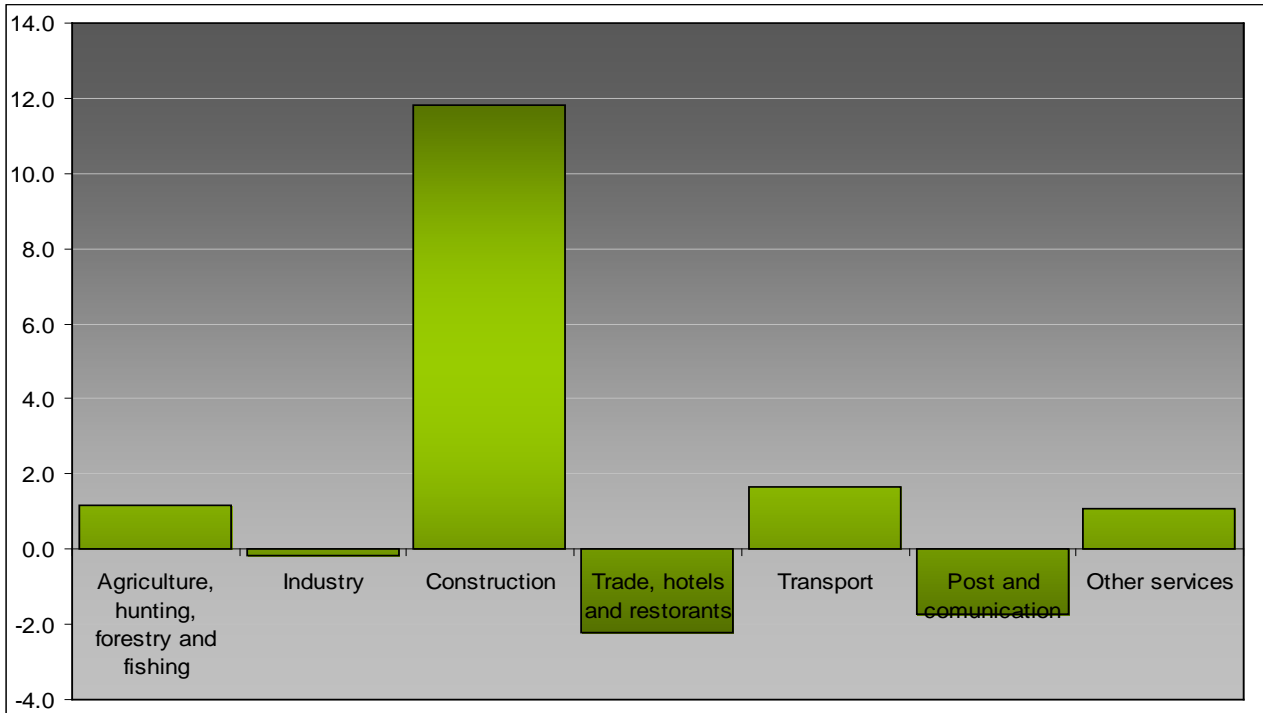
Economic activity increased **by 3.4 percent** compared with the first quarter of 2010, while is increased **by 1.2 percent** compared with the fourth quarter of 2010.

Comparing this quarter with previous one the industries that had higher growth rate were construction with 11.8 percent, transport with 1.6 percent and other services with 1.1 percent. Meanwhile, trade decreased by 2.2 percent, post and communication decreased by 1.7 percent and industry decreases by 0.2 percent compared with the fourth quarter 2010.

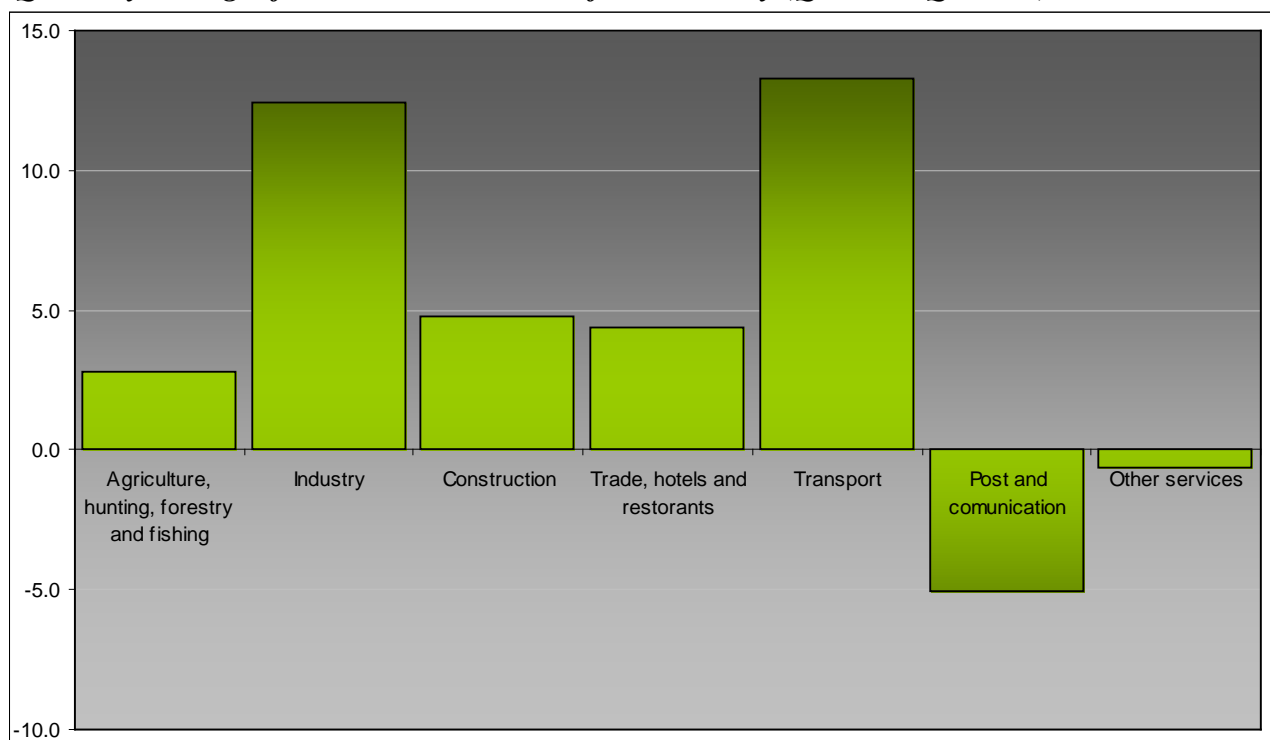
In this quarter the industries that had higher growth rate compared with the first quarter of 2010 were transport, industry group, construction and trade respectively with 13.3 percent, 12.4 percent 4.8 percent and 4.4 percent. A negative growth rate during this quarter compared with the same one of previous year singed post communication with 5.1 and other services with 0.6 percent.

Agriculture group, during this quarter increased by 1.2 percent compare with previous quarter and increased by 2.8 percent compared with the same quarter of 2010.

Quarterly Changes for the main branches of the economy (Q1_2011/ Q4_2010).



Quarterly Changes for the main branches of the economy (Q₁_2011/ Q₁_2010).



Commentary

In assessing the first quarter of 2011 are done revisions to quarterly time series. Revisions are the results of inclusion of final annual estimates of GDP for 2008 and semi-final for 2009 year, which are supported by a broad base of annual statistical data; Structural Business Survey, annual balance sheets of enterprises, etc.

The objective of quarterly series data is to give dynamic information of economy. The publication includes estimates of quarterly volume measure of GDP where are not included taxes and subsidies on production. The volume measure is expressed in the average prices of the year 2005. The

estimates of quarterly GDP are compiled in both, original and seasonally adjusted formats. The method used to estimate quarterly GDP, is considered an indirect method. The current and constant measures of Quarterly GDP are consistent with the annual national accounts statistics. The estimates are based on data available at June 2011. The main data sources that are used to estimate QGDP are in general administrative data and infra-annually data collected by INSTAT's surveys. The series are subject of revisions in the future as additional or improved information becomes available.

Quarterly GDP by industries

Agriculture

Agriculture activity in the first quarter of 2011 compare with the first quarter of 2010 was increase by 2.8 percent and by 1.2 percent compare with previous quarter.

Primary Industries

The industry group increased by 12.4 in the first quarter of 2011 compare with the first quarter of 2010 and decreased by 0.2 percent compare with previous quarter.

Industry:

It is necessary to specified that in this branch the estimation of the electricity is done with direct method. In this industry value added is produced as difference between output and intermediate consumption that are estimated separated.

Construction

Construction activity increased by 4.8 percent in the first quarter of 2011 compare with the first quarter of 2010

and 11.8 percent compare with previous quarter.

Trade, Hotels and Restaurants

This group increased by 4.4 percent in this quarter compare with the first quarter of 2010 and compare with fourth quarter of 2010 increased by 2.2 percent.

Transport

Transport activity in the first quarter of 2011 increased by 13.3 percent compared with the same quarter of 2010 and increased by 1.6 percent compared with the previous quarter.

Post-telecommunication

This activity decreased by 5.1 percent in this quarter compare with the first quarter of 2010 and decreased by 1.7 percent compare with the fourth quarter of 2010.

Other service

Service industries in the first quarter of 2011 decreased by 0.6 percent compare with first quarter of 2010 and increased by 1.1 percent compare with previous quarter.

Technical notes

Available information for the first quarter of 2011

Statistics in the attached tables provide the first available information of GDP for the first quarter of 2011, in constant prices and seasonal adjusted. Statistics for recent periods are based on information available at June 2011 year and are subject to revision as additional or improved data becomes available.

To estimate QGDP is used an indirect method. It is considered an indirect method because we have only some quarterly indicators from which we produce quarterly value added. The

indirect method is based on assumption that the proportion between values added and output is constant in the period of estimation. At the other side in direct method we estimate output and intermediate consumption from which we produce value added.

Sequence of compilation

In the indirect method, the general way used is:

- a) Data-set and balance of quarterly data in current and constant prices from different sources for the appropriate recent year.

- b) Development of time series for quarterly data in order that different periods to be comparable.
- c) Benchmark the non-seasonally adjusted series to the relevant annual series.
- d) Eliminate the seasonality from aggregated quarterly series
- e) Comparability of seasonal series.

It is worth mentioning the fact that is not necessarily the sum of seasonally adjusted quarters to be equal to the annual total for any particular year. Under normal circumstances, there will be enough variation in seasonality and/or trading day effects to explain a gap between the two.

Chain-volume series expressed in 2005 prices

The series in this release are chain-linked and expressed in the average prices of the 2005 year. They are best described as annually reweighed chained Laspeyres volume indexes.

Series are expressed in value rather than as index numbers, since this has the advantage of showing the relative size of each component.

This procedure can be used at different levels of aggregation, but should keep in mind that the value of the amount that comes as a result of using the Laspeyres index is not equal to the amount that comes as a result of its constituents

Benchmarking

The aim of benchmarking is to ensure the consistency between Quarterly and Annually National Accounts. It should be applied to both current and constant price data, where the constant price data are expressed in prices of the same base year as the annual data. It has to be underlined that the benchmarking alters the original figures, and consequently the volume growth of the aggregates, influencing in this way the chain-linked adjusted results.

Seasonal adjustment

One of the major characteristics and issues of quarterly national accounts is seasonality. There are two methods for elimination the seasonal effect from quarter series.

Indirect method

The level at which a series is seasonally adjusted is important, since it has the potential to affect the quality of that seasonally adjusted series. The individual component series of the main economic variables can be seasonally adjusted and then summed to derive totals. This is called an indirect seasonal adjustment. The indirect approach has the advantage of retaining additively, but this applies only to the current price series. Although the indirect approach conceptually also provides additively for volume series, additively is lost by chain-linking.

Direct method

Alternatively, the main economic variables can be seasonally adjusted at the total level, independently from the seasonal adjustment of their components. The adjustment of the total of an aggregate series is called a direct seasonal adjustment. The direct approach often gives better results if the component series show similar seasonal patterns. At the most detailed level, the irregular factor may be large compared with the seasonal factor and therefore makes it difficult to perform a proper seasonal adjustment. In a small country such as Albania, irregular events can have a strong impact on particular data. However, if the component series show the same seasonal pattern, aggregation often reduces the impact of the irregular factors in the component series. This is particularly relevant for Albania, where many economic series are affected by same seasonal fluctuations in the primary industries.

INSTAT apply the direct seasonal adjustment method.

Revisions policy

One of the most important moments of the quarterly series are revisions policies. These revisions are related with quarterly and annually data changes. Revisions to the previous published series may be made each quarter. The frequency and cause of these revisions are as follows:

1. Quarterly revisions:

As additional data becoming available for the last quarter, they have their impact in previous quarters because:

- With data coming for the last quarter, comes and some other data or improvements data for previous nearest quarters. It is necessary to mention that most of the data used for quarter estimations are administrative one.
- Including the last quarter data in the series and later on doing the seasonality adjustment will bring some changes in the previous quarters.

2. Annual revisions:

Quarterly data are based on annual one, as result their changes will influence the quarterly series. Annual changes becomes as a results of new annual resources or their improvement. One year has three steps of estimations; flesh, semi final and final one. Changes that happen during these steps have their direct effect on quarterly series. The flash estimations of one year are available 11 months after the year ends, semi final are available with a time discordance of 17 months and final version with 29 months. This means that quarterly series are much depended on annual changes.

3. Methodological revisions:

However, note that revisions of this nature are, as far as possible, incorporated to coincide with the annual cycle of revisions outlined above.

In addition, each of the above causes for revision, and/or the addition of a new point in the actual quarterly series, has the potential to alter seasonal factors and therefore may lead to a revision in the seasonally adjusted series.

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Next release

Gross Domestic Product: Second quarter of 2011 will be released on 30 September 2011.

Gross Domestic Product by Broad Industry Group
Chain-volume series expressed in base year prices (2005=100) (1)

	Agriculture, hunting, forestry and fishing	Industry	Construction	Trade, hotels and restorants	Transport	Post and comunication	Other services	Total VA	FISIM	
Values without seasonal adjustment (3)										
Quarter										
2005	Q1	34,585	16,349	17,747	31,325	6,764	6,309	41,117	154,197	5,659
	Q2	49,714	21,173	25,734	38,536	10,516	7,153	43,491	196,317	5,868
	Q3	37,216	20,155	27,058	45,059	11,994	7,511	44,933	193,927	6,042
	Q4	30,125	20,641	31,220	44,109	11,712	7,284	48,104	193,195	5,939
2006	Q1	35,998	18,836	18,804	33,289	8,210	7,600	43,495	166,232	6,076
	Q2	51,751	21,268	25,420	39,793	10,130	6,597	45,505	200,464	6,555
	Q3	38,132	22,142	29,868	43,855	12,438	8,297	46,288	201,022	6,776
	Q4	30,499	23,426	38,394	45,330	11,134	9,352	51,602	209,737	7,504
2007	Q1	36,687	17,340	24,962	34,986	9,376	8,245	46,743	178,339	8,335
	Q2	52,597	20,777	26,893	41,149	12,031	8,833	49,346	211,627	8,304
	Q3	39,178	19,489	30,493	47,111	12,629	9,876	51,679	210,454	8,491
	Q4	32,187	18,889	43,813	48,530	10,453	10,528	58,693	223,092	8,031
2008	Q1	39,626	17,961	28,727	39,923	10,313	8,884	53,947	199,381	8,455
	Q2	56,235	21,445	33,692	43,990	11,226	9,763	53,364	229,714	8,330
	Q3	41,676	22,180	35,610	50,428	11,348	11,229	54,794	227,265	8,879
	Q4	34,470	20,910	41,848	50,048	10,853	13,564	56,879	228,571	9,063
2009	Q1	40,164	19,237	28,923	39,974	9,190	12,594	56,907	206,989	9,394
	Q2	58,041	22,639	39,719	46,731	11,516	11,703	57,028	247,378	9,436
	Q3	42,142	22,823	36,070	51,929	12,357	13,732	57,233	236,285	9,365
	Q4	35,079	23,468	35,700	50,513	10,852	13,365	58,549	227,523	9,424
2010	Q1	43,329	23,507	22,674	41,765	10,046	10,991	58,012	210,323	8,705
	Q2	63,031	27,457	27,781	50,775	12,174	11,335	60,602	253,155	8,791
	Q3	44,881	26,150	28,152	57,026	13,624	12,598	64,147	246,578	8,941
	Q4	35,887	29,341	30,963	55,902	12,868	12,593	61,962	239,517	9,172
2011	Q1	44,532	26,430	23,753	43,608	11,381	10,434	57,648	217,787	9,250

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Values in million Lek

GDP at basic prices (2)

148,538

190,449

187,885

187,256

160,157

193,909

194,246

202,233

170,003

203,323

201,963

215,061

190,926

221,385

218,386

219,508

197,595

237,942

226,920

218,099

201,618

244,364

237,637

230,345

208,537



Gross Domestic Product by Broad Industry Group
Chain-volume series expressed in base year prices (2005=100) (1)

		Agriculture, hunting, forestry and fishing	Industry	Construction	Trade, hotels and restorants	Transport	Post and comunication	Other services	Total VA	FISIM
Values with seasonal adjustment (3)										
	Quarter									
2005	Q1	37,930	18,259	23,920	38,019	9,181	6,894	43,665	177,867	5,797
	Q2	37,774	20,626	26,102	39,494	10,305	7,400	44,149	185,850	5,868
	Q3	38,276	19,719	25,951	41,240	10,318	6,808	44,652	186,964	5,904
	Q4	38,581	19,464	25,243	40,210	10,586	7,447	45,156	186,686	5,888
2006	Q1	38,848	21,195	24,883	40,054	10,695	7,592	45,707	188,974	6,127
	Q2	39,191	20,468	26,078	40,754	9,942	7,120	46,358	189,911	6,555
	Q3	39,353	21,516	28,909	40,023	10,626	8,135	47,142	195,704	6,725
	Q4	39,381	22,197	31,107	41,466	10,763	8,645	48,074	201,633	7,279
2007	Q1	39,733	19,510	32,268	41,722	11,007	9,005	49,161	202,407	8,560
	Q2	40,007	19,902	27,736	42,158	11,774	9,298	50,375	201,250	8,304
	Q3	40,649	19,063	29,847	43,154	11,544	9,014	51,643	204,914	8,266
	Q4	41,069	18,653	35,884	44,799	12,064	9,406	52,874	214,749	8,474
2008	Q1	41,883	19,871	36,582	46,663	11,657	9,517	53,939	220,111	8,455
	Q2	42,458	20,526	34,413	44,946	10,916	10,234	54,786	218,281	8,330
	Q3	42,969	21,653	34,943	46,244	10,597	10,916	55,508	222,830	8,877
	Q4	43,651	20,429	34,990	46,511	10,379	13,038	56,153	225,151	9,220
2009	Q1	43,407	21,242	36,614	47,001	10,931	13,458	56,743	229,397	9,237
	Q2	43,896	21,697	40,046	47,431	11,119	12,117	57,320	233,626	9,436
	Q3	44,335	22,364	35,304	47,498	10,927	12,858	57,941	231,226	9,522
	Q4	45,157	23,112	30,304	47,140	10,763	13,263	58,685	228,423	9,240
2010	Q1	46,079	25,269	28,521	49,159	11,471	11,587	59,517	231,603	8,889
	Q2	46,551	26,070	27,978	51,293	11,790	11,745	60,327	235,755	8,791
	Q3	46,918	26,407	27,565	52,360	12,427	11,987	61,057	238,722	8,757
	Q4	47,053	28,454	26,479	52,448	12,645	11,941	61,700	240,719	9,034
2011	Q1	47,601	28,410	29,603	51,287	12,852	11,734	62,360	243,847	9,388

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Values in milion Lek

GDP at basic prices (2)

172,071

179,982

181,060

180,798

182,847

183,356

188,979

194,354

193,847

192,946

196,648

206,275

211,656

209,951

213,954

215,931

220,160

224,191

221,704

219,183

222,714

226,964

229,965

231,685

234,459



Gross Domestic Product by Broad Industry Group
Chain-volume series expressed in base year prices (2005=100) (1)

	Agriculture, hunting, forestry and fishing	Industry	Construction	Trade, hotels and restorants	Transport	Post and communication	Other services	Total VA	FISIM
Changes from one quarter to the same quarter of previous year not seasonal adjusted (Qt,i/Qt-1,i) (3)									
Quarter									
2005 Q1	1.5	6.5	10.0	2.2	2.9	35.6	0.1	3.8	-3.5
Q2	-0.6	27.4	7.4	7.4	13.3	27.1	5.8	7.6	5.5
Q3	1.6	12.9	12.1	8.3	4.8	15.7	5.2	7.2	8.7
Q4	0.5	-1.1	-0.9	4.2	16.0	12.0	3.6	2.9	4.3
2006 Q1	4.1	15.2	6.0	6.3	21.4	20.5	5.8	7.8	7.4
Q2	4.1	0.4	-1.2	3.3	-3.7	-7.8	4.6	2.1	11.7
Q3	2.5	9.9	10.4	-2.7	3.7	10.5	3.0	3.7	12.2
Q4	1.2	13.5	23.0	2.8	-4.9	28.4	7.3	8.6	26.4
2007 Q1	1.9	-7.9	32.7	5.1	14.2	8.5	7.5	7.3	37.2
Q2	1.6	-2.3	5.8	3.4	18.8	33.9	8.4	5.6	26.7
Q3	2.7	-12.0	2.1	7.4	1.5	19.0	11.6	4.7	25.3
Q4	5.5	-19.4	14.1	7.1	-6.1	12.6	13.7	6.4	7.0
2008 Q1	8.0	3.6	15.1	14.1	10.0	7.7	15.4	11.8	1.4
Q2	6.9	3.2	25.3	6.9	-6.7	10.5	8.1	8.5	0.3
Q3	6.4	13.8	16.8	7.0	-10.1	13.7	6.0	8.0	4.6
Q4	7.1	10.7	-4.5	3.1	3.8	28.8	-3.1	2.5	12.8
2009 Q1	1.4	7.1	0.7	0.1	-10.9	41.8	5.5	3.8	11.1
Q2	3.2	5.6	17.9	6.2	2.6	19.9	6.9	7.7	13.3
Q3	1.1	2.9	1.3	3.0	8.9	22.3	4.5	4.0	5.5
Q4	1.8	12.2	-14.7	0.9	0.0	-1.5	2.9	-0.5	4.0
2010 Q1	7.9	22.2	-21.6	4.5	9.3	-12.7	1.9	1.6	-7.3
Q2	8.6	21.3	-30.1	8.7	5.7	-3.1	6.3	2.3	-6.8
Q3	6.5	14.6	-22.0	9.8	10.2	-8.3	12.1	4.4	-4.5
Q4	2.3	25.0	-13.3	10.7	18.6	-5.8	5.8	5.3	-2.7
2011 Q1	2.8	12.4	4.8	4.4	13.3	-5.1	-0.6	3.5	6.3

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Percentage changes are calculated on unrounded numbers.

GDP at basic prices (2)



4.1
7.7
7.2
2.9

7.8
1.8
3.4
8.0

6.1
4.9
4.0
6.3

12.3
8.9
8.1
2.1

3.5
7.5
3.9
-0.6

2.0
2.7
4.7
5.6

3.4



Gross Domestic Product by Broad Industry Group
Chain-volume series expressed in base year prices (2005=100) (1)

	Agriculture, hunting, forestry and fishing	Industry	Construction	Trade, hotels and restaurants	Transport	Post and communication	Other services	Total VA	FISIM	GDP at basic prices (2)
Changes from one quarter to the previous quarter seasonal adjusted (3)										
Quarter										
2005 Q1	0.1	-5.9	-6.0	-0.9	-0.4	7.3	0.9	-1.2	4.3	-1.4
Q2	-0.4	13.0	9.1	3.9	12.2	7.3	1.1	4.5	1.2	4.6
Q3	1.3	-4.4	-0.6	4.4	0.1	-8.0	1.1	0.6	0.6	0.6
Q4	0.8	-1.3	-2.7	-2.5	2.6	9.4	1.1	-0.1	-0.3	-0.1
2006 Q1	0.7	8.9	-1.4	-0.4	1.0	1.9	1.2	1.2	4.1	1.1
Q2	0.9	-3.4	4.8	1.7	-7.0	-6.2	1.4	0.5	7.0	0.3
Q3	0.4	5.1	10.9	-1.8	6.9	14.3	1.7	3.1	2.6	3.1
Q4	0.1	3.2	7.6	3.6	1.3	6.3	2.0	3.0	8.2	2.8
2007 Q1	0.9	-12.1	3.7	0.6	2.3	4.2	2.3	0.4	17.6	-0.3
Q2	0.7	2.0	-14.0	1.0	7.0	3.3	2.5	-0.6	-3.0	-0.5
Q3	1.6	-4.2	7.6	2.4	-2.0	-3.1	2.5	1.8	-0.5	1.9
Q4	1.0	-2.2	20.2	3.8	4.5	4.4	2.4	4.8	2.5	4.9
2008 Q1	2.0	6.5	1.9	4.2	-3.4	1.2	2.0	2.5	-0.2	2.6
Q2	1.4	3.3	-5.9	-3.7	-6.4	7.5	1.6	-0.8	-1.5	-0.8
Q3	1.2	5.5	1.5	2.9	-2.9	6.7	1.3	2.1	6.6	1.9
Q4	1.6	-5.6	0.1	0.6	-2.1	19.4	1.2	1.0	3.9	0.9
2009 Q1	-0.6	4.0	4.6	1.1	5.3	3.2	1.1	1.9	0.2	2.0
Q2	1.1	2.1	9.4	0.9	1.7	-10.0	1.0	1.8	2.1	1.8
Q3	1.0	3.1	-11.8	0.1	-1.7	6.1	1.1	-1.0	0.9	-1.1
Q4	1.9	3.3	-14.2	-0.8	-1.5	3.1	1.3	-1.2	-3.0	-1.1
2010 Q1	2.0	9.3	-5.9	4.3	6.6	-12.6	1.4	1.4	-3.8	1.6
Q2	1.0	3.2	-1.9	4.3	2.8	1.4	1.4	1.8	-1.1	1.9
Q3	0.8	1.3	-1.5	2.1	5.4	2.1	1.2	1.3	-0.4	1.3
Q4	0.3	7.8	-3.9	0.2	1.8	-0.4	1.1	0.8	3.2	0.7
2011 Q1	1.2	-0.2	11.8	-2.2	1.6	-1.7	1.1	1.3	3.9	1.2

(1) Year ended 31 December

(2) Non Includes taxes and subsidy on production

(3) Percentage changes are calculated on unrounded numbers.