

# Producer price Index

## Third quarter, 2014

**Tirana. 05 December 2014:** In the third quarter 2014, Producer Price Index reached 103.1 % compared with base year 2010. (2010 = 100).

**The annual change of index is +0.3 %.** Here we can mention the increase price of “Water supply, treatment activities and waste management” section by 3.1% and “Mining and quarrying” section by 1.9 %. Lowest price is signed in “Manufacture” section by 0.1%.

Compared with the same period of year 2013, prices of products produced for domestic market increased by 0.2 %, while prices of products produced for export increased by 1.0 %.

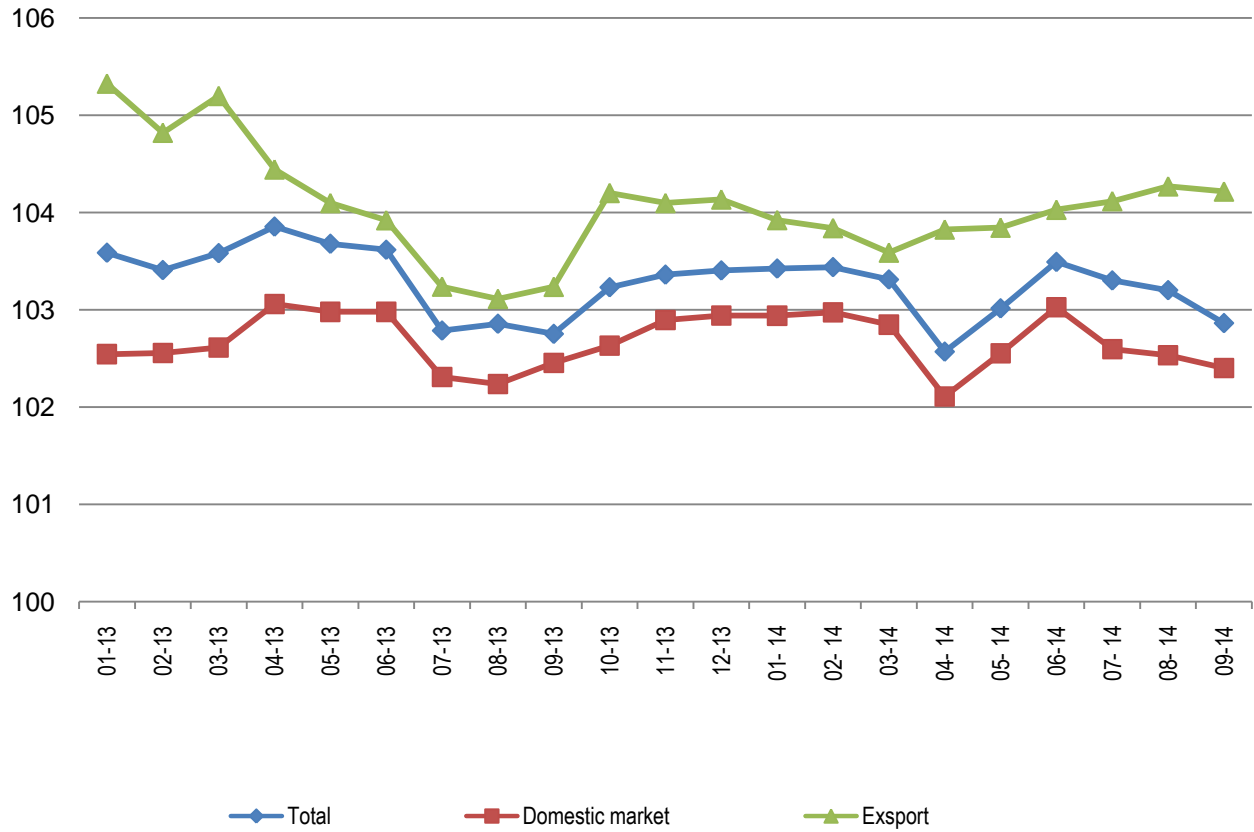
**Quarterly change of index is +0.1 %.** Producer Prices in “Mining and quarrying” increased by 1.0 %. Higher prices are recorded in mining of metal ores products by 2.3 %.

Producer Price Index decreased by 0.3 % in “Manufacturing” section. The prices decreased in manufacture of tobacco products by 6.7 %, manufacture of non-metallic mineral products by 2.1 %. While product prices of “Manufacture of papers and paper products”, Manufacture of electrical equipment and Manufacture of textile increased respectively by 2.4%, 1.9% and 1.4%.

**Producer Price Index for Domestic** market reached 102.5 % signing an decrease by 0.1 % compared with second quarter 2014(2010 = 100). Lower prices are recorded in “Manufacture” section by 0.3%. While prices in “Mining and quarrying” section are increased by 1.0%.

**Export Price Index** reached 104.2 % signing an increase by 0.3 % compared with the previous quarter. Export price index increased by 4.5 % in “Mining and quarrying” section. Here we can mention the increase price of “Extraction of crude petroleum and natural gas; auxiliary services” by 6.1 %.

Fig. 1 Monthly Producer Price Index , January 2013 – June 2014



**Tab. 1 Producer Price Index**

2010=100

%

NACE	Description	Weights	07 - 14	08 - 14	09 - 14	III - 14
	<b>Total</b>	<b>100.0</b>	<b>103.3</b>	<b>103.2</b>	<b>102.9</b>	<b>103.1</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>19.7</b>	103.8	103.2	101.9	102.9
05	Mining of coal and lignite; extraction of peat	0.1	100.0	100.0	100.0	100.0
06	Extraction of crude petroleum and natural gas; auxiliary services	14.0	110.6	109.9	108.0	109.5
07	Mining of metal ores	3.9	97.2	96.8	96.2	96.7
08	Other mining and quarrying	1.7	101.9	101.9	102.0	101.9
<b>C</b>	<b>Manufacturing</b>	<b>56.8</b>	<b>104.1</b>	<b>104.2</b>	<b>104.2</b>	<b>104.2</b>
10	Manufacture of food products	9.0	105.0	105.1	104.7	104.9
11	Manufacture of beverages	2.6	105.0	105.1	104.7	104.9
12	Manufacture of tobacco products	0.1	94.3	94.3	94.3	94.3
13	Manufacture of textiles	0.2	106.3	106.3	106.3	106.3
14	Manufacture of dressing; wearing apparel	3.6	103.7	104.4	104.0	104.0
15	Manufacture of leathers and leather products	4.0	112.0	111.9	111.4	111.8
16	Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed	1.0	109.6	109.9	110.0	109.8
17	Manufacture of papers and paper products	0.6	104.2	104.7	104.7	104.6
18	Paper printing and regroupin of recorded media	1.8	93.2	93.3	93.3	93.3
19	Manufacture of coke and petroleum products refinery	5.4	112.4	112.4	112.4	112.4
20	Manufacture of chemicals and chemical products	0.7	96.9	96.8	96.8	96.9
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	96.9	96.8	96.8	96.9
22	Manufacture of rubbers and plastic products	1.2	115.8	115.8	115.7	115.8
23	Manufacture of non-metallic mineral products	9.3	101.9	101.8	101.6	101.8
24	Metallurgy	8.2	93.7	94.1	95.0	94.3
25	Manufacture of fabricated metal products, except machinery and equipment	5.2	106.0	106.0	106.0	106.0
26	Manufacture of optics, electronics and computer products	0.2	103.5	103.5	103.5	103.5
27	Manufacture of electrical equipment	0.3	107.0	107.0	107.1	107.1
28	Manufacture of machinery and equipment	0.1	109.4	109.4	110.0	109.6
29	Manufacture of transport vehicles, trailers and semi-trailers	0.0	100.0	100.0	100.0	100.0
31	Manufacture of furniture	1.6	110.9	110.9	110.9	110.9
32	Other Industries	1.2	107.5	107.5	107.6	107.5
33	Repair and installation of machinery and equipment	0.2	110.7	110.7	111.4	111.0
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>20.5</b>	<b>100.2</b>	<b>100.2</b>	<b>100.2</b>	<b>100.2</b>
35	Electricity, gas, steam and air conditioning	20.5	100.2	100.2	100.2	100.2
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>3.0</b>	<b>104.4</b>	<b>103.9</b>	<b>104.1</b>	<b>104.1</b>
36	Water supply, treatment activities and waste management	1.7	110.6	110.6	110.6	110.6
37	Activities of collection, treatment and disposal of waste, materials recovery	1.3	91.7	90.7	91.2	91.2

Tab.2 Quarterly and annualy change of Producer Price Index

%

NACE	Description	Weights	III-14 / II-14	III -14 / III -13
	<b>Total</b>	<b>100.0</b>	<b>0.1</b>	<b>0.3</b>
<b>C</b>	<b>Mining and quarrying</b>	<b>19.7</b>	<b>1.0</b>	<b>1.9</b>
	05 Mining of coal and lignite; extraction of peat	0.1	0.0	0.0
	06 Extraction of crude petroleum and natural gas; auxiliary services	14.0	0.6	3.5
	07 Mining of metal ores	3.9	2.3	0.6
	08 Other mining and quarrying	1.7	0.9	2.6
<b>D</b>	<b>Manufacturing</b>	<b>56.8</b>	<b>-0.3</b>	<b>-0.1</b>
	10 Manufacture of food products	9.0	0.5	-1.9
	11 Manufacture of beverages	2.6	0.5	-1.9
	12 Manufacture of tobacco products	0.1	-6.7	1.6
	13 Manufacture of textiles	0.2	1.4	4.8
	14 Manufacture of dressing; wearing apparel	3.6	-0.1	0.2
	15 Manufacture of leathers and leather products	4.0	-0.6	0.9
	16 Manufacture of woods and products of wood and oak,except furniture; manufacture of articles of straw and reed	1.0	0.0	3.3
	17 Manufacture of papers and paper products	0.6	2.4	2.0
	18 Paper printing and regroupin of recorded media	1.8	-0.2	-4.0
	19 Manufacture of coke and petroleum products refinery	5.4	-0.1	0.0
	20 Manufacture of chemicals and chemical products	0.7	-0.3	-2.4
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	-0.3	-2.4
	22 Manufacture of rubbers and plastic products	1.2	-0.2	2.3
	23 Manufacture of non-metallic mineral products	9.3	-2.1	2.7
	24 Metallurgy	8.2	0.6	-0.2
	25 Manufacture of fabricated metal products, except machinery and equipment	5.2	0.1	-1.3
	26 Manufacture of optics, electronics and computer products	0.2	0.8	-2.5
	27 Manufacture of electrical equipment	0.3	1.9	-1.0
	28 Manufacture of machinery and equipment	0.1	0.1	0.8
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.0	0.0	0.0
	31 Manufacture of furniture	1.6	0.1	0.2
	32 Other Industries	1.2	0.1	-1.0
	33 Repair and installation of machinery and equipment	0.2	0.1	2.1
<b>D</b>	<b>Electricity,gas, steam and air conditioning</b>	<b>20.5</b>	<b>0.0</b>	<b>0.2</b>
	35 Electricity,gas, steam and air conditioning	20.5	0.0	0.2
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>3.0</b>	<b>0.0</b>	<b>3.1</b>
	36 Water supply, treatment activities and waste management	1.7	0.6	3.6
	37 Activities of collection, treatment and disposal of waste, materials recovery	1.3	-0.7	4.2

Tab. 3 Producer Price Index for domestic market

2010 = 100							%
NACE	Description	Weights	07 - 14	08 - 14	09 - 14	III - 14	III - 14 / II - 14
	<b>Total</b>	<b>100.0</b>	<b>102.6</b>	<b>102.5</b>	<b>102.4</b>	<b>102.5</b>	<b>-0.1</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>25.3</b>	<b>110.7</b>	<b>110.1</b>	<b>108.7</b>	<b>109.8</b>	<b>1.0</b>
	05 Mining of coal and lignite; extraction of peat	0.1	100.0	100.0	100.0	100.0	0.0
	06 Extraction of crude petroleum and natural gas; auxiliary services	19.7	120.1	119.3	117.3	118.9	0.5
	07 Mining of metal ores	3.8	110.6	110.6	110.0	110.4	0.4
	08 Other mining and quarrying	1.7	101.7	101.8	102.0	101.8	1.3
<b>C</b>	<b>Manufacturing</b>	<b>41.3</b>	<b>103.4</b>	<b>103.5</b>	<b>103.5</b>	<b>103.5</b>	<b>-0.3</b>
	10 Manufacture of food products	7.1	105.4	105.2	105.2	105.3	0.0
	11 Manufacture of beverages	2.1	105.4	105.2	105.2	105.3	0.0
	12 Manufacture of tobacco products	0.1	99.0	99.0	99.0	99.0	-6.8
	13 Manufacture of textile	0.1	106.6	106.6	106.6	106.6	0.0
	14 Manufacture of dressing: wearing apparel	1.1	103.0	103.1	102.9	103.0	-0.3
	15 Manufacture of leathers and leather products	1.9	119.1	119.1	119.1	119.1	-1.8
	16 Manufacture of woods and products of wood and oak.except furniture; manufacture of articles of straw and reed	0.4	102.4	102.5	103.0	102.6	0.4
	17 Manufacture of papers and paper products	0.3	102.3	102.3	102.3	102.3	0.0
	18 Paper printing and regroupin of recorded media	2.6	99.6	99.6	99.6	99.6	-0.2
	19 Manufacture of coke and petroleum products refinery	6.4	108.9	108.9	108.9	108.9	-0.1
	20 Manufacture of chemicals and chemical products	0.3	97.8	97.6	97.6	97.7	-0.2
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.1	97.8	97.6	97.6	97.7	-0.2
	22 Manufacture of rubbers and plastic products	0.5	114.9	114.9	114.9	114.9	-0.1
	23 Manufacture of non-metallic mineral products	11.6	97.4	97.3	97.1	97.3	-1.9
	24 Metallurgy	0.6	89.0	89.9	90.1	89.7	0.4
	25 Manufacture of fabricated metal products. except machinery and equipment	4.2	101.5	101.5	101.5	101.5	-0.4
	26 Manufacture of optics. electronics and computer products	0.1	117.6	117.6	117.6	117.6	0.0
	27 Manufacture of electrical equipment	0.2	113.5	113.5	113.7	113.6	0.0
	28 Manufacture of machinery and equipment	0.1	103.1	103.1	105.7	103.9	0.8
	29 Manufacture of transport vehicles. trailers and semi-trailers	0.1	100.0	100.0	100.0	100.0	0.0
	31 Manufacture of furniture	1.0	110.5	110.5	110.6	110.5	0.7
	32 Other Industries	0.2	110.5	110.5	110.6	110.5	0.7
	33 Repair and installation of machinery and equipment	0.2	102.3	102.3	104.7	103.1	0.7
<b>D</b>	<b>Electricity.gas. steam and air conditioning</b>	<b>29.3</b>	<b>100.2</b>	<b>100.2</b>	<b>100.2</b>	<b>100.2</b>	<b>0.0</b>
	35 Electricity.gas. steam and air conditioning	29.3	100.2	100.2	100.2	100.2	0.0
<b>E</b>	<b>Water supply. treatment activities and waste management</b>	<b>4.1</b>	<b>103.0</b>	<b>102.6</b>	<b>102.8</b>	<b>102.8</b>	<b>0.0</b>
	36 Water supply. treatment activities and waste management	2.5	110.6	110.6	110.6	110.6	0.6
	38 Activities of collection. treatment and disposal of waste. materials recovery	1.7	78.9	78.9	78.9	78.9	0.0

Tab. 4 Export Price Index

2010= 100

NACE	Description	Weights	07 - 14	08 - 14	09 - 14	III -14	% III - 14 / II - 14
	<b>Total</b>	<b>100.0</b>	<b>104.1</b>	<b>104.3</b>	<b>104.2</b>	<b>104.2</b>	<b>0.3</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>6.8</b>	<b>100.0</b>	<b>99.1</b>	<b>98.8</b>	<b>99.3</b>	<b>4.5</b>
	06 Extraction of crude petroleum and natural gas; auxiliary services	0.9	102.4	102.4	102.4	102.4	6.1
	07 Mining of metal ores	4.2	92.2	90.9	90.4	91.2	6.1
	08 Other mining and quarrying	1.7	103.2	103.2	103.2	103.2	-0.2
<b>C</b>	<b>Manufacturing</b>	<b>92.7</b>	<b>105.3</b>	<b>105.6</b>	<b>105.6</b>	<b>105.5</b>	<b>0.0</b>
	10 Manufacture of food products	13.3	102.8	103.2	102.3	102.7	1.1
	11 Manufacture of beverages	4.0	101.2	101.6	100.7	101.2	1.1
	12 Manufacture of tobacco products	0.1	100.0	100.0	100.0	100.0	0.0
	13 Manufacture of textiles	0.6	108.0	108.0	108.0	108.0	1.7
	14 Manufacture of dressing: wearing apparel	9.2	104.1	105.0	104.6	104.6	-0.1
	15 Manufacture of leathers and leather products	9.0	111.9	111.9	111.1	111.6	0.0
	16 Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed	2.3	112.6	113.0	112.8	112.8	-0.1
	17 Manufacture of papers and paper products	1.5	105.4	106.2	106.2	106.0	3.3
	19 Manufacture of coke and petroleum products refinery	1.6	100.0	100.0	100.0	100.0	0.0
	20 Manufacture of chemicals and chemical products	0.6	100.7	100.7	100.7	100.7	-0.3
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	2.8	96.9	96.9	96.9	96.9	-0.3
	22 Manufacture of rubbers and plastic products	4.3	120.4	120.4	120.4	120.4	-0.2
	23 Manufacture of non-metallic mineral products	26.1	112.5	112.5	111.8	112.3	-3.2
	24 Metallurgy	7.3	101.7	102.1	103.0	102.3	0.6
	25 Manufacture of fabricated metal products, except machinery and equipment	0.4	109.5	109.5	109.5	109.5	0.8
	26 Manufacture of optics, electronics and computer products	1.4	98.9	98.9	98.9	98.9	0.9
	27 Manufacture of electrical equipment	0.4	108.4	108.4	108.4	108.4	2.4
	28 Manufacture of machinery and equipment	0.1	110.9	110.9	110.9	110.9	0.0
	29 Manufacture of transport vehicles, trailers and semi-trailers	3.2	100.0	100.0	100.0	100.0	0.0
	31 Manufacture of furniture	0.8	109.9	109.9	109.9	109.9	-0.3
	32 Other Industries	0.5	106.1	106.1	106.1	106.1	-0.1
	33 Repair and installation of machinery and equipment	0.5	101.9	101.9	101.9	101.9	0.0
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>0.5</b>	<b>106.0</b>	<b>96.1</b>	<b>101.1</b>	<b>101.1</b>	<b>-6.1</b>
	38 Activities of collection, treatment and disposal of waste, materials recovery	6.8	106.0	96.1	101.1	101.1	-6.1

# Metodology

## User information

INSTAT in the wake of its efforts to calculate and publish statistical indicators, publishes the Producer Price Index, second quarter 2014 based on Nomenclature of Economic Activities, NACE Rev.2. The application of the Nomenclature of economic activities NACE Rev. 2 is based on the legal act approved through the Decreed of the Council of Ministers N°320, date 20. 05. 2014.

[http://www.instat.gov.al/media/248316/njoftim\\_per\\_media\\_ndryshimi\\_i\\_nomenklatur\\_s\\_s\\_veprimtarive\\_ekonomike\\_rev\\_2.pdf](http://www.instat.gov.al/media/248316/njoftim_per_media_ndryshimi_i_nomenklatur_s_s_veprimtarive_ekonomike_rev_2.pdf).

In the contexts of standardizing and approaching the Short term statistics indicators to the standards of EU statistics, INSTAT has revised the reference period of the Producer price Index from 2005 = 100 to 2010 = 100.

The process of passing of statistical units from NACE Rev. 1.1 to NACE Rev. 2 is performed through the construction of a converted matrix, based on the statistical information obtained from the Structural Business Survey of Enterprises 2010, 2011,2012.

Producer price index measures the change in the prices of products at the first point of sale after production.

Producer Price Index is compatible with Eurostat methodology and covers following economic activities:

- Extracting industry, B
- Manufacturing industry, C
- Electric power, water and gas, D
- Water supply, treatment activities and waste management

INSTAT calculates Producer Price Index for Domestic Production and Export Price Index. Calculation and publication of Producer Price Index in Albania include:

- Producer Price Index in Total
- Producer Price Index for Domestic Production
- Export Price Index

These indices are calculated for each product classified according to the Classification of Products by Economic Activity (CPA) in 6 – digit level and are published in two digit level. Renovation of the basket of enterprises and products is based on the results of Annual Structural Survey of Enterprises. For calculation of products 'weights of Producer Price Index for Domestic Production are used data coming from SBS while for calculation of products' weights of Export Price Index are used data coming from Foreign Trade Statistics.

Producer Price Index (PPI) is calculated taking into consideration 2010 as base year (2010 = 100). Calculation's method used in compiling of this index is Laspayer chain – index. It means that each transaction will be compared with its previous year December price (y -1).

### Index calculation

For calculation of index is used Laspeyer type and is calculated as following:

$$I_{2010}^{y,m} = \frac{100}{\frac{1}{12} \sum_{M=JAN}^{DEC} I_{2010Dec}^{2010M}} \times \prod_{Y=2010}^{y-1} I_{Y-1,dec}^{Y,dec} \times I_{y-1,dec}^{y,m}$$

- The first part before the equal sign is stating the price level of December 2004 in percent of the average price level during 2010, hence adjusting the average of 2010 to 100.
- The second term is the chained index movement from December 2004 to December y-1 (a product of yearly index links [short-term - links] from December to December).
- The last part is showing the movement from December y-1 to month m year y.

### Measures of index

**The annual change measures** the price change between the current quarter and the same quarter of previous year. This measures is responsive to recent changes in price levels but can be influenced by one – off effects in either quarter.

**Quarterly change** measures the price changes between current quarter and previous quarter.