

# Household Budget Survey

**1 October 2018, Tiranë:** In 2017, the average monthly consumption expenditures of households composed of 3.7 persons on average are 73,400 ALL. The total consumption expenditure is 56.48 billion ALL per month for 769,494 households. The average consumption expenditures per capita for an individual is estimated to be 19,660 ALL per month of which: 8,664 ALL for food consumption and 10,996 ALL for non-food consumption.

The estimation of the monthly average consumption expenditure of the household, in 2017 is 0.4 percent higher than in 2016. The growth of the consumer prices recorded in 2017 compared to 2016 is 2.0 percent.

The monthly average consumption expenditures in 2017, compared to 2016, record the highest decrease in expenditures that are dedicated to the group "Clothing and footwear" by 11.4 percent while the largest increase is recorded in the budget part of the households which goes for "Transport" by 14.9 percent.

**Tab.1 Monthly consumption expenditures of the households, 2016 - 2017**

Main groups	HBS 2016		HBS 2017		Differences (%)
	Value in ALL	%	Value in ALL	%	
Food and non-alcoholic beverages	33,083	45.2	32,347	44.1	-2.2
Alcoholic beverages, tobacco	2,507	3.4	2,558	3.5	2.1
Clothing and footwear	3,532	4.8	3,128	4.3	-11.4
Housing, water, electricity, gas and other fuels	7,477	10.2	7,998	10.9	7.0
Furnishing, household equipment and routine maintenance of the dwelling	3,662	5.0	3,505	4.8	-4.3
Health	2,519	3.4	2,879	3.9	14.3
Transport	4,609	6.3	5,294	7.2	14.9
Communication	2,392	3.3	2,479	3.4	3.6
Recreation and culture	2,173	3.0	2,224	3.0	2.4
Education	3,207	4.4	2,868	3.9	-10.6
Restaurants and hotels	3,253	4.4	3,638	5.0	11.8
Miscellaneous goods and services	4,729	6.5	4,480	6.1	-5.3
<b>Average total consumption expenditures</b>	<b>73,143</b>	<b>100.0</b>	<b>73,400</b>	<b>100.00</b>	<b>0.4</b>

- **The expenditures made for the group “Transport”** in 2017 recorded the highest increase by 14.9 percent compared to the previous year as a result of the largest increase of expenditures of the sub-group “expenditures on fuel and lubricants”.
- **The expenditures made for the group “Health”** have recorded an increase of 14.3 percent compared with 2016, due to the increase of expenditures of the sub-group of “medicines”.
- **The expenditures made for the group “Restaurants and hotels”** have recorded an increase of 11.8 percent compared to the previous year due to the increase of expenditures of the sub-group “restaurants”.

Regarding the structure of the monthly expenditures of households by the 12 main groups of consumption shows that the largest share goes for the groups:

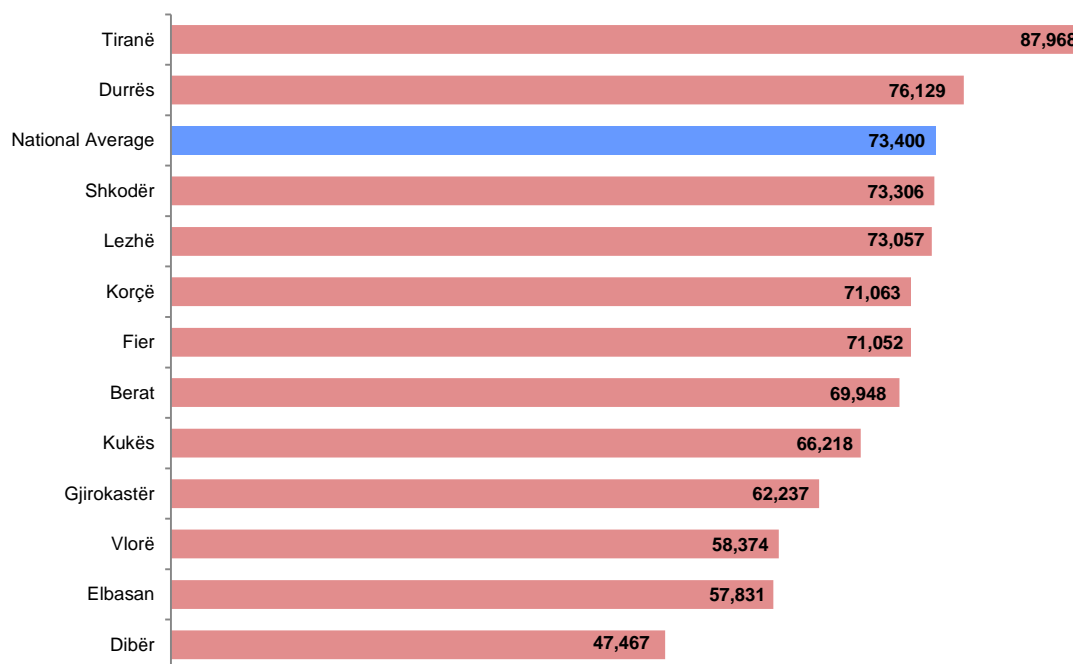
- **“Food and non-alcoholic beverages”** with an average monthly expenditure of 32,347 ALL which represented 44.1 percent of overall budget. The subgroups with the largest share of the food expenditures, are “milk and milk products/derives and eggs”, 18.1 percent “bread and cereals” and “meat and its products” more than 17 percent, followed by “vegetables”, 13.7 percent and “fruits” more than 8 percent.
- **The group of expenditures for housing**, with expenditures for electricity, water, fuel, rent and small repairs with an average monthly expenditure of 7,998 ALL took 10.9 percent of the budget.
- **“Transport”** with an average monthly expenditures of 5,294 ALL took 7.2 percent of the total budget. The largest share within this group goes for the sub-group “expenditures on fuel and lubricants”, 57.8 percent followed by the expenditures for “transportation services” 22.2 percent.

### **The monthly average consumption expenditures by prefectures, 2017**

In 2017 the prefecture of Tiranë shows the highest monthly average consumption expenditures. A household in Tirana prefecture spent monthly for consumption on average 87,968 ALL. The prefectures that shows the highest monthly average consumption expenditures after Tirana prefecture, are the prefecture of Durrës and Shkodër, with respectively 76,129 ALL and 73,306 ALL monthly per household. The prefectures with the lowest level of monthly average consumption expenditures are the prefectures of Dibër and Elbasan with respectively 47,467 ALL and 57,831 ALL monthly per household. The average consumption expenditures on prefectures level has changed over the period 2016 - 2017. The largest increase of expenditures is recorded in the prefecture of Gjirokastrë with 9.1 percent followed by the prefecture of Berat with 8.9 percent.

The prefecture which has recorded the highest decrease of consumption expenditures is Dibër with 24.9 percent.

**Fig.1 The monthly average consumption expenditures by prefectures, 2017**



In 2017, the mean household size in Albania is 3.7. The highest number of household members is recorded in the prefecture of Kukës 4.4, while in Vlorë is recorded the smallest number of household members with 3.3 members.

**Tab. 2 Mean household size by prefectures, 2017**

Prefecture	Berat	Dibër	Durrës	Elbasan	Fier	Gjirokastrë	Korçë	Kukës	Lezhë	Shkodër	Tiranë	Vlorë	Albania
Mean household size	3.6	4.1	3.9	3.8	3.8	3.4	3.5	4.4	4.0	4.0	3.7	3.3	3.7

### The distribution of consumption expenditure by deciles and the ratio 10/90, 2017

The distribution of the household consumption expenditures by deciles<sup>1</sup>, show that about 90<sup>th</sup> percent of the households spend monthly 79.3 percent of the total consumption expenditures, with a monthly average consumption expenditures per household of 64,659 ALL, while the other 10

<sup>1</sup> Decile is defined as one of the ten equal groups in which is divided the variable value, in this case the consumption expenditures.

percent of households spend monthly 20.7 percent of the total consumption with average consumption expenditures per household of 152,079 ALL. Expressed in terms of 10/90 deciles ratio indicator, the monthly expenditures of the 10<sup>th</sup> percent of the households, with the highest consumption expenditure, is 2.4 times higher than the 90<sup>th</sup> percent of the rest of households.

Per capita consumption expenditure, results that the population which corresponds to 90 percent of the households with the lowest expenditures spends on average 18,311 ALL monthly per capita, while the remaining 10 percent of the households spend on average 62,329 ALL monthly per capita or 3.4 times more, measured by the 10/90 deciles ratio.

The average consumption expenditures by deciles show that in 2017, a decrease of 4.3 percent was registered in the average consumption expenditures for the 10 percent with the highest expenditures and an increase of 1.7 percent for the remaining 90 percent of households compared with year 2016. As a result, the ratio of the deciles in 2017, for this indicator, shows a decrease in the inequality from 2.5 to 2.4, compared to 2016.

**Tab. 3 Monthly average consumption expenditures of households and the deciles ratio 10/90**

	2016		2017	
	Monthly average consumption expenditures of households	Mean household size	Monthly average consumption expenditures of households	Mean household size
10% of Households (with the highest expenditures)	158,946	2.6	152,079	2.6
90% of the rest of the Households	63,609	3.9	64,659	3.9
Average consumption expenditure	73,143	3.7	73,400	3.7
The ratio10/90	2.5		2.4	

The ratio 10/90 show a decrease of inequality from 3.5 to 3.4 compared with 2016, for the consumption expenditures per capita.

**Tab. 4 Monthly average consumption expenditures per capita and the deciles ratio 10/90**

	2016		2017	
	Monthly average consumption expenditures per capita	Mean household size	Monthly average consumption expenditures per capita	Mean household size
10% of Households (with the highest expenditures)	62,562	2.6	62,329	2.6
90% of the rest of the Households	18,119	3.9	18,311	3.9
Average consumption expenditure	22,563	3.7	22,712	3.7
The ratio10/90	3.5		3.4	

### The distribution of the average consumption expenditures by the type of households, 2017

In 2017, the households composed by an adult with dependent children spend more on food consumption 47.1 percent, compared to other types. The highest expenditures on transport are recorded in the households composed by three or more adults with children with 8.2 percent. The highest expenditures on education are recorded in the households composed by three or more adults with or without dependent children.

**Tab.5 The distribution of consumption expenditures by the type of households in percentage, 2017**

Main groups	Type of Household						Total
	One person	Adult with children	Two adults without children	Two adults with children	Three or more adults without children	Three or more adults with children	
Food and non-alcoholic beverages	45.0	47.1	46.1	45.8	41.4	44.4	<b>44.1</b>
Alcoholic beverages, tobacco	2.9	1.3	3.6	3.3	3.6	3.5	<b>3.5</b>
Clothing and footwear	3.1	5.5	3.5	4.7	4.5	4.3	<b>4.3</b>
Housing, water, electricity, gas and other fuels	14.0	14.9	11.7	11.6	10.6	9.9	<b>10.9</b>
Furnishing, household equipment and routine maintenance of the dwelling	5.5	5.1	5.2	4.8	4.6	4.6	<b>4.8</b>
Health	4.8	2.3	5.5	2.4	3.9	3.9	<b>3.9</b>
Transport	4.4	3.5	5.5	7.3	7.5	8.2	<b>7.2</b>
Communication	3.8	3.2	3.4	3.2	3.6	3.2	<b>3.4</b>
Recreation and culture	3.1	5.7	2.8	3.7	3.2	2.6	<b>3.0</b>
Education	0.4	0.8	2.9	1.7	6.3	3.9	<b>3.9</b>
Restaurants and hotels	7.6	3.4	4.5	4.6	5.0	5.1	<b>5.0</b>
Miscellaneous goods and services	5.4	7.2	5.3	7.0	5.7	6.4	<b>6.1</b>
<b>Average total consumption expenditures</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

# Methodology

The Household Budget Survey is a statistical survey which is carried out at the household level and gives an overview of the socio-economic situation of the Albanian households. The results of this survey are also used to update the Consumer Price Index and Final Consumption calculation households as an important aggregate of GDP by the expenditure method.

The Household Budget Survey was conducted for the first time in 1999-2000 and was representative only for urban areas, continuing later on in 2006-2007, 2008-2009<sup>2</sup> and since 2014 is continuously. From 2006-2007 the survey is spread in the whole Albanian territory including urban and rural areas and also representative in prefecture level.

The Household Budget Survey in 2017 was conducted by INSTAT throughout the whole year, with a sample of 9,312 households. At the end of the survey there were around 7.519 interviewed households distributed uniformly in the whole Albanian territory. The households' response rate, calculated as the ratio of the number of interviewed households with the number of selected households, expressed as a percentage is 80.7 percent.

The sample selection follows a two-step procedure. The first step units (PSUs) are the Census homogeneous areas<sup>3</sup>, with a proportional probability to the size of the Census area. In the second step, within each selected area in the first step, is selected by the method of systematic selection with equal probability a fixed number of 12 households. The selection in both steps is done in a random way by providing a representation also at the prefecture level. The total households sample was divided into 4 sub-samples of three months which were geographically spread homogeneously throughout the year, to reflect the seasonal changes. Consequently, each month were interviewed about 776 households spread evenly in all selected areas so to ensure representativeness for each area each month of the year.

Data collection was based in two different ways of collection:

- Filling a diary from the households for a period of 14 days, where are recorded expenditures for purchasing products/services of consumption and when it was necessary filling a daily self-consumption diary for 14 days, where are recorded only the products produced and consumed by the household itself during the same period, which values are estimated with the price that would be paid in the nearest shop/market.
- Direct interview from the interviewer with a questionnaire where are included different questions about big expenditures and with a rare frequency, grouped and sorted according to specific topics. In the same questionnaire are included questions about socio-demographic data of household composition that will help in the analysis of household budget survey by household type.

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<sup>2</sup> The period of the survey field work was: October 2006- September 2007 and November 2008- October 2009.

<sup>3</sup> Homogeneous means that each Census area has the same characteristics of households' consumption expenditures and the size of each PSU has almost the same number of households or individuals.

**Definitions:**

**Consumption expenditures of households** includes any kind of purchases made for goods and services made by households, It excludes purchases of durable goods, investments, money given to the others and imputed rent,

**Main groups of consumption expenditure** are defined by Classification of Individual Consumption by Purpose (COICOP), 2012.

**Reference period** is the duration of a certain subject that the information is collected on. The survey uses different reference periods depending on the type of information that must be taken and objectives of each matter to be analysed.

**Household** is referred to a group of people, a related person or not, who live together in the same apartment or in a part of the house and share a partial or common economy.

**Head of household** is a person who is defined as the head for the purposes of the survey, (person who is the owner of the house or the person identified by other members of the family). If family members do not determine by themselves the person, he will normally be the person who contributes more to the income of the household.

**Child** is considered every person under 18 years old.

**Annex 1 - Classification of Individual Consumption by Purpose (COICOP)**

<b>The Individual Consumption According to Purpose (COICOP)</b>	
<b>GROUPS</b>	The description of products and services classified as household consumption.
<b>1 - FOOD AND NON-ALCOHOLIC BEVERAGES</b>	The food products classified here are those generally purchased and produced for home consumption. Wheat, corn, rice, flour and its sub-products, bread and other bakery products, meat, fish, other seafood, oil, fresh and canned fruits, fresh and canned vegetables, milk, cheese, butter, cottage cheese, eggs, mineral and sparkling water, fruit juices, coffee, tea, honey, sweet products, and also all products of this category produced and consumed by the household etc.
<b>2 - ALCOHOLIC BEVERAGES, TOBACCO</b>	The alcoholic beverages classified here are those generally purchased for home consumption. Wine, beer, raki, whisky, all kinds of liqueurs, ouzo and other spirits beverages. Tobacco, cigarettes, cigars, cigarette paper, and other tobacco products like cigar paper, filter etc.
<b>3 - CLOTHING AND FOOTWEAR</b>	In this group are included: Garments, footwear, new or used, materials for garments, and the repair of garments etc. Garments for men, women, children (3 to 13 years old) and infants (0 to 2 years old), either ready-made or custom made, in all materials (including leather, fur, plastic and rubber), daily using, for sports or work: slicker, rain robes, t-shirts, coat, jackets, vests, pants, suits, dresses, skirts, etc. Shirts, blouses, sweaters, slim fit T-shirts, shorts, swimsuit, tracksuit, jogging suits, pantyhose, etc. Vest, lingerie, socks, tights, bra, skirts, lingerie with lace, night dresses, belts, corset, knitted socks, etc. Pyjamas, nightshirts, bathing suits, jackets for home, etc. Children's garments and knitted socks for children.
<b>4 - HOUSING, WATER ELECTRICITY, GAS AND OTHER FUELS</b>	This group includes: Paid rent, maintenance and repair of the dwelling: like painting and repair, carpenters' services, materials for repair, payment for electricity bill, water bill, gas, garbage removal, and all payments related to the household home etc.
<b>5 - FURNISHING, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE DWELLING</b>	This group includes: All kinds of home textiles such as fabric textiles, curtains, sheets, blankets, towels, etc. Small electric appliances for home, equipment for food, machinery for coffee, kettle and other similar equipment, repair of household appliances. Glass, crystal, ceramic and porcelain sets, spoon sets, knives and fork sets, silver sets. Equipment and tools for the garden and house. Payment for the gardener, cooker, babysitter, etc.
<b>6 - HEALTH</b>	This group includes: Medicaments such as medicines for heart and blood pressure (adalat, propranolol), Antibiotics (penicillin, streptomycin, ampicillin), Analgesics (with calming effect) (algin, analgine, aspirin, etc.), Sedatives (for calming the nervous system), Rheumatics (brufen, voltaren, indometacin etc.), Medicines based on hormones (insulin, danyl, tiroidine etc.), Vitamins (B1, B6, B12, C, E, A+D, PP, K, A etj) and medicaments for asthma. Medicaments for stomach and entrails. General Doctors, specialized doctors or interns. Dentists (adjustments, oral hygien, etc.) Laboratory (blood, urine, etc.), Other diagnostic controls (X-ray). Thermal baths, correction therapeutically gymnastics, taking nurses and paramedic (physiotherapy treatments). Services in general hospitals or specialized services of medical and rehabilitation centres in the country and abroad.
<b>7 - TRANSPORT</b>	This group includes: Spare parts and accessories for personal transport such as tires for cars, bicycles and motorcycles, and other accessories for personal transport (plugs, batteries, etc.). Fuel such as (gasoline, diesel, benzene, gas, etc.). Oils, lubricants, anti-freezer, etc. Maintenance and repair of vehicles used for personal transportation. Renting the garage and parking spaces, car rental (without driver). Taxes for (bridges, parking in the city). Lessons for driver's licenses, tests, obtaining driver licenses, separate tickets, monthly (pass) on trains, special tickets, monthly (pass) to tram and metro, special tickets, monthly (pass) for interurban transport. Daily tickets, monthly or seasonal for individual transport etc.
<b>8 - COMMUNICATION</b>	This group includes: Postal services (letters, postcards, telegrams, stamps). Private postal services and package delivery. Repair of communication equipment (telephone, fax, etc.). Fixed telephones bill public telephones (including prepaid cards, mobile phones and subscription bills). Internet services at home, internet café services costs, services grouped into packages, other information transmission services.
<b>9 - RECREATION AND CULTURE</b>	This group includes: Equipment for reception, recording and reproduction of sounds and picture. Mobile audio and visual equipment, other equipment for reception, recording and reproduction of sounds and picture. Photographic and cinematographic equipment and optical instruments, information processing equipment, recording equipment for media. Equipment for sports and games and other items for Recreation, gardens and pets, games, toys and entertainment facilities. Equipment for sport, camping and outdoor recreation, repair and maintenance fees. Plants and garden flower, pets, veterinary services and products related to pets. Participation, follow and entertainment in sport. Hire of equipment and accessories for sport and recreation. Television and radio license fees, subscriptions, newspapers, books and stationery. Binding services and E-book downloads, various printed material, stationery and drawing materials, package holidays within the country and abroad.
<b>10 - EDUCATION</b>	This group covers educational services only. Classification of educational services is based on categories according to the level the International Standard Classification of Education (ISCED) of the United Nations Educational, Scientific and Cultural Organization (UNESCO). Includes: Pre-primary and primary education Elementary and primary education, 8/9 years of school and secondary education, Post-secondary education, University, Education not definable by levels.



<b>11 - RESTAURANTS AND HOTELS</b>	This group includes: Restaurants, bars and dancing halls, fast food and take away food services, canteens, accommodation services such as (Hotels, motels, inns and similar accommodation services. Holiday centre, camping sites, hostels for young people and services alike, accommodation services to other institutions etc.
<b>12 – MISCELLANEOUS GOODS AND SERVICES</b>	This group includes: Personal care treatments in beauty salons and personal care institutions for men and children, household electrical appliances for personal care, repair of electrical appliances for personal care. Appliances, articles and other products for personal care such as shaving razors and machines for cutting hair, scissors, nail-file, styling combs, shaving brush, hair brush, toothbrush, nail brush, pins for hair, curling tongs, personal scales, scales for children, etc. Articles for personal hygiene and well-being, specific products and beauty products such as soap, medical soap, cleansing oil and milk, shaving soap, shaving cream and shaving foam, toothpaste, shampoo and bathing products, toilet paper, tissues, cotton , baby wipes, toilet paper, sanitary towels, shower sponges, etc. Wellness and esoteric products (natural remedy, herbs, healing stones etc.) beauty products: lipstick, nail varnish, make-up and make-up removal products (including powder compacts, brushes and powder puffs), hair lacquers and lotions, pre-shave and after-shave products, sunbathing products, hair removers, perfumes and toilet waters, personal deodorants, bath products, etc. Jewels, clocks, watches, and their repair etc. Social protection, insurance, specified financial services, other unspecified services etc.