

# **Producer Price Index (PPI)**

Reference Metadata in Euro SDMX Metadata Structure  
(ESMS)

**INSTAT**

## Reference Metadata

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<b>1. Contact</b>	
1.1. Contact organisation	INSTAT, Institute of Statistics
1.2. Contact organisation unit	Price Unit
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<b>2. Metadata update</b>	
2.1. Metadata last certified	06.03.2020
2.2. Metadata last posted	05.03.2019
2.3. Metadata last update	06.03.2020
<b>3. Statistical presentation</b>	
3.1. Data description	<p>Producer Price Index (PPI) is one of the main short-term business indicators; it is regarded as one of the important measures of the economic situation in the Country. Indices for particular economic activity measure the average change in the prices of industrial products, which are produced and sold by Albanian enterprises. Three Producer Price Indices are calculated:</p> <ul style="list-style-type: none"> <li>· Total producer price index;</li> </ul>

	<ul style="list-style-type: none"> <li>· Producer price index on the domestic market measure the performance of production prices of industrial products produced and sold in the domestic market;</li> <li>· Producer price index on the non-domestic market measure the price performance (converted into domestic currency, including the exchange rate) of domestically produced industrial products and foreign-market sales.</li> </ul>
3.2. Classification system	The classification used for these statistics is the Statistical Classification of Economic Activities (NACE). The data are produced in national level, breakdown by activity grouped in two digits level of this nomenclature. Till second quarter 2014, the data are produced using NACE Rev.1.1. Starting from second quarter 2014, the data are published in NACE Rev.2.
3.3. Sector coverage	Data collection results from the Regulation 1165/98 which was adopted in 1998 and amended in 2005 by Regulation 1185/2005. 1999 – 2014, The data are published at 2-digit level of the NACE Rev.1.1 for: <ul style="list-style-type: none"> <li>· Mining and quarrying – C: 10 – 14</li> <li>· Manufacturing – D: 15 – 36</li> <li>· Electricity, gas, Water supply - E: 40 – 41</li> </ul> 2015 till now NACE rev.2 for: <ul style="list-style-type: none"> <li>· Section B: 05-09 Mining and quarrying</li> <li>· Section C: 10-34 Manufacturing</li> <li>· Section D: 35 Electricity, gas and steam supply</li> <li>· Section E: 36-38 Water supply, sewerage and waste.</li> </ul>
3.4. Statistical concepts and definitons	Producer Price Index measures changes in the level of producer prices of manufactured goods that are produced in Albania and sold by producers on the domestic (Albanian) and/or non-domestic market. The price is the net income earned by the buyer of a product delivered under the terms of the sale. The relative price is the simplest index of the price change in percentage of a product in two given time periods, one of which constitutes the base period. Arithmetically weighted averages of individual observations will form the index numbers. The index (short term- link) for a 6-digit NACE is calculated by multiplying all weights by their corresponding index numbers (price ratio) then divide by the sum of the weights. The annual rate 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.
3.5. Statistical unit	The statistical unit for the calculation of Producer Price Index is the enterprise with the main activity included in the index coverage with

	the Standard Classification of Activities (CPA 2008).
3.6. Statistical population	The Statistical populations for PPI are all active enterprises that according to Statistical Business Register are operating in the sections: B, C, D, and E according to the NACE rev.2.
3.7. Reference area	The PPI comprises all territory of Albania.
3.8. Time coverage	Time series for PPI from 1999 – 2005 NACE Rev1. · Time series 2005 – 2014 NACE Rev1 and NACE Rev2. (2005 = 100, 2010=100) · Producer Price Indices for Domestic and Export Market: 2007 and onwards.
3.9. Base period	Base period for the PPI is the year 2010.
<b>4. Unit of measure</b>	Unit of measure are: · Indices · Percentage changes quarterly · Percentage changes yearly.
<b>5. Reference period</b>	The reference period of PPI survey is monthly but published quarterly. This report is for the reference year 2019.
<b>6. Institutional mandate</b>	
6.1. Legal acts and other agreements	<p>The legal bases for the STS indicators are:</p> <ul style="list-style-type: none"> <li>• <a href="#">National Statistical Law</a></li> <li>• <a href="#">Official Statistics Programme 2017-2021</a></li> <li>• <a href="#">Council Regulation No.1165/98</a> introducing short-term statistics at European level</li> <li>• <a href="#">Commission Regulation No.1503/2006</a> defining variables and frequency of data compilation, repealing new orders received for building construction and new orders received for civil engineering.</li> <li>• Producer Price Index Manual: Theory and Practice 2004.</li> </ul>
6.2. Data sharing	INSTAT send PPI data to Eurostat. INSTAT compile different questioners for the European Commission, Enterprise and Industry Directorate-General, OECD, etc.

<b>7. Confidentiality</b>	
<b>7.1. Confidentiality - policy</b>	<p>Data are considered strictly confidential and are used only for statistical and research purposes based on national Statistical Law No.17/2018 “On Official Statistics” and on Law No.9887, date 10.03.2008 “Personal Data Protection”. Article 31 on Statistics Law reads as follows: Data collected for the production of official statistics shall be treated by INSTAT as confidential and shall be used only in aggregated tables that will not identify the source information unit. Direct identification means when a statistical unit is directly identified from its name or address or any officially allocated and commonly known identification number. When data processing is made in a manner that allows the identification of the data subject, the data should immediately be encrypted in order for the subjects to be no longer identifiable.</p>
<b>7.2. Confidentiality - data treatment</b>	<p>Albanian Institute of Statistics protects and does not disseminate data it has obtained or it has access to, which enable the direct or indirect identification of the statistical units that have provided them by the disclosure of individual information directly received for statistical purposes or indirectly supplied from administrative or other sources. Albania Institute of Statistics takes all appropriate preventive measures so as to render impossible the identification of individual statistical units by technical or other means that might reasonably be used by a third party. Statistical data that could potentially enable the identification of the statistical unit are disseminated by Albania Institute of Statistics if and only if: a) these data have been treated, as it is specifically set out in the Regulation, in such a way that their dissemination does not prejudice statistical confidentiality or b) the statistical unit has given its consent, without any reservations, for the disclosure of data. The confidential data that are transmitted to Albania Institute of Statistics are used exclusively for statistical purposes and the only persons who have the right to have access to these data are the personnel engaged in this task. Issues referring to the observance of statistical confidentiality are examined by the staff working in Albania Institute of Statistics. The responsibilities of this staff are to provide: the level of detail at which statistical data can be disseminated, so as the identification, either directly or indirectly, of the surveyed statistical unit is not possible; the anonimization criteria for the micro data provided to users; the granting to researchers access to confidential data for scientific purposes.</p>
<b>8. Release policy</b>	

8.1. Release calendar	Notifications about the dissemination of statistics are published in the release calendar, which is available on the website. The announcements and delays are pre-announced in this calendar. In the case of delays, the date of the next publication and the explanation of the reasons for the delays are specified.
8.2. Release calendar access	<a href="#">The calendar of publications</a> is available on the INSTAT website.
8.3. User access	<p>In line with the article 34 of Law No.17/2018 “On Official Statistics”, INSTAT disseminates statistics on it’s website and other media for simultaneous access, respecting professional independence and in an objective, professional and transparent manner in which all users are treated equitably. The following dissemination channels are used to release the results:</p> <ul style="list-style-type: none"> <li>• Website – online release;</li> <li>• Written requests;</li> <li>• Special publications;</li> <li>• <a href="#">Data request</a>, section available for external users.</li> </ul>
<b>9. Frequency of dissemination</b>	The frequency of PPI data dissemination is quarterly.
<b>10. Accessibility and clarity</b>	
10.1. News release	According to the calendar of publications, a quarterly press release is published on the Producer Price Index. The format of press release has not been changed; it is defined by publication sector as well as the date of release. Press releases of PPI are published online at INSTAT’s website.
10.2. Publications	<p>All data for the PPI can be found on the INSTAT website.</p> <ul style="list-style-type: none"> <li>• <a href="#">Figures</a></li> <li>• <a href="#">Dedicated publication</a></li> </ul>
10.3. On-line database	All the information is available in both Albanian and English language. Since 2011, through the Pc-Axis system is provided to external users in web a longer time series data from PPI 1999 reference year. A simple methodological explanation exists also in the web page. The database link: <a href="#">Database</a> Producer Price Index.

10.4. Micro – data access	PPI database at micro level are not published due to confidentiality reasons. Aggregated data is the only type of data that is provided to external users. Even the micro data are not published they can be accessed based on the article 31, point 7, low No. 17/2018 “On official statistics”.
10.5. Other	Users can submit specific requests for data from the PPI survey through the INSTAT website: <a href="#">Data-Request</a> .
10.6. Documentation on methodology	A short explanation related to the definitions of the main concepts and methodological explanations are provided to users in the end of press releases and publications. Additional support information is given to internal users when needed or required. Also the <a href="#">methodological</a> notes are published at INSTATs website.
10.7. Quality documentation	Price Unit document all the work process and procedure for the PPI for internal purposes.
<b>11. Quality managment</b>	
11.1. Quality assurance	INSTAT is committed to ensure the highest quality with respect to the compilation of statistical information. In accordance with the Statistics Law, INSTAT use statistical methods and processes in compliance with internationally recognized scientific principles and standards conduct on-going analyses of the statistics with a view to quality improvements and ensure that statistics are as up to-date. In performing its tasks, it follows the general principles of quality management from the European Statistics Code of Practice. INSTAT declares that it takes into account the following principles: impartiality, quality of processes and products, user orientation, employee orientation, effectiveness of statistical processes, reducing the workload for respondents. Quality controls and validation of data are actions carried out throughout the process. The staffs is involved in different stages such as the data collection, data control, data input and other necessary control are all well trained. This helps the staff to know the enterprises and their responsibilities and keep an updated collaboration.
11.2. Quality assessments	The sector checks prices every month. If we notice that a price has a big difference compared to the previous month, the enumerator is contacted to confirm this change and if it is well justified, this price is

	included in further calculations. Else, the interviewer should verify once more the collected price.
<b>12. Relevance</b>	
12.1. User needs	<p>Users of PPI are classified as external and internal.</p> <p>External users are:</p> <ul style="list-style-type: none"> <li>• Ministries and public administrations that use these data for economic and social policy planning purposes</li> <li>• Universities (teachers/graduate and post graduate students), research organizations</li> <li>• National and international NGOs</li> <li>• Enterprises</li> <li>• General public which gets the information via mass media through publications made by Statistical Office.</li> </ul> <p>Internal users are those within the institution of INSTAT that use PPI results as input for their work.</p>
12.2. User satisfaction	<p>Page Views (Hits) about Producer Price Index Statistics in 2019 are around 2,905 clicks.</p> <p>During 2019 INSTAT conducted User Satisfaction Survey concerning INSTAT publications. The survey results show that the overall quality of Producer Price Index statistics is rated 3.66 (or 73.2%) on a scale of 1 (very poor) to 5 (very good).</p> <p>INSTAT organizes every year <a href="#">User Satisfaction Survey</a>.</p>
12.3. Completeness	<p>PPI statistics on their completeness are built in accordance with EUROSTAT regulations. The degree of completeness of the data, for of PPI is around 100 %. This calculation took into account the European regulation.</p>
<b>13. Accuracy and reliability</b>	
13.1. Overall accuracy	<p>The accuracy of PPI is generally considered to be high. There is methodological accuracy in regards of weights and prices and calculations according to European Regulations.</p>
13.2. Sampling error	<p>Sampling errors for the PPI cannot be calculated because the survey is</p>



	not based on a random sample but on threshold sampling.
13.3. Non - sampling error	The non-sampling errors are mainly errors occurring during measurement or nonresponsive. Errors are evaluated and compared to results of other periods. Phone or physical contacts to the enterprises are used to obtain the correct information and to increase the response rate. Unit non response takes in consideration enterprises that are unable or unwilling to give the answers or when interviewers are unable to find the enterprises address, or when other barriers exist to complete the interview. The unit nonresponse rate for PPI 2019 is 5.6%.
<b>14. Timeliness and punctuality</b>	
14.1. Timeliness	Results of Producer Price Index are published on INSTAT website 65 days after the end of the reference period (T+ 65days). The reference period of these results is December 31st, 2019.
14.2. Punctuality	The data of Producer Price Index are disseminated according to the publication calendar. The publication of Producer Price Index has been punctuality in time to 100% of publications carried out over the years.
<b>15. Coherence and comparability</b>	
15.1. Comparability - geographical	The PPIs are compiled at national level using European definitions.
15.2. Comparability - over time	PPI statistics are provided quarterly, annually and are comparable. Time series for PPI exists from the reference year 1999. (The base period has changed: 1999=100, 2005=100 and now 2010=100).
15.3. Coherence - cross domain	Indices are partially comparable to the Consumer Price Index and the external trade statistics.
15.4. Coherence - internal	The internal consistency of the data is checked before it is finalized. The links between variables are checked and coherence between different data series confirmed.
<b>16. Cost and burden</b>	Persons working for all the price surveys: CCI, PPI, IPI and SPPI are: Total 73 employees

	<ul style="list-style-type: none"> <li>· Total staff in Central Office: 3 employees</li> <li>· Enumerators 65: 40 long term and 25 short term</li> <li>· Operators (four months): 5 employees.</li> </ul>
<b>17. Data revision</b>	
17.1. Data revision - policy	<p>Revision policy of PPI is done in accordance with general revision policy and errors treatment policy set by INSTAT. The same revision policy is applied to data released nationally and transmitted to Eurostat. For further information refer to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Revision Policy</a></li> <li>• <a href="#">Errors Treatment Policy</a>.</li> </ul>
17.2. Data revision - practise	<p>Published data are not considered final and can be revised. Data are revised for a whole range or for other reasons such as: new and/or improved data sources, corrections of errors or methodological changes, but the revisions are generally rather limited in scale.</p>
<b>18. Statistical processing</b>	
18.1. Source data	<p>The data sources for PPI are:</p> <ul style="list-style-type: none"> <li>· Survey on producer prices;</li> <li>· Annual Structural Survey</li> <li>· Custom data.</li> </ul>
18.2. Frequency of data collection	<p>Data is collected quarterly with monthly information.</p>
18.3. Data collection	<p>Data collection is carried out through the Survey on producer prices. From a sample of statistical units are collected the price. Completion of the information is relayed by direct interview by the interviewer with the contact person of the enterprise who is charged to declare the data.</p>
18.4. Data validation	<p>Verification of prices: Collected prices are compared to their historical trend, price changes for similar products and other knowledge gained by analysts; implausible price changes are verified with the reporting unit. Reporting units verify prices of the products by reporting prices for both the current and the previous month and, if any changes occurred, those changes have to be explained in the questionnaire. In INSTAT, prices have been checked by checking prices on questionnaires, by data entry and by telephone in cases when</p>

	the questionnaire is not properly completed.
18.5. Data compilation	<p>First step is collecting information from the interviewers. The purpose is to bring this information to the statistic level. This process follows:</p> <ul style="list-style-type: none"> <li>· Physical control of questionnaires</li> <li>· Logical control of questionnaires (control of indicators, description and activity codification, and accurate value control).</li> </ul> <p>Editing process of data collected (errors and modification)</p> <ul style="list-style-type: none"> <li>· Non response units and the missing information need to be completed through the imputation process.</li> <li>· The Laspeyres indices are used.</li> <li>· Analysis of results. Imputation is the statistical method used to fill missing information in the period for which the index should be calculated.</li> </ul>
18.6. Adjustment	<p>Missing prices: In case of a missing price, the price of the previous month is carried forward. Treatment of products out of production: If a product becomes unavailable, an appropriate replacement item is selected with similar specifications. Selection of replacement items: A new item within 9 the product group (CPA 6- digit) is suggested by the respondent and selected. Adjustments for quality differences: Overlap pricing - collection of previous period price of the new item – or judgmental explicit valuation of the specification difference. If none of the two are possible “no price change” is assumed. New Products: New products are included at the end of the year and are part of the sample for the following period. Introducing new products: New products are included as from each new annual link. Seasonal items: The latest observed price is carried forward until the item reappears on the market. Seasonally-adjusted indices: Not compiled.</p>
19. Comment	
<b>Annex</b>	