

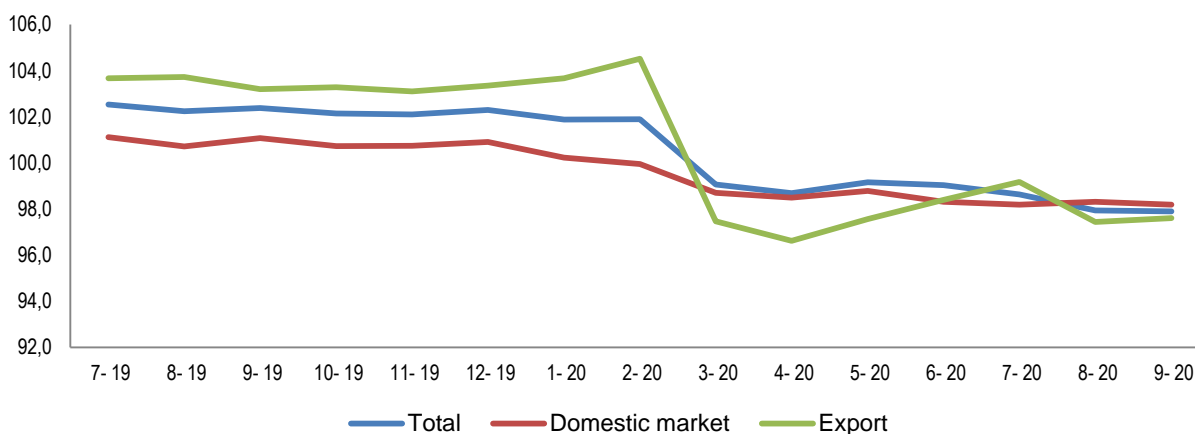
Producer price Index

Third quarter, 2020

Tirana, 03 December 2020: In the third quarter 2020, Producer Price Index reached 98.9, decreasing by 4.1 %, compared with third quarter 2019.

Producer Price Index, in the third quarter 2020, decreased by 0.8 % compared with second quarter 2020.

Fig. 1 Producer Price Index



Annual change: Producer Price Index in “Mining and quarrying” section decreased by 19.5 % compared with third quarter 2019. Within this section prices decreased the most in “Extraction of crude petroleum and natural gas; auxiliary services” activity by 31.3 %. Producer Price Index in “Manufacturing” section decreased by 0.6 % compared with third quarter 2019. Within this section prices decreased the most in “Manufacture of coke and petroleum products refinery” activity by 7.7 % followed by prices in “Metallurgy” activity by 4.1 %.

Producer Price Index for Domestic Market: Compared with the same period of 2019 the index signed a decrease by 2.7 %. The index in the “Mining and quarrying” and “Electricity, gas, steam and air conditioning” sections signed a decrease respectively by 11.7 % and 4.4 %.

Export price index: Compared with the third quarter of the previous year the index signed a decrease by 5.3 %. Prices decreased the most in “Mining and quarrying” section by 29.6 %.

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Quarter changes: Producer Price Index decreased by 0.8 % compared with second quarter 2020. Producer Price Index in "Manufacturing" section decreased by 0.9 % compared with previous quarter. Within this section prices decreased the most in "Metallurgy" activity by 6.4 %. Producer prices of products in "Mining and quarrying" section increased by 11.3 %. Within this section prices increased in "Extraction of crude petroleum and natural gas; auxiliary services" activity by 40.2 %.

Producer Prices Index for Domestic Market: Compared with the second quarter 2020 the index signed a decrease by 0.3 %. Prices decreased the most in "Electricity, gas, steam and air conditioning" section by 2.1 %.

Export Price Index: Compared with the previous quarter the index signed an increase by 0.6 %. The index in "Mining and quarrying" section signed an increase by 14.4 %

Tab. 1 Producer Price Index

2010=100

NACE	Description	Weights %	7- 20	8- 20	9- 20	III-20
	Total	100.0	98.5	98.1	98.0	98.2
B	Mining and quarrying	9.8	88.8	89.5	87.3	88.5
06	Extraction of crude petroleum and natural gas; auxiliary services	5.1	80.2	79.9	74.3	78.1
07	Mining of metal ores	3.6	87.7	89.7	90.9	89.4
08	Other mining and quarrying	1.1	106.8	106.6	106.6	106.7
C	Manufacturing	53.5	103.3	102.3	102.3	102.7
10	Manufacture of food products	10.1	102.9	102.8	102.9	102.9
11	Manufacture of beverages	1.7	104.9	104.9	104.8	104.8
13	Manufacture of textiles	0.7	102.6	102.6	102.6	102.6
14	Manufacture of dressing: wearing apparel	3.9	108.5	108.5	108.2	108.4
15	Manufacture of leathers and leather products	4.5	108.9	109.0	109.0	109.0
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	109.8	109.9	109.9	109.8
17	Manufacture of papers and paper products	0.9	105.1	107.1	105.2	105.8
18	Paper printing and regrouping of recorded media	1.5	98.0	98.0	97.9	98.0
19	Manufacture of coke and petroleum products refinery	0.2	98.5	98.5	98.5	98.5
20	Manufacture of chemicals and chemical products	1.1	108.2	107.9	107.9	108.0
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.0	95.6	95.6	95.6	95.6
22	Manufacture of rubbers and plastic products	1.5	115.1	115.2	115.2	115.2
23	Manufacture of non-metallic mineral products	6.5	98.1	98.4	98.3	98.2
24	Metallurgy	7.2	91.9	85.0	85.3	87.4
25	Manufacture of fabricated metal products, except machinery and equipment	6.5	104.1	104.3	104.2	104.2
26	Manufacture of optics, electronics and computer products	0.2	116.7	116.7	116.7	116.7
27	Manufacture of electrical equipment	0.7	101.9	101.9	101.9	101.9
28	Manufacture of machinery and equipment	0.4	115.2	115.2	115.2	115.2
29	Manufacture of transport vehicles, trailers and semi-trailers	0.3	100.8	100.8	100.8	100.8
30	Other transport equipment	0.0	106.0	106.0	106.0	106.0
31	Manufacture of furniture	2.9	115.7	115.3	115.3	115.4
32	Other Industries	0.3	91.0	91.0	91.0	91.0
33	Repair and installation of machinery and equipment	0.5	106.5	106.5	106.5	106.5
D	Electricity, gas, steam and air conditioning	31.7	96.0	96.2	96.7	96.3
35	Electricity, gas, steam and air conditioning	31.7	96.0	96.2	96.7	96.3
E	Water supply, treatment activities and waste management	5.0	105.6	105.6	105.5	105.6
36	Water supply, treatment activities and waste management	2.0	123.9	123.9	123.9	123.9
37	Sewage removal and treatment services	0.0	101.5	101.5	101.5	101.5
38	Activities of collection, treatment and disposal of waste, materials recovery	2.9	82.7	82.7	82.7	82.7

Tab.2 Quarterly and annualy change of Producer Price Index

		%		
NACE	Description	Weights %	III-20 / II-20	III-20 / III-19
	Total	100.0	-0.8	-4.1
B	Mining and quarrying	9.8	11.3	-19.5
06	Extraction of crude petroleum and natural gas; auxiliary services	5.1	40.2	-31.3
07	Mining of metal ores	3.6	-5.4	-8.9
08	Other mining and quarrying	1.1	0.5	-1.6
C	Manufacturing	53.5	-0.9	-0.6
10	Manufacture of food products	10.1	0.1	0.2
11	Manufacture of beverages	1.7	0.6	-0.6
13	Manufacture of textiles	0.7	-0.1	1.1
14	Manufacture of dressing; wearing apparel	3.9	-0.8	1.5
15	Manufacture of leathers and leather products	4.5	0.5	1.8
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	0.0	2.0
17	Manufacture of papers and paper products	0.9	-2.7	0.7
18	Paper printing and regrouping of recorded media	1.5	1.8	3.5
19	Manufacture of coke and petroleum products refinery	0.2	3.0	-7.7
20	Manufacture of chemicals and chemical products	1.1	-0.8	0.2
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.0	-0.1	-0.7
22	Manufacture of rubbers and plastic products	1.5	0.1	-0.9
23	Manufacture of non-metallic mineral products	6.5	-0.4	-3.0
24	Metallurgy	7.2	-6.4	-4.1
25	Manufacture of fabricated metal products, except machinery and equipment	6.5	-0.1	-1.2
26	Manufacture of optics, electronics and computer products	0.2	0.5	0.8
27	Manufacture of electrical equipment	0.7	-0.4	0.8
28	Manufacture of machinery and equipment	0.4	0.1	0.8
29	Manufacture of transport vehicles, trailers and semi-trailers	0.3	-0.3	1.2
30	Other transport equipment	0.0	-0.2	1.0
31	Manufacture of furniture	2.9	-0.7	0.7
32	Other Industries	0.3	-1.1	0.5
33	Repair and installation of machinery and equipment	0.5	0.3	1.6
D	Electricity, gas, steam and air conditioning	31.7	-1.1	-4.1
35	Electricity, gas, steam and air conditioning	31.7	-1.1	-4.1
E	Water supply, treatment activities and waste management	5.0	-0.5	3.3
36	Water supply, treatment activities and waste management	2.0	0.0	5.4
37	Shërbime të trajtimit të kanalizimeve	0.0	0.0	0.0
38	Aktivitetet e grumbullimit, trajtimit dhe asgjësimit të mbetjeve; rikuperimi i materialeve	2.9	-0.8	1.4

Tab. 3 Producer Price Index for domestic market

2010=100									%	
NACE	Description	Weights %	7- 20	8- 20	9- 20	III-20	III-20 / II-20	III-20 / III-19		
	Total	100.0	98.2	98.3	98.2	98.2	-0.3	-2.7		
B	Mining and quarrying	7.6	98.7	99.6	98.4	98.9	9.5	-11.7		
06	Extraction of crude petroleum and natural gas; auxiliary services	2.9	90.7	90.2	85.1	88.7	55.8	-22.4		
07	Mining of metal ores	3.5	102.0	104.2	105.6	103.9	-5.6	-8.0		
08	Other mining and quarrying	1.2	107.3	107.4	107.4	107.4	0.4	-2.4		
C	Manufacturing	45.4	101.3	101.4	101.3	101.4	0.0	-0.3		
10	Manufacture of food products	10.8	105.0	105.0	105.0	105.0	0.2	0.2		
11	Manufacture of beverages	2.1	104.7	104.7	104.6	104.7	0.6	-0.6		
13	Manufacture of textile	0.4	88.1	88.1	88.1	88.1	0.1	1.2		
14	Manufacture of dressing: wearing apparel	1.6	108.9	108.9	108.1	108.7	-0.1	1.7		
15	Manufacture of leathers and leather products	1.9	111.7	111.9	111.9	111.8	-0.8	2.6		
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.7	110.5	110.5	110.5	110.5	0.2	2.1		
17	Manufacture of papers and paper products	0.2	96.2	95.7	96.3	96.1	0.3	-0.7		
18	Paper printing and regrouping of recorded media	2.0	98.0	98.0	97.9	98.0	1.8	3.5		
19	Manufacture of coke and petroleum products refinery	0.1	98.6	98.6	98.6	98.6	0.0	0.0		
20	Manufacture of chemicals and chemical products	0.9	100.0	100.0	100.0	100.0	-0.2	1.7		
22	Manufacture of rubbers and plastic products	1.6	110.9	110.9	110.9	110.9	0.2	-1.2		
23	Manufacture of non-metallic mineral products	7.2	86.8	87.2	87.0	87.0	-0.6	-3.3		
24	Metallurgy	3.2	88.6	88.6	88.6	88.6	0.6	-1.6		
25	Manufacture of fabricated metal products, except machinery and equipment	7.0	97.0	97.3	97.2	97.2	-0.1	-0.4		
26	Manufacture of optics, electronics and computer products	0.1	109.0	109.0	109.0	109.0	-0.2	0.9		
27	Manufacture of electrical equipment	0.2	105.6	105.6	105.6	105.6	-0.4	-0.1		
28	Manufacture of machinery and equipment	0.2	116.2	116.2	116.2	116.2	0.0	1.3		
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	99.2	99.2	99.2	99.2	-0.4	1.1		
30	Other transport equipment	0.0	102.5	102.5	102.5	102.5	0.0	0.2		
31	Manufacture of furniture	3.2	120.2	120.3	120.3	120.2	-0.1	0.9		
32	Other Industries	0.1	95.4	95.4	95.4	95.4	-0.1	1.5		
33	Repair and installation of machinery and equipment	0.6	115.1	115.1	115.1	115.1	0.3	1.6		
D	Electricity, gas, steam and air conditioning	41.2	96.0	96.0	95.9	96.0	-2.1	-4.4		
35	Electricity, gas, steam and air conditioning	41.2	96.0	96.0	95.9	96.0	-2.1	-4.4		
E	Water supply, treatment activities and waste management	5.8	112.9	112.9	112.9	112.9	-0.7	4.2		
36	Water supply, treatment activities and waste management	2.8	123.9	123.9	123.9	123.9	0.0	5.4		
37	Sewage removal and treatment services	0.0	101.5	101.5	101.5	101.5	0.0	0.0		
38	Activities of collection, Treatment and disposal of waste, materials recovery	3.0	80.2	80.2	80.2	80.2	-1.3	0.6		

Tab. 4 Export Price Index

2010=100									%
NACE	Description	Weights	7- 20	8- 20	9- 20	III-20	III-20 / II-20	III-20 / III-19	
	Total	100.0	99.2	97.4	97.6	98.1	0.6	-5.3	
B	Mining and quarrying	15.6	73.1	73.5	70.1	72.2	14.4	-29.6	
06	Extraction of crude petroleum and natural gas; auxiliary services	11.2	68.5	68.4	62.9	66.6	29.3	-37.4	
07	Mining of metal ores	3.9	77.9	79.9	80.9	79.6	-4.7	-11.4	
08	Other mining and quarrying	0.6	104.1	102.4	102.8	103.1	1.2	3.9	
C	Manufacturing	75.0	104.7	102.0	102.0	102.9	-2.5	-1.1	
10	Manufacture of food products	8.5	98.2	98.2	98.2	98.2	0.1	0.1	
11	Manufacture of beverages	0.7	97.7	97.7	97.7	97.7	0.0	0.0	
13	Manufacture of textiles	1.6	109.8	109.8	109.8	109.8	-0.2	1.0	
14	Manufacture of dressing: wearing apparel	9.9	108.2	108.1	108.2	108.2	-1.0	1.4	
15	Manufacture of leathers and leather products	11.6	110.3	110.5	110.4	110.4	1.1	1.5	
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.6	105.2	105.4	105.4	105.3	-0.1	1.8	
17	Manufacture of papers and paper products	2.5	108.0	110.7	108.2	109.0	-3.5	0.5	
19	Manufacture of coke and petroleum products refinery	0.6	91.7	91.7	91.7	91.7	3.8	-9.5	
20	Manufacture of chemicals and chemical products	1.7	121.8	121.1	120.9	121.3	-1.4	-1.5	
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	100.3	100.3	100.3	100.3	-1.7	-2.0	
22	Manufacture of rubbers and plastic products	1.2	120.4	120.4	120.4	120.4	-0.3	0.5	
23	Manufacture of non-metallic mineral products	4.7	149.4	148.7	149.7	149.3	0.5	-1.6	
24	Metallurgy	17.6	95.2	84.5	85.0	88.2	-9.6	-5.5	
25	Manufacture of fabricated metal products, except machinery and equipment	5.2	109.9	109.9	109.9	109.9	0.0	-3.1	
26	Manufacture of optics, electronics and computer products	0.4	116.7	116.7	116.7	116.7	0.7	0.8	
27	Manufacture of electrical equipment	2.0	100.4	100.4	100.4	100.4	-0.4	1.0	
28	Manufacture of machinery and equipment	0.8	115.1	115.1	115.1	115.1	0.2	0.5	
29	Manufacture of transport vehicles, trailers and semi-trailers	0.9	101.0	101.0	101.0	101.0	-0.3	1.2	
31	Manufacture of furniture	2.0	104.3	102.3	102.3	102.9	-3.1	0.0	
32	Other Industries	1.1	89.6	89.6	89.6	89.6	-1.2	0.4	
E	Water supply, treatment activities and waste management	2.7	87.5	87.5	87.2	87.4	0.7	0.9	
38	Activities of collection, treatment and disposal of waste, materials recovery	2.7	87.5	87.5	87.2	87.4	0.7	0.9	

Methodology

User information

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

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:

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

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:

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

- The first part before the equal sign is stating the price level of December 2009 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 2010 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.