

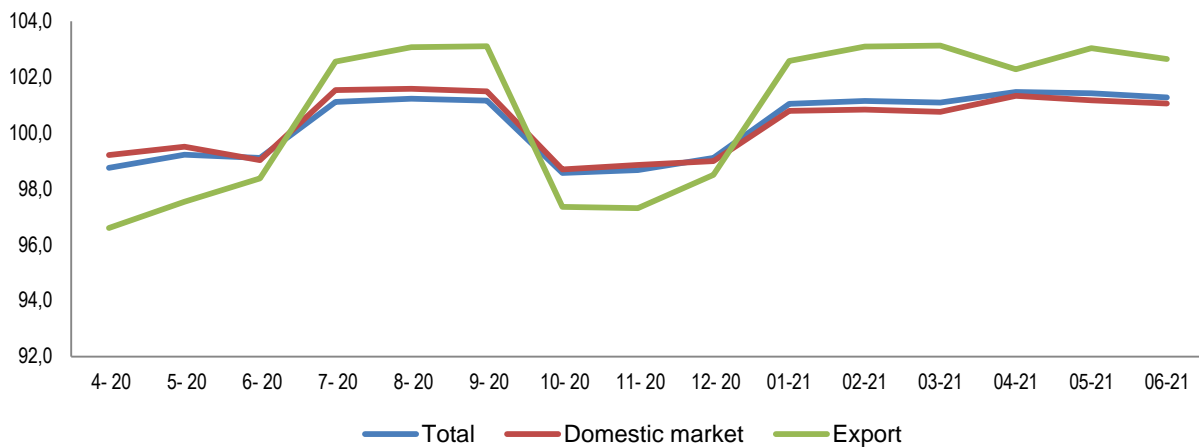
# Producer price Index

## Second quarter, 2021

**Tirana, 07 September 2021:** In the second quarter 2021, Producer Price Index reached 101.4 increasing by 1.6 % compared with second quarter 2020.

Producer Price Index, in the second quarter 2021, increased by 0.3 % compared with first quarter 2021.

**Fig. 1** Producer Price Index



**Annual change:** Compared with the second quarter 2020 the prices increased the most in the section "Mining and quarrying" by 14.4 % followed by "Electricity, gas, steam and air conditioning" by 1.5 %, "Water supply, treatment activities and waste management" by 0.5 %. Producer Price Index in the "Manufacturing" section is increased by 0.1 %. Within this section prices increased the most in "Manufacture of coke and petroleum products refinery" activity by 4.5 % followed by "Manufacture of electrical equipment" activity by 2.8 %, "Manufacture of food products" by 1.6 %. On the other side the most decreased it was notice in "Manufacture of papers and paper products" section by 2.3 %, followed by "Other Industries" by 1.7 %, "Manufacture of dressing wearing apparel" by 0.7 %.

**Producer Price Index for Domestic Market:** Compared with the same period of 2020 the index signed an increased by 1.4 %. Prices increased the most in "Mining and quarrying" section by 10.2 % followed by "Manufacturing" by 0.8 %. On the other hand prices of the "Water supply, treatment activities and waste management" decreased by 0.2 %.

**Export price index:** Compared with the second quarter of the previous year the index signed an increased by 4.0 %. Prices increased the most in "Mining and quarrying" section by 26.4 %. On the other side section "Manufacturing" decreased by 1.1 %

**Quarter changes:** Compared with the first quarter 2021 the prices increased the most in "Electricity, gas, steam and air conditioning" section by 1.5 %. Producer Prices Index in "Manufacturing" section increased by 0.1 %. Within this section prices increased the most in "Manufacture of electrical equipment" activity by 3.4 %.

**Producer Prices Index for Domestic Market:** Compared with the first quarter 2021 the index signed an increase by 0.4 %. Prices increased the most in the "Electricity, gas, steam and air conditioning" section by 1.5 %.

**Export Price Index:** Compared with the previous quarter the index signed a decreased by 0.3 %. Prices decreased the most in " Mining and quarrying " section by 3.1 %

Tab. 1 Producer Price Index

2020=100

NACE	Description	Weights %	04-21	05-21	06-21	II-21	II-21 / I-21	II-21 / II-20
	<b>Total</b>	<b>100.0</b>	<b>101.5</b>	<b>101.4</b>	<b>101.3</b>	<b>101.4</b>	<b>0.3</b>	<b>1.6</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>12.3</b>	<b>104.4</b>	<b>103.5</b>	<b>102.1</b>	<b>103.3</b>	<b>-0.6</b>	<b>14.4</b>
06	Extraction of crude petroleum and natural gas; auxiliary services	1.2	116.5	115.2	115.7	115.8	5.0	53.9
07	Mining of metal ores	6.8	104.4	103.1	100.3	102.6	-5.5	0.9
08	Other mining and quarrying	4.2	100.8	100.9	100.9	100.9	-0.1	1.3
<b>C</b>	<b>Manufacturing</b>	<b>44.4</b>	<b>100.8</b>	<b>100.8</b>	<b>100.9</b>	<b>100.8</b>	<b>0.1</b>	<b>0.1</b>
10	Manufacture of food products	11.4	101.5	101.5	101.9	101.6	0.2	1.6
11	Manufacture of beverages	2.5	99.9	100.0	99.9	99.9	-0.5	0.4
13	Manufacture of textiles	0.3	100.3	100.4	100.3	100.3	-0.1	0.0
14	Manufacture of dressing; wearing apparel	3.2	100.0	100.0	100.0	100.0	-0.3	-0.7
15	Manufacture of leathers and leather products	1.6	101.0	101.1	101.1	101.1	0.1	0.6
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.5	101.0	101.3	101.2	101.2	0.1	1.2
17	Manufacture of papers and paper products	0.5	99.8	97.1	102.5	99.8	-0.3	-2.3
18	Paper printing and regrouping of recorded media	1.0	100.8	100.9	100.9	100.9	0.4	1.2
19	Manufacture of coke and petroleum products refinery	0.8	99.2	98.6	98.8	98.9	0.1	4.5
20	Manufacture of chemicals and chemical products	0.6	100.8	101.0	101.2	101.0	0.4	0.1
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	100.1	99.8	99.8	99.9	-0.2	-0.2
22	Manufacture of rubbers and plastic products	0.6	100.0	100.0	100.0	100.0	0.0	0.0
23	Manufacture of non-metallic mineral products	9.5	100.5	100.4	100.4	100.4	-0.4	0.2
24	Metallurgy	2.2	104.2	104.2	102.3	103.5	2.2	-0.6
25	Manufacture of fabricated metal products, except machinery and equipment	3.6	99.9	99.9	99.9	99.9	0.1	0.0
26	Manufacture of optics, electronics and computer products	0.1	100.2	100.1	100.0	100.1	0.1	-0.1
27	Manufacture of electrical equipment	0.6	103.5	103.4	103.3	103.4	3.4	2.8
28	Manufacture of machinery and equipment	0.2	100.8	100.8	100.8	100.8	0.7	1.0
29	Manufacture of transport vehicles, trailers and semi-trailers	0.2	99.8	99.8	99.7	99.8	-0.2	-0.6
30	Other transport equipment	0.0	99.8	99.8	99.7	99.8	-0.2	-0.5
31	Manufacture of furniture	4.3	100.0	100.1	100.1	100.1	-0.2	-0.5
32	Other Industries	0.0	99.2	99.3	99.1	99.2	-1.1	-1.7
33	Repair and installation of machinery and equipment	0.1	101.2	101.2	101.2	101.2	0.0	1.2
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>35.6</b>	<b>101.4</b>	<b>101.6</b>	<b>101.6</b>	<b>101.5</b>	<b>1.5</b>	<b>1.7</b>
35	Electricity, gas, steam and air conditioning	35.6	101.4	101.6	101.6	101.5	1.5	1.7
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>7.7</b>	<b>101.1</b>	<b>101.1</b>	<b>101.1</b>	<b>101.1</b>	<b>0.5</b>	<b>0.5</b>
36	Water supply, treatment activities and waste management	7.2	100.5	100.5	100.5	100.5	0.5	0.5
37	Sewage removal and treatment services	0.0	100.0	100.0	100.0	100.0	0.0	0.0
38	Activities of collection, treatment and disposal of waste, materials recovery	0.5	109.1	109.3	109.4	109.3	0.8	8.2

Tab. 2 Producer Price Index for domestic market

2020=100

NACE	Description	Weights %	04-21	05-21	06-21	II-21	II-21 / I-21	II-21 / II-20
	<b>Total</b>	<b>100,0</b>	<b>101.3</b>	<b>101.2</b>	<b>101.1</b>	<b>101.2</b>	<b>0.4</b>	<b>1.4</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>11,7</b>	<b>103.3</b>	<b>101.9</b>	<b>100.4</b>	<b>101.9</b>	<b>-2.5</b>	<b>10.2</b>
06	Extraction of crude petroleum and natural gas; auxiliary services	0,9	114.1	113.1	113.5	113.5	5.7	59.5
07	Mining of metal ores	6,0	103.6	101.1	98.0	100.9	-5.7	-1.1
08	Other mining and quarrying	4,8	100.7	100.8	100.9	100.8	0.0	1.3
<b>C</b>	<b>Manufacturing</b>	<b>39,2</b>	<b>100.8</b>	<b>100.8</b>	<b>100.9</b>	<b>100.8</b>	<b>0.1</b>	<b>0.8</b>
10	Manufacture of food products	12,0	101.5	101.5	101.9	101.6	0.3	1.7
11	Manufacture of beverages	2,8	99.9	100.0	99.9	99.9	-0.4	0.4
13	Manufacture of textile	0,1	102.9	103.1	103.1	103.1	1.6	3.0
14	Manufacture of dressing: wearing apparel	0,8	98.9	99.0	98.9	98.9	-0.9	-1.2
15	Manufacture of leathers and leather products	0,3	99.4	99.4	99.3	99.4	-2.9	-1.6
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0,3	100.8	100.9	100.7	100.8	-0.1	1.0
17	Manufacture of papers and paper products	0,1	100.2	100.1	100.6	100.3	0.3	1.1
18	Paper printing and regrouping of recorded media	1,1	100.8	100.9	100.9	100.9	0.4	1.2
19	Manufacture of coke and petroleum products refinery	0,0	101.2	101.2	101.2	101.2	0.0	1.2
20	Manufacture of chemicals and chemical products	0,5	100.7	101.1	101.3	101.0	0.7	0.2
22	Manufacture of rubbers and plastic products	0,4	100.4	100.4	100.4	100.4	0.2	0.5
23	Manufacture of non-metallic mineral products	10,8	100.5	100.4	100.4	100.5	-0.3	0.1
24	Metallurgy	1,0	106.7	106.7	106.7	106.7	6.5	7.0
25	Manufacture of fabricated metal products, except machinery and equipment	3,7	100.0	100.0	100.0	100.0	0.3	0.0
26	Manufacture of optics, electronics and computer products	0,0	99.7	99.6	99.4	99.6	-0.4	-0.8
27	Manufacture of electrical equipment	0,0	99.9	99.8	99.7	99.8	-0.2	-0.7
28	Manufacture of machinery and equipment	0,0	105.9	105.9	105.8	105.9	5.6	5.8
29	Manufacture of transport vehicles, trailers and semi-trailers	0,0	99.7	99.6	99.4	99.6	-0.4	-1.0
30	Other transport equipment	0,0	100.0	100.0	100.0	100.0	0.0	0.0
31	Manufacture of furniture	4,7	100.0	100.0	100.0	100.0	-0.2	-0.2
32	Other Industries	0,0	98.1	101.0	100.9	100.0	-0.4	-0.2
33	Repair and installation of machinery and equipment	0,1	101.2	101.2	101.2	101.2	0.0	1.2
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>40,5</b>	<b>101.4</b>	<b>101.4</b>	<b>101.5</b>	<b>101.4</b>	<b>1.5</b>	<b>0.6</b>
35	Electricity, gas, steam and air conditioning	40,5	101.4	101.4	101.5	101.4	1.5	0.6
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>8,6</b>	<b>100.6</b>	<b>100.6</b>	<b>100.6</b>	<b>100.6</b>	<b>0.6</b>	<b>-0.2</b>
36	Water supply, treatment activities and waste management	8,4	100.5	100.5	100.5	100.5	0.5	0.5
37	Sewage removal and treatment services	0,0	100.0	100.0	100.0	100.0	0.0	0.0
38	Activities of collection, Treatment and disposal of waste, materials recovery	0,2	106.2	106.2	106.1	106.2	5.9	4.6

Tab. 3 Export Price Index

2020=100

NACE	Description	Weights	04-21	05-21	06-21	II-21	II-21 / I-21	II-21 / II-20
	<b>Total</b>	<b>100.0</b>	<b>102.3</b>	<b>103.0</b>	<b>102.6</b>	<b>102.7</b>	<b>-0.3</b>	<b>4.0</b>
<b>B</b>	<b>Mining and quarrying</b>	<b>16.0</b>	<b>109.6</b>	<b>110.7</b>	<b>109.6</b>	<b>110.0</b>	<b>-3.1</b>	<b>26.4</b>
06	Extraction of crude petroleum and natural gas; auxiliary services	3.2	121.0	119.0	119.8	119.9	3.8	53.1
07	Mining of metal ores	12.0	107.1	109.1	107.4	107.9	-4.8	7.1
08	Other mining and quarrying	0.8	102.2	102.2	102.2	102.2	-5.8	2.8
<b>C</b>	<b>Manufacturing</b>	<b>76.4</b>	<b>100.8</b>	<b>100.7</b>	<b>100.6</b>	<b>100.7</b>	<b>0.1</b>	<b>-1.1</b>
10	Manufacture of food products	7.5	101.6	101.6	101.5	101.6	0.4	1.5
11	Manufacture of beverages	0.3	100.0	100.0	100.0	100.0	0.0	0.0
13	Manufacture of textiles	1.4	99.1	99.1	99.0	99.0	-0.8	-1.4
14	Manufacture of dressing: wearing apparel	18.5	100.3	100.2	100.3	100.3	-0.1	-0.7
15	Manufacture of leathers and leather products	9.9	101.3	101.4	101.4	101.4	0.7	1.2
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.4	101.3	102.0	102.0	101.8	0.3	1.6
17	Manufacture of papers and paper products	3.2	99.7	96.5	102.9	99.7	-0.5	-3.1
19	Manufacture of coke and petroleum products refinery	6.0	99.1	98.6	98.8	98.8	0.1	6.0
20	Manufacture of chemicals and chemical products	1.5	101.2	100.9	101.0	101.0	-0.1	0.1
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.0	102.6	91.5	91.4	95.2	-7.2	-6.0
22	Manufacture of rubbers and plastic products	1.9	99.6	99.6	99.5	99.6	-0.2	-0.9
23	Manufacture of non-metallic mineral products	1.8	98.1	98.5	100.9	99.1	-2.1	-0.3
24	Metallurgy	9.4	102.4	102.4	99.3	101.4	-0.7	-4.6
25	Manufacture of fabricated metal products, except machinery and equipment	3.3	99.5	99.5	99.5	99.5	-0.4	-0.4
26	Manufacture of optics, electronics and computer products	0.5	100.4	100.4	100.3	100.3	0.4	0.1
27	Manufacture of electrical equipment	4.6	103.5	103.5	103.3	103.4	3.5	2.7
28	Manufacture of machinery and equipment	1.4	100.4	100.4	100.4	100.4	0.3	0.7
29	Manufacture of transport vehicles, trailers and semi-trailers	1.1	99.9	99.8	99.8	99.8	-0.2	-0.6
31	Manufacture of furniture	2.0	100.9	101.4	102.5	101.6	-0.3	-0.6
32	Other Industries	0.3	99.2	99.2	99.0	99.1	-1.1	-1.8
<b>D</b>	<b>Electricity, gas, steam and air conditioning</b>	<b>5.1</b>	<b>97.1</b>	<b>110.7</b>	<b>106.9</b>	<b>104.9</b>	<b>4.9</b>	<b>-</b>
35	Electricity, gas, steam and air conditioning	5.1	97.1	110.7	106.9	104.9	4.9	-
<b>E</b>	<b>Water supply, treatment activities and waste management</b>	<b>2.5</b>	<b>110.8</b>	<b>111.1</b>	<b>111.2</b>	<b>111.0</b>	<b>-1.8</b>	<b>11.7</b>
38	Activities of collection, treatment and disposal of waste, materials recovery	2.5	110.8	111.1	111.2	111.0	-1.8	11.7

# Methodology

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 2020 as base year (2020 = 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:

$$I_{2020}^{y,m} = \frac{100}{\frac{1}{12} \sum^{Dec} I_{Y-1,Dec}^{Y,M}} + \prod_{Y=2020}^{y-1} I_{Y-1,Dec}^{Y,M} * I_{y-1,Dec}^{y,m}$$

- The first part before the equal sign is stating the price level of December 2020 in percent of the average price level during 2020. hence adjusting the average of 2020 to 100.
- The second term is the chained index movement from December 2020 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 measure 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.