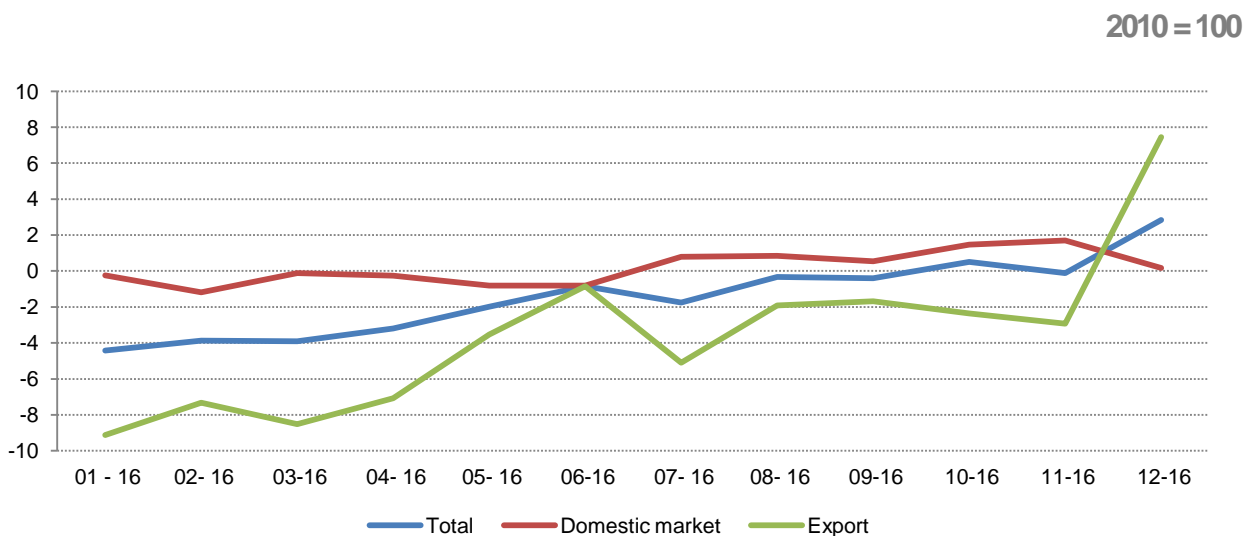


Producer price Index

Fourth quarter , 2016

Tirana. 06 March 2017: In the fourth quarter 2016, Producer Price Index increased by 0.9 % compared with the same period of 2015 and 1.4 % compared with third quarter 2016.

Fig.1 Monthly Producer Price Index , January 2016 – December 2016



The annual change of index is 0.9 %. Highest prices are signed in products produced in “Mining and quarrying” section by 5.5 %. Here we can mention the increase price of products in manufacture of extraction of crude petroleum and natural gas products 8.3 %.

Producer prices on activities of “Manufacture” section, decreased by 0.1 %. Here we can mention the decrease prices on manufacture of textile by 1.9 %, manufacture of fabricated metal products by 1.7 %. While producer prices on “Manufacture of papers and paper products” activity and “Manufacture of furniture”, signed an increase by 1.62 % and 2.2 % respectively.

Producer prices for domestic market signed an increase by 1.1 % compared with the same period of 2015.

Annual change of export producer prices in fourth quarter 2016 is 0.6 %.

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Quarterly change of index is 1.4 %. Producer Prices in "Mining and quarrying" increased by 4.2 %. Highest prices are recorded on extraction of crude petroleum and natural gas products, by 5.9 %.

Producer Price Index in "Manufacturing" section increased by 0.8 % compared with the previous quarter. Here we can mention the increase price of manufacture of food products by 0.3 %, manufacture of textile by 3.8 %, metallurgy of metals by 3.0 %, manufacture of leathers and leather products by 0.8 %.

Producer Price Index for Domestic market reached 99.4 compared with base year 2010. (2010 = 100), signing an increase by 0.5 % compared with third quarter 2016. Highest prices are recorded in "Mining and quarrying" section by 2.5 % and "Manufacturing" section by 0.4 %.

Export Price Index reached 102.8 % signing an increase by 2.6 % compared with the previous quarter. Here we can mention the increase of export price products in sections: "Mining and quarrying" and "Manufacturing" by 4.8 % and 1.2 % respectively.

Tab. 1 Producer Price Index

2010=100

NACE	Description	Weights	10- 16	11- 16	12-16	IV-16
	Total	100.0	99.9	99.1	102.4	100.5
B	Mining and quarrying	21.4	91.2	87.8	99.3	92.8
06	Extraction of crude petroleum and natural gas; auxiliary services	14.1	90.3	85.2	102.0	92.5
07	Mining of metal ores	5.1	101.2	101.5	102.0	101.5
08	Other mining and quarrying	2.2	104.5	104.5	104.6	104.6
C	Manufacturing	50.0	104.1	104.2	105.2	104.5
10	Manufacture of food products	7.2	107.3	107.3	107.4	107.4
11	Manufacture of beverages	2.7	106.7	106.5	106.2	106.5
12	Manufacture of tobacco products	0.2	92.6	92.6	92.6	92.6
13	Manufacture of textiles	0.4	102.9	102.9	102.9	102.9
14	Manufacture of dressing; wearing apparel	4.2	108.6	108.6	108.7	108.6
15	Manufacture of leathers and leather products	5.1	109.0	109.1	109.1	109.1
16	Manufacture of woods and products of wood and oak. except furniture; Manufacture of articles of straw and reed	1.0	111.1	111.1	111.1	111.1
17	Manufacture of papers and paper products	0.8	103.8	103.8	103.8	103.8
18	Paper printing and regrouping of recorded media	1.4	94.3	94.0	93.9	94.1
19	Manufacture of coke and petroleum products refinery	1.1	108.4	108.4	108.4	108.4
20	Manufacture of chemicals and chemical products	1.1	104.4	104.6	104.5	104.5
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	96.8	96.8	96.8	96.8
22	Manufacture of rubbers and plastic products	1.2	115.1	115.1	115.1	115.1
23	Manufacture of non-metallic mineral products	8.7	98.1	98.2	98.2	98.1
24	Metallurgy	7.2	93.1	93.2	99.3	95.2
25	Manufacture of fabricated metal products. except machinery and equipment	4.6	105.4	106.2	106.0	105.9
26	Manufacture of optics. electronics and computer products	0.1	110.6	110.6	110.6	110.6
27	Manufacture of electrical equipment	0.3	109.1	109.1	109.1	109.1
28	Manufacture of machinery and equipment	0.2	116.4	116.4	116.4	116.4
29	Manufacture of transport vehicles. trailers and semi-trailers	0.0	102.0	102.0	102.0	102.0
31	Manufacture of furniture	2.0	116.3	116.4	116.3	116.3
32	Other Industries	0.2	97.1	97.1	97.1	97.1
33	Repair and installation of machinery and equipment	0.0	109.3	109.3	109.3	109.3
D	Electricity. gas. steam and air conditioning	24.8	99.1	99.1	99.1	99.1
35	Electricity. gas. steam and air conditioning	24.8	99.1	99.1	99.1	99.1
E	Water supply. treatment activities and waste management	3.8	98.8	98.9	99.0	98.9
36	Water supply. treatment activities and waste management	1.8	113.2	113.2	113.2	113.2
37	Sewage removal and treatment services	0.2	101.5	101.5	101.5	101.5
38	Activities of collection. treatment and disposal of waste. materials recovery	1.8	79.0	79.2	79.3	79.2

Tab.2 Quarterly and annual change of Producer Price Index

%

NACE	Description	Weights	IV-16 / III - 16	IV - 16 / IV - 15
	Total	100.0	1.4	0.9
B	Mining and quarrying	21.4	4.2	5.5
	06 Extraction of crude petroleum and natural gas; auxiliary services	14.1	5.9	8.3
	07 Mining of metal ores	5.1	1.3	-0.7
	08 Other mining and quarrying	2.2	-0.1	2.0
C	Manufacturing	49.9	0.8	-0.1
	10 Manufacture of food products	7.2	0.3	0.1
	11 Manufacture of beverages	2.7	0.0	-1.1
	12 Manufacture of tobacco products	0.2	0.0	0.0
	13 Manufacture of textiles	0.4	3.8	-1.9
	14 Manufacture of dressing; wearing apparel	4.2	0.9	0.9
	15 Manufacture of leathers and leather products	5.1	0.8	-1.1
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.0	0.4	-0.6
	17 Manufacture of papers and paper products	0.8	1.0	1.6
	18 Paper printing and regrouping of recorded media	1.4	-0.7	0.6
	19 Manufacture of coke and petroleum products refinery	1.1	0.7	0.6
	20 Manufacture of chemicals and chemical products	1.1	0.9	1.6
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	0.3	0.0	-0.6
	22 Manufacture of rubbers and plastic products	1.2	-0.3	-0.4
	23 Manufacture of non-metallic mineral products	8.7	0.6	-0.7
	24 Metallurgy	7.2	3.0	0.9
	25 Manufacture of fabricated metal products, except machinery and equipment	4.6	-0.1	-1.7
	26 Manufacture of optics, electronics and computer products	0.0	0.1	-0.2
	27 Manufacture of electrical equipment	0.3	-0.4	-1.2
	28 Manufacture of machinery and equipment	0.2	-0.4	0.9
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.0	0.0	0.0
	31 Manufacture of furniture	2.0	0.2	2.2
	32 Other Industries	0.2	0.0	-5.5
	33 Repair and installation of machinery and equipment	0.0	0.0	-0.1
D	Electricity, gas, steam and air conditioning	24.9	0.1	-0.3
	35 Electricity, gas, steam and air conditioning	24.9	0.1	-0.3
E	Water supply, treatment activities and waste management	3.8	0.7	-2.4
	36 Water supply, treatment activities and waste management	1.8	0.0	0.2
	37 Sewage removal and treatment services	0.2	0.0	0.0
	38 Activities of collection, treatment and disposal of waste, materials recovery	1.8	1.4	-5.7

Tab. 3 Producer Price Index for domestic market

2010=100

NACE	Description	Weights	10 16	11 - 16	12 16	IV - 16	IV-16 / III - 16	IV-16 / IV - 15
	Total	100.0	99.4	99.3	99.6	99.4	0.5	1.1
B	Mining and quarrying	10.3	96.9	99.6	98.7	100.8	99.7	2.5
06	Extraction of crude petroleum and natural gas; auxiliary services	3.7	105.8	103.2	109.2	106.1	6.4	16.8
07	Mining of metal ores	3.2	114.4	114.4	114.4	114.4	1.1	2.2
08	Other mining and quarrying	3.3	105.0	105.0	105.2	105.1	-0.3	2.3
C	Manufacturing	42.6	102.3	102.5	102.5	102.4	0.4	-0.5
10	Manufacture of food products	8.7	107.4	107.5	107.6	107.5	0.3	-0.4
11	Manufacture of beverages	4.4	105.9	105.8	105.8	105.8	-0.4	-1.5
12	Manufacture of tobacco products	0.3	92.6	92.6	92.6	92.6	0.0	0.0
13	Manufacture of textile	0.1	87.5	87.5	87.5	87.5	-0.1	1.1
14	Manufacture of dressing; wearing apparel	1.3	108.7	108.8	108.9	108.8	1.1	0.7
15	Manufacture of leathers and leather products	1.7	115.2	115.2	115.2	115.2	0.1	0.5
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.0	106.9	106.9	106.9	106.9	0.8	-0.6
17	Manufacture of papers and paper products	0.1	95.2	95.2	95.2	95.2	-0.1	-3.3
18	Paper printing and regrouping of recorded media	2.3	94.3	94.0	93.9	94.1	-0.7	0.6
19	Manufacture of coke and petroleum products refinery	0.4	97.0	97.0	97.0	97.0	0.0	-3.7
20	Manufacture of chemicals and chemical products	1.1	97.8	98.0	97.9	97.9	1.4	1.4
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.5	96.7	96.7	96.7	96.7	0.0	-0.7
22	Manufacture of rubbers and plastic products	1.4	114.4	114.4	114.4	114.4	-0.1	0.1
23	Manufacture of non-metallic mineral products	10.7	87.9	88.0	88.0	88.0	1.1	-0.9
24	Metallurgy	1.3	89.3	89.3	89.3	89.3	0.0	-0.1
25	Manufacture of fabricated metal products, except machinery and equipment	4.4	98.0	99.3	99.1	98.8	0.3	-2.0
27	Manufacture of electrical equipment	0.1	110.7	110.7	110.7	110.7	0.0	0.0
28	Manufacture of machinery and equipment	0.1	119.4	119.4	119.4	119.4	-0.1	10.0
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	100.0	100.0	100.0	100.0	0.0	0.0
31	Manufacture of furniture	2.6	120.0	120.2	120.2	120.1	0.0	1.4
32	Other Industries	0.1	107.4	107.4	107.4	107.4	-0.2	-4.2
33	Repair and installation of machinery and equipment	0.1	109.3	109.3	109.3	109.3	0.0	-0.1
D	Electricity, gas, steam and air conditioning	42.3	99.1	99.1	99.1	99.1	0.1	-0.3
35	Electricity, gas, steam and air conditioning	42.3	99.1	99.1	99.1	99.1	0.1	-0.3
E	Water supply, treatment activities and waste management	4.8	105.9	105.9	105.9	105.9	0.0	0.3
36	Water supply, treatment activities and waste management	3.1	113.2	113.2	113.2	113.2	0.0	0.2
37	Sewage removal and treatment services	0.3	101.5	101.5	101.5	101.5	0.0	0.0
38	Activities of collection, treatment and disposal of waste, materials recovery	1.4	79.7	79.7	79.7	79.7	0.2	0.4

Tab. 4 Export Price Index

		2010=100						
NACE	Description	Weights	10 - 16	11 -16	12 -16	IV - 16	IV -16 / III - 16	IV -16 / IV - 15
	Total	100.0	101.5	99.7	107.3	102.8	2.6	0.6
B	Mining and quarrying	37.0	90.7	86.3	101.3	92.8	4.8	1.0
06	Extraction of crude petroleum and natural gas; auxiliary services	28.8	85.0	79.7	97.5	87.4	5.8	0.6
07	Mining of metal ores	7.6	93.4	93.9	94.6	94.0	1.5	-1.1
08	Other mining and quarrying	0.6	103.4	103.7	103.4	103.5	1.5	-0.4
C	Manufacturing	60.5	106.0	106.0	108.1	106.7	1.2	0.3
10	Manufacture of food products	5.2	106.9	106.8	106.9	106.9	0.3	1.4
11	Manufacture of beverages	0.3	108.5	108.5	101.5	106.2	8.1	7.0
12	Manufacture of tobacco products	0.1	106.5	106.5	106.5	106.5	-0.2	0.1
13	Manufacture of textiles	0.7	111.5	111.5	111.5	111.5	4.6	-2.5
14	Manufacture of dressing; wearing apparel	8.3	108.6	108.5	108.6	108.6	0.9	1.0
15	Manufacture of leathers and leather products	9.9	109.0	109.2	109.2	109.1	0.9	-1.5
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	111.5	111.5	111.5	111.5	-0.2	-0.6
17	Manufacture of papers and paper products	1.8	106.6	106.6	106.6	106.6	1.1	2.3
19	Manufacture of coke and petroleum products refinery	2.1	103.8	103.8	103.8	103.8	0.8	1.7
20	Manufacture of chemicals and chemical products	1.0	115.5	115.6	115.6	115.5	0.2	2.0
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	106.7	106.7	106.7	106.7	0.0	0.3
22	Manufacture of rubbers and plastic products	0.8	117.4	117.4	117.4	117.4	-0.8	-1.6
23	Manufacture of non-metallic mineral products	5.7	144.7	144.9	145.1	144.9	-0.7	-0.2
24	Metallurgy	15.7	97.7	97.7	105.0	100.1	3.4	1.0
25	Manufacture of fabricated metal products, except machinery and equipment	5.0	113.1	113.1	113.1	113.1	-0.6	-1.4
26	Manufacture of optics, electronics and computer products	0.1	110.6	110.6	110.6	110.6	0.1	-0.2
27	Manufacture of electrical equipment	0.6	108.4	108.4	108.4	108.4	-0.5	-1.5
28	Manufacture of machinery and equipment	0.3	114.9	114.9	114.9	114.9	-0.5	-1.3
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	102.3	102.3	102.3	102.3	0.0	0.0
31	Manufacture of furniture	1.2	107.6	107.6	107.4	107.5	0.9	4.5
32	Other Industries	0.4	94.0	94.0	94.0	94.0	0.1	-5.8
E	Water supply, treatment activities and waste management	2.5	81.0	81.4	81.7	81.3	2.5	-6.9
38	Activities of collection, treatment and disposal of waste, materials recovery	2.5	81.0	81.4	81.7	81.3	2.5	-6.9

Metodology

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 Laspeyres 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.