

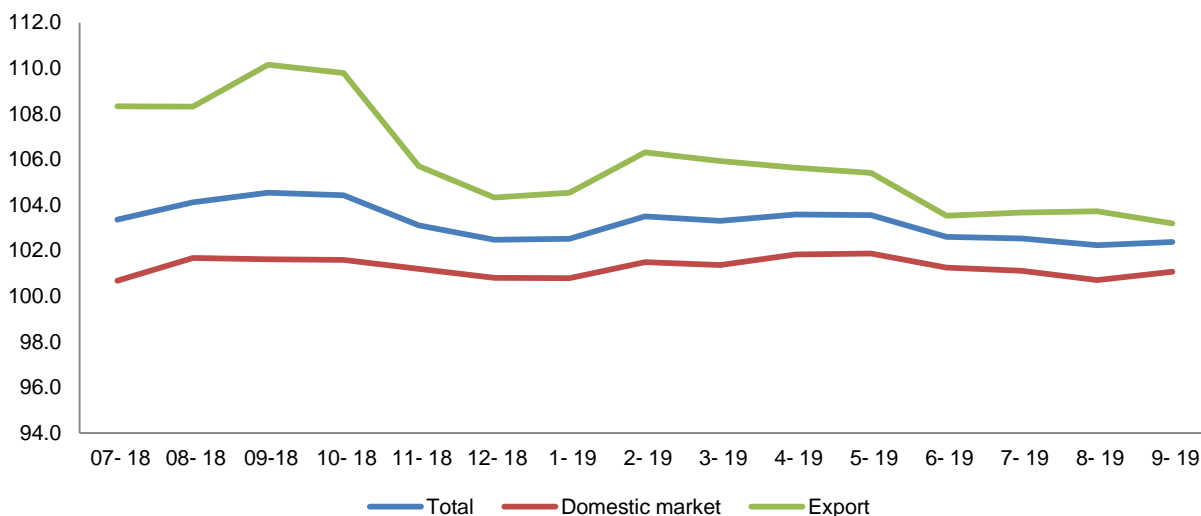
Producer price Index

Third quarter, 2019

Tirana, 05 December 2019: In third quarter 2019, Producer Price Index reached 102.4, decreasing by 1.6 %, compared with third quarter 2018.

Producer Price Index, in third quarter 2019, decreased by 0.8 % compared with second quarter 2019.

Fig. 1 Producer Price Index



Annual change: Producer Price Index in “Manufacturing” section decreased by 1.2 % compared with third quarter 2018. The annual decrease in prices in this section was mainly impacted by “Metallurgy” by 7.4 % followed by “Manufacture of food products” activity by 0.9 % and “Manufacture of dressing: wearing apparel” by 0.4 %. Producer Price Index in “Mining and quarrying” section decreased by 8.5 % compared with third quarter 2018. Within this section prices decreased the most in “Extraction of crude petroleum and natural gas, auxiliary services” activity by 12.9 %.

Producer Price Index for Domestic Market: Compared with the same period of 2018 the index signed a decrease by 0.4 %. The index in the "Mining and quarrying" section signed a decrease by 5.6 % and 0.2 %.

Export price index: Compared with the second quarter of the previous year the index signed a decrease by 5.0 %, mainly impacted by the decrease of "Mining and quarrying" section by 9.9 %.

Quarter changes: Producer Price Index decreased by 0.8 % compared with second quarter 2019. Mostly quarterly decrease by 5.9 % it was mainly it was notice in "Mining and quarrying" section. Producer Price Index in "Manufacturing" section signed a decrease by 0.2 %. Within this section "Manufacture of food products" activity decreased by 0.6 % and "Manufacture of dressing: wearing apparel" by 0.7 %.

Producer Prices Index for Domestic Market: Compared with the second quarter 2019 the index signed a decrease by 0.7 %, where can be mentioned decrease of "Mining and quarrying" by 6.1 %.

Export Price Index: Compared with the previous quarter the index signed a decrease by 1.3 %. Most decrease it was notice by "Mining and quarrying" section by 5.5 %.

Tab. 1 Producer Price Index

2010=100

NACE	Description	Weights %	7-19	8-19	9-19	III-19
	Total	100.0	102.5	102.2	102.4	102.4
B	Mining and quarrying	12.0	110.7	109.2	110.0	110.0
06	Extraction of crude petroleum and natural gas; auxiliary services	5.7	115.4	112.6	113.3	113.8
07	Mining of metal ores	4.7	98.0	97.7	98.8	98.2
08	Other mining and quarrying	1.7	108.4	108.4	108.3	108.4
C	Manufacturing	51.6	103.4	103.2	103.2	103.3
10	Manufacture of food products	9.4	102.8	102.5	102.8	102.7
11	Manufacture of beverages	1.9	105.5	105.4	105.4	105.4
12	Manufacture of tobacco products	0.1	98.4	98.4	98.4	98.4
13	Manufacture of textiles	0.4	101.4	101.4	101.4	101.4
14	Manufacture of dressing: wearing apparel	4.2	106.8	106.8	106.7	106.8
15	Manufacture of leathers and leather products	4.4	107.0	107.0	107.2	107.0
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	107.6	107.7	107.7	107.7
17	Manufacture of papers and paper products	1.1	105.1	105.1	105.1	105.1
18	Paper printing and regrouping of recorded media	1.1	94.8	94.6	94.4	94.6
19	Manufacture of coke and petroleum products refinery	0.3	106.8	106.8	106.8	106.8
20	Manufacture of chemicals and chemical products	0.9	107.8	107.8	107.8	107.8
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.2	96.2	96.2	96.2	96.2
22	Manufacture of rubbers and plastic products	1.7	116.2	116.2	116.2	116.2
23	Manufacture of non-metallic mineral products	7.6	101.7	101.3	100.8	101.2
24	Metallurgy	6.2	91.1	91.1	91.1	91.1
25	Manufacture of fabricated metal products, except machinery and equipment	5.4	105.5	105.5	105.5	105.5
26	Manufacture of optics, electronics and computer products	0.1	115.7	115.7	115.7	115.7
27	Manufacture of electrical equipment	0.4	101.1	101.1	101.2	101.1
28	Manufacture of machinery and equipment	0.3	114.3	114.3	114.3	114.3
29	Manufacture of transport vehicles, trailers and semi-trailers	0.0	99.7	99.5	99.6	99.6
30	Other transport equipment	0.0	105.0	105.0	105.0	105.0
31	Manufacture of furniture	3.0	114.6	114.6	114.6	114.6
32	Other Industries	0.3	90.6	90.6	90.6	90.6
33	Repair and installation of machinery and equipment	0.5	107.9	101.1	105.5	104.8
D	Electricity, gas, steam and air conditioning	33.1	100.4	100.4	100.4	100.4
35	Electricity, gas, steam and air conditioning	33.1	100.4	100.4	100.4	100.4
E	Water supply, treatment activities and waste management	3.2	102.2	101.8	102.6	102.2
36	Water supply, treatment activities and waste management	1.5	117.6	117.6	117.6	117.6
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	1.7	81.6	81.0	82.1	81.6

Tab.2 Quarterly and annual change of Producer Price Index

				%	
NACE	Description	Weights %	III-19 / II-19	III-19 / III-18	
	Total	100.0	-0.8	-1.6	
B	Mining and quarrying	12.0	-5.9	-8.5	
06	Extraction of crude petroleum and natural gas; auxiliary services	5.7	-9.8	-12.9	
07	Mining of metal ores	4.7	-1.6	-3.3	
08	Other mining and quarrying	1.7	-0.1	1.3	
C	Manufacturing	51.6	-0.2	-1.2	
10	Manufacture of food products	9.4	-0.6	-0.9	
11	Manufacture of beverages	1.9	0.0	-0.4	
12	Manufacture of tobacco products	0.1	0.4	-0.7	
13	Manufacture of textiles	0.4	1.3	0.4	
14	Manufacture of dressing; wearing apparel	4.2	-0.7	-0.4	
15	Manufacture of leathers and leather products	4.4	-0.3	1.7	
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	1.3	2.0	
17	Manufacture of papers and paper products	1.1	-4.7	-2.9	
18	Paper printing and regrouping of recorded media	1.1	-0.4	-1.6	
19	Manufacture of coke and petroleum products refinery	0.3	-1.7	-1.8	
20	Manufacture of chemicals and chemical products	0.9	0.6	0.3	
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.2	0.0	-1.0	
22	Manufacture of rubbers and plastic products	1.7	-0.5	-2.1	
23	Manufacture of non-metallic mineral products	7.6	0.5	0.2	
24	Metallurgy	6.2	0.6	-7.4	
25	Manufacture of fabricated metal products, except machinery and equipment	5.4	-0.3	0.2	
26	Manufacture of optics, electronics and computer products	0.1	-0.7	-1.3	
27	Manufacture of electrical equipment	0.4	1.2	-1.3	
28	Manufacture of machinery and equipment	0.3	-0.2	0.5	
29	Manufacture of transport vehicles, trailers and semi-trailers	0.0	-0.6	-1.1	
30	Other transport equipment	0.0	0.0	-0.4	
31	Manufacture of furniture	3.0	0.4	-0.6	
32	Other Industries	0.3	-0.9	-2.3	
33	Repair and installation of machinery and equipment	0.5	-1.3	0.0	
D	Electricity, gas, steam and air conditioning	33.1	0.1	0.0	
35	Electricity, gas, steam and air conditioning	33.1	0.1	0.0	
E	Water supply, treatment activities and waste management	3.2	-0.2	0.4	
36	Water supply, treatment activities and waste management	1.5	0.0	0.0	
37	Sewage removal and treatment services	0.0	0.0	0.0	
38	Activities of collection, Treatment and disposal of waste, materials recovery	1.7	-0.4	0.8	

Tab. 3 Producer Price Index for domestic market

2010=100

NACE	Description	Weights %	%					
			7- 19	8- 19	9- 19	III-19	III-19 / II-19	III-19 / III-18
	Total	100.0	101.1	100.7	101.1	101.0	-0.7	-0.4
B	Mining and quarrying	9.9	112.9	110.0	113.0	112.0	-6.1	-5.6
	06 Extraction of crude petroleum and natural gas; auxiliary services	4.5	115.9	110.9	116.3	114.4	-10.9	-13.6
	07 Mining of metal ores	3.4	113.4	112.0	113.3	112.9	-1.9	-3.7
	08 Other mining and quarrying	2.0	110.0	110.0	110.0	110.0	-0.1	2.0
C	Manufacturing	41.9	101.8	101.5	101.7	101.7	-0.2	-0.2
	10 Manufacture of food products	9.4	105.0	104.5	104.9	104.8	-0.5	-1.5
	11 Manufacture of tobacco products	2.3	105.3	105.3	105.3	105.3	0.1	-0.1
	12 Manufacture of beverages	0.1	100.0	100.0	100.0	100.0	0.0	0.0
	13 Manufacture of textile	0.3	87.0	87.0	87.0	87.0	0.3	0.6
	14 Manufacture of dressing: wearing apparel	1.7	107.0	106.9	106.8	106.9	-0.7	-1.4
	15 Manufacture of leathers and leather products	1.8	108.6	109.1	109.1	108.9	-0.6	0.0
	16 Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.9	108.0	108.3	108.3	108.2	2.0	1.7
	17 Manufacture of papers and paper products	0.0	98.1	95.1	97.1	96.8	-0.5	2.0
	18 Paper printing and regrouping of recorded media	1.5	94.8	94.6	94.4	94.6	-0.4	-1.6
	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	0.7	98.4	98.4	98.4	98.4	0.7	-0.2
	21 Manufacture of pharmaceutical products and pharmaceutical preparations	1.6	96.7	96.7	96.7	96.7	0.0	-0.7
	22 Manufacture of rubbers and plastic products	1.8	112.3	112.3	112.3	112.3	-0.5	-1.9
	23 Manufacture of non-metallic mineral products	8.3	90.3	89.7	90.0	90.0	0.2	0.5
	24 Metallurgy	1.7	90.0	90.0	90.0	90.0	0.5	2.7
	25 Manufacture of fabricated metal products, except machinery and equipment	5.2	97.5	97.6	97.6	97.5	-0.8	1.2
	26 Manufacture of optics, electronics and computer products	0.0	108.0	108.0	108.0	108.0	-3.0	-0.6
	27 Manufacture of electrical equipment	0.1	105.8	105.8	105.8	105.8	0.1	0.0
	28 Manufacture of machinery and equipment	0.1	114.7	114.7	114.7	114.7	-0.1	1.3
	29 Manufacture of transport vehicles, trailers and semi-trailers	0.0	98.1	98.1	98.1	98.1	-0.2	-1.6
	30 Other transport equipment	0.1	102.3	102.3	102.3	102.3	0.0	-0.4
	31 Manufacture of furniture	3.3	119.2	119.2	119.2	119.2	0.7	-0.5
	32 Other Industries	0.1	93.9	93.9	94.1	94.0	-0.4	-1.4
	33 Repair and installation of machinery and equipment	0.7	116.6	109.2	114.0	113.3	-1.3	0.0
D	Electricity, gas, steam and air conditioning	45.3	100.4	100.4	100.4	100.4	0.1	0.0
	35 Electricity, gas, steam and air conditioning	45.3	100.4	100.4	100.4	100.4	0.1	0.0
E	Water supply, treatment activities and waste management	2.9	108.5	108.2	108.4	108.4	0.0	0.0
	36 Water supply, treatment activities and waste management	2.1	117.6	117.6	117.6	117.6	0.0	0.0
	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	0.8	80.1	79.3	79.7	79.7	0.0	0.0

Tab. 4 Export Price Index

2010=100		%						
NACE	Description	Weights	7- 19	8- 19	9- 19	III-19	III-19 / II-19	III-19 / III-18
	Total	100.0	103.7	103.7	103.2	103.5	-1.3	-5.0
B	Mining and quarrying	18.0	103.0	103.3	101.2	102.5	-5.5	-9.9
06	Extraction of crude petroleum and natural gas; auxiliary services	9.1	107.9	107.9	103.2	106.3	-8.4	-9.5
07	Mining of metal ores	8.1	89.0	89.7	90.7	89.8	-1.4	-3.8
08	Other mining and quarrying	0.7	99.4	99.2	99.0	99.2	0.0	-4.0
C	Manufacturing	78.0	104.1	104.1	103.9	104.0	-0.2	-2.6
10	Manufacture of food products	9.5	98.1	98.1	98.1	98.1	-0.8	0.2
11	Manufacture of tobacco products	0.7	97.7	97.7	97.7	97.7	-0.7	-2.3
12	Manufacture of beverages	0.2	111.3	111.3	111.3	111.3	1.3	-2.3
13	Manufacture of textiles	0.8	108.7	108.7	108.7	108.7	2.4	0.1
14	Manufacture of dressing; wearing apparel	11.0	106.7	106.7	106.7	106.7	-0.6	0.1
15	Manufacture of leathers and leather products	11.5	108.8	108.6	109.0	108.8	-0.1	2.4
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.1	103.4	103.4	103.4	103.4	-0.2	1.8
17	Manufacture of papers and paper products	4.0	108.5	108.5	108.5	108.5	-4.7	-4.3
19	Manufacture of coke and petroleum products refinery	1.0	101.3	101.3	101.3	101.3	-2.1	-2.2
20	Manufacture of chemicals and chemical products	1.4	123.1	123.1	123.1	123.1	0.4	0.6
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.2	102.4	102.4	102.4	102.4	0.9	-2.1
22	Manufacture of rubbers and plastic products	1.1	119.8	119.8	119.8	119.8	-0.3	-2.7
23	Manufacture of non-metallic mineral products	5.7	153.1	154.0	148.3	151.8	1.8	-1.5
24	Metallurgy	18.3	93.3	93.4	93.4	93.4	0.6	-10.1
25	Manufacture of fabricated metal products, except machinery and equipment	6.0	113.4	113.4	113.4	113.4	0.9	-2.2
26	Manufacture of optics, electronics and computer products	0.3	115.8	115.8	115.8	115.8	0.0	-1.6
27	Manufacture of electrical equipment	1.3	99.3	99.3	99.4	99.3	1.5	-1.6
28	Manufacture of machinery and equipment	0.6	114.5	114.5	114.5	114.5	-0.2	-0.1
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	100.0	99.6	99.8	99.8	-0.7	-0.9
31	Manufacture of furniture	2.1	103.0	103.0	102.8	102.9	-1.3	-1.4
32	Other Industries	1.1	89.3	89.3	89.3	89.3	-0.9	-2.4
E	Water supply, treatment activities and waste management	4.1	86.4	85.8	87.5	86.6	-0.7	1.3
38	Activities of collection, treatment and disposal of waste, materials recovery	4.1	86.4	85.8	87.5	86.6	-0.7	1.3

Metodology

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.