

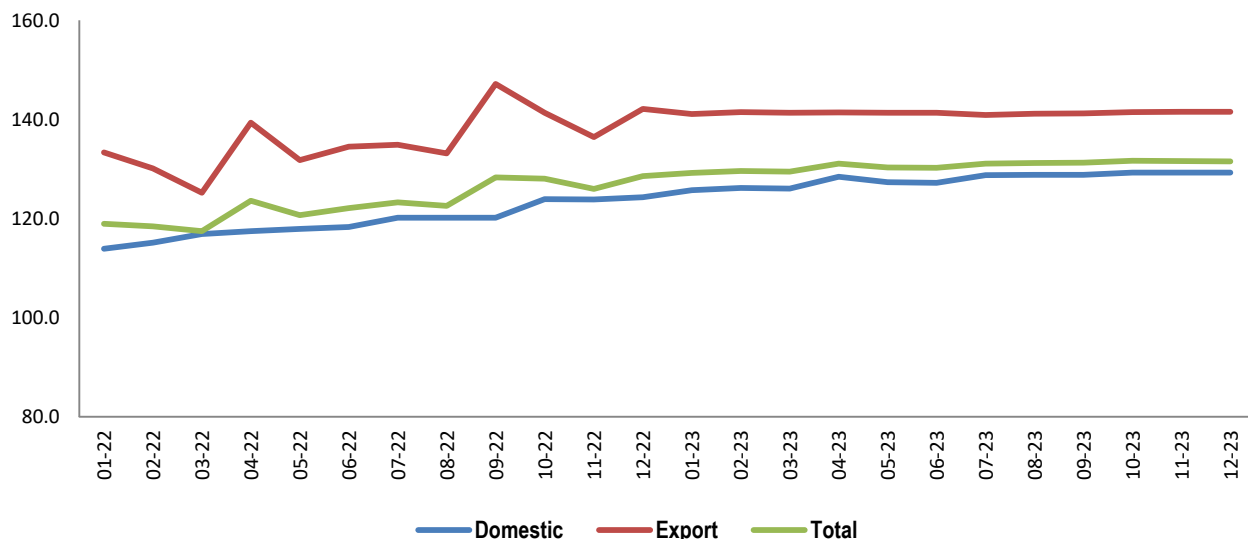
Producer price Index

Fourth quarter, 2023

Tirana, on 05 March 2023: In the fourth quarter 2023, Producer Price Index reached 131.6 compared to 2020. Compared to the fourth quarter of 2022, the Producer Price Index increased by 3.1 %, a year ago this change was 21.4 %.

Producer Price Index in the fourth quarter 2023 increased by 0.3 % compared with third quarter 2023.

Fig.1 Producer Price Index



Annual change: Compared to the fourth quarter of 2022, the largest price increase of 7.5 % is observed in the "Electricity, gas, steam and air-conditioned" followed by the sections "Mining and quarrying" section, with 4.5 %, "Water supply, waste treatment and management activities" section with 1.7 % and "Manufacturing Industry" by 1.5 %. Within the section "Manufacturing Industry", the largest increase in prices is observed in the activity "Manufacturing of food products" by 5.8 %, followed by the activities "Manufacture of beverages" with 4.5 %, "Manufacture of tobacco products" with 4.4 %, "Manufacture of furniture" by 3.4 %, "Manufacture of fabricated metal products except machinery and equipment" with 3.3 %, etc. On the other hand, the biggest decrease in prices is observed in the activities "Manufacture of textiles" with 4.7 %, followed by the activities "Manufacture of electrical equipment" with 3.3 %, "Manufacture of coke and petroleum products refinery" with 3.2 %, "Manufacture of chemicals and chemical products" with 1.5 %, etc.

The Index of Production Prices of products for the domestic market: Compared to the fourth quarter of 2022, the index increased by 4.2 %. The biggest increase in prices is observed in the section "Electricity, gas, steam and air conditioning" with 11.0 %, followed by the section "Mining and quarrying" with 6.4 %, "Manufacturing industry" with 1.9 % and the section "Water supply, waste treatment and management activities" with 0.2 %.

Production Price Index of products for export: Compared to the fourth quarter of 2022, the index recorded an increase of 1.1 %. The largest increase in prices was recorded in the "Water supply, waste treatment and management activities" section with 14.0 %, followed by "Manufacturing Industry" with 1.1 %. On the other side the section "Mining and quarrying" decreased with 1.1 %, followed by the section "Electricity, gas, steam and air conditioning" with 1.0 %.

Quarterly change: Compared to the third quarter of 2022, the largest increase of 0.9 % is observed in the "Electricity, gas, steam and air conditioning" section, followed by the sections "Mining and quarrying" with 0.6 %, "Manufacturing industry" with 0.1 %. Within this section, the largest decreased in prices is observed in the activities "Manufacture of beverages" with 1.8 %, followed by activities "Manufacture of tobacco products" with 1.6 %, "Manufacture of woods and products of wood and oak, except furniture" with 1.5 % etc.

Index of Production Prices of products for the domestic market: Compared to the third quarter of 2023, the index increased by 0.4 %. The biggest increase is observed in the "Electricity, gas, steam and air conditioning" section with 1.2 %, followed by the sections "Mining and quarrying" and "Manufacturing industry" respectively with 0.1 % each of them. On the other side the section "Water supply, waste treatment and management activities" decreased with 0.1 %.

The Index of Production Prices of products for export: Compared to the previous quarter, the index increased by 0.3 %. The biggest increase of 1.5 % is observed in the section "Mining and quarrying", followed by the section "Water supply, waste treatment and management activities" with 0.8 %, "Manufacturing industry" with 0.1 %.

Tab. 1 Producer Price Index

2020=100

NACE	Description	Weights %	10-23	11-23	12-23	IV-23	IV-23 /III-23	IV-23/IV-22
	Total	100.0	131.6	131.6	131.5	131.6	0.3	3.1
B	Mining and quarrying	11.3	157.5	157.1	157.1	157.2	0.6	4.5
06	Extraction of crude petroleum and natural gas; auxiliary services	4.4	191.0	191.0	191.0	191.0	3.5	8.3
07	Mining of metal ores	5.9	154.8	154.1	154.0	154.3	-1.3	2.2
08	Other mining and quarrying	0.9	128.1	128.0	128.0	128.1	0.3	2.8
C	Manufacturing	58.8	124.9	124.9	124.8	124.9	0.1	1.5
10	Manufacture of food products	8.0	140.8	141.4	141.4	141.2	1.0	5.8
11	Manufacture of beverages	1.6	124.4	124.2	124.3	124.3	1.8	4.5
12	Manufacture of tobacco products	0.0	104.3	104.3	104.3	104.3	1.6	4.4
13	Manufacture of textiles	0.7	97.7	97.7	97.7	97.7	0.1	-4.7
14	Manufacture of dressing: wearing apparel	3.9	106.4	106.4	106.4	106.4	-0.5	0.1
15	Manufacture of leathers and leather products	3.9	110.0	109.9	110.0	110.0	0.0	1.5
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.3	129.6	129.7	129.6	129.6	1.5	2.3
17	Manufacture of papers and paper products	0.8	114.8	114.8	114.8	114.8	0.1	-0.1
18	Paper printing and regrouping of recorded media	2.7	125.6	125.6	125.6	125.6	0.3	2.5
19	Manufacture of coke and petroleum products refinery	0.7	122.6	122.6	122.6	122.6	-0.5	-3.2
20	Manufacture of chemicals and chemical products	1.2	131.1	131.2	131.2	131.2	-0.4	-1.5
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.1	125.0	125.0	125.0	125.0	0.4	1.3
22	Manufacture of rubbers and plastic products	1.4	121.5	121.5	121.5	121.5	0.4	-1.3
23	Manufacture of non-metallic mineral products	8.2	140.6	140.0	139.4	140.0	-1.1	-1.3
24	Metallurgy	10.2	127.9	128.0	127.9	127.9	0.0	0.9
25	Manufacture of fabricated metal products, except machinery and equipment	4.9	137.5	137.6	137.6	137.6	0.1	3.3
26	Manufacture of optics, electronics and computer products	0.3	97.8	97.8	97.8	97.8	-0.1	-1.4
27	Manufacture of electrical equipment	1.2	99.3	99.3	99.3	99.3	0.1	-3.3
28	Manufacture of machinery and equipment	0.6	102.2	102.2	102.2	102.2	0.0	-0.4
29	Manufacture of transport vehicles, trailers and semi-trailers	0.4	93.8	93.8	93.8	93.8	-0.7	-1.3
30	Other transport equipment	0.1	126.4	126.4	126.4	126.4	0.5	0.3
31	Manufacture of furniture	5.1	121.6	121.5	120.9	121.3	0.1	3.4
32	Other Industries	0.3	104.5	104.5	104.5	104.5	-0.2	0.4
33	Repair and installation of machinery and equipment	0.1	108.1	108.1	108.1	108.1	0.0	1.5
D	Electricity, gas, steam and air conditioning	20.5	152.8	152.8	152.8	152.8	0.9	7.5
35	Electricity, gas, steam and air conditioning	20.5	152.8	152.8	152.8	152.8	0.9	7.5
E	Water supply, treatment activities and waste management	9.4	105.5	105.4	105.4	105.5	0.0	1.7
36	Water supply, treatment activities and waste management	6.8	100.6	100.6	100.6	100.6	0.0	0.0
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	2.7	137.0	136.5	136.6	136.7	0.1	6.0

Tab. 2 Producer Price Index for domestic market

2020=100

NACE	Description	Weights %	10-23	11-23	12-23	IV-23	IV-23 / III-23	IV-23/ IV-22
	Total	100.0	129.3	129.3	129.3	129.3	0.4	4.2
B	Mining and quarrying	9.3	153.9	153.9	153.9	153.9	0.1	6.4
06	Extraction of crude petroleum and natural gas; auxiliary services	2.2	180.9	180.9	180.9	180.9	3.5	13.4
07	Mining of metal ores	6.0	159.0	159.0	159.0	159.0	-1.4	4.2
08	Other mining and quarrying	1.1	127.4	127.4	127.4	127.4	0.6	3.3
C	Manufacturing	54.6	133.8	133.8	133.8	133.8	0.1	1.9
10	Manufacture of food products	8.5	148.5	148.5	148.5	148.5	1.0	6.4
11	Manufacture of beverages	2.2	124.2	124.2	124.2	124.2	1.9	5.2
12	Manufacture of tobacco products	0.1	104.7	104.7	104.7	104.7	1.6	4.7
13	Manufacture of textile	0.4	120.8	120.8	120.8	120.8	-0.1	-0.1
14	Manufacture of dressing; wearing apparel	0.1	106.2	106.2	106.2	106.2	-0.2	0.8
15	Manufacture of leathers and leather products	1.3	110.6	110.6	110.6	110.6	-1.9	-3.1
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.4	132.9	132.9	132.9	132.9	1.2	2.1
17	Manufacture of papers and paper products	0.1	122.1	122.1	122.1	122.1	0.8	3.1
18	Paper printing and regrouping of recorded media	4.3	125.6	125.6	125.6	125.6	0.3	2.5
19	Manufacture of coke and petroleum products refinery	0.2	153.6	153.6	153.6	153.6	-0.1	0.6
20	Manufacture of chemicals and chemical products	0.8	138.1	138.1	138.1	138.1	0.0	-0.2
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.7	126.6	126.6	126.6	126.6	0.4	1.3
22	Manufacture of rubbers and plastic products	1.4	128.8	128.8	128.8	128.8	1.1	0.2
23	Manufacture of non-metallic mineral products	10.1	137.6	137.6	137.6	137.6	-1.2	-1.5
24	Metallurgy	8.7	140.6	140.6	140.6	140.6	0.2	0.7
25	Manufacture of fabricated metal products, except machinery and equipment	5.1	137.6	137.6	137.6	137.6	0.0	1.8
26	Manufacture of optics, electronics and computer products	0.2	96.0	96.0	96.0	96.0	0.5	-0.2
27	Manufacture of electrical equipment	0.2	100.2	100.2	100.2	100.2	0.3	0.0
28	Manufacture of machinery and equipment	0.5	108.8	108.8	108.8	108.8	-0.1	-0.9
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	92.1	92.1	92.1	92.1	-0.5	-1.4
30	Other transport equipment	0.0	100.0	100.0	100.0	100.0	0.0	0.0
31	Manufacture of furniture	7.0	121.6	121.6	121.6	121.6	0.2	3.5
32	Other Industries	0.3	114.2	114.2	114.2	114.2	1.0	3.2
33	Repair and installation of machinery and equipment	0.2	108.1	108.1	108.1	108.1	0.0	1.5
D	Electricity, gas, steam and air conditioning	22.8	128.6	128.6	128.6	128.6	1.2	11.0
35	Electricity, gas, steam and air conditioning	22.8	128.6	128.6	128.6	128.6	1.2	11.0
E	Water supply, treatment activities and waste management	13.2	101.1	101.1	101.1	101.1	-0.1	0.2
36	Water supply, treatment activities and waste management	10.7	100.6	100.6	100.6	100.6	0.0	0.0
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	2.6	101.7	101.7	101.7	101.7	-0.3	0.4

Tab.3 Export Price Index

2020=100

NACE	Description	Weights	10-23	11-23	12-23	IV-23	IV-23/ III-23	IV-23/IV-22
	Total	100.0	141.5	141.6	141.5	141.5	0.3	1.1
B	Mining and quarrying	14.7	166.1	165.9	165.5	165.8	1.5	-1.1
06	Extraction of crude petroleum and natural gas; auxiliary services	8.3	192.4	192.4	192.4	192.4	3.6	0.5
07	Mining of metal ores	5.8	158.2	157.8	157.1	157.7	-0.7	-0.3
08	Other mining and quarrying	0.6	128.1	128.1	128.1	128.1	-0.4	1.2
C	Manufacturing	65.9	114.2	114.3	114.3	114.3	0.1	1.1
10	Manufacture of food products	7.2	122.0	123.2	123.2	122.8	0.7	4.5
11	Manufacture of beverages	0.6	128.5	128.5	128.5	128.5	1.4	1.4
12	Manufacture of tobacco products	0.0	99.8	99.8	99.8	99.8	0.8	0.2
13	Manufacture of textiles	1.2	91.2	91.2	91.2	91.2	0.1	-7.7
14	Manufacture of dressing: wearing apparel	10.5	106.5	106.5	106.5	106.5	-0.5	0.1
15	Manufacture of leathers and leather products	8.4	110.3	110.2	110.3	110.2	0.5	2.1
16	Manufacture of woods and products of wood and oak. except furniture; Manufacture of articles of straw and reed	1.1	126.0	126.4	126.1	126.2	2.2	2.9
17	Manufacture of papers and paper products	2.2	113.9	113.9	113.9	113.9	0.1	-0.2
19	Manufacture of coke and petroleum products refinery	1.5	120.6	120.6	120.6	120.6	-0.6	-3.6
20	Manufacture of chemicals and chemical products	1.9	123.0	123.0	123.0	123.0	-0.7	-1.9
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.1	105.6	105.6	105.6	105.6	0.0	1.4
22	Manufacture of rubbers and plastic products	1.3	110.1	110.1	110.1	110.1	-1.0	-4.0
23	Manufacture of non-metallic mineral products	4.9	167.8	167.8	167.8	167.8	1.3	1.2
24	Metallurgy	12.8	115.9	116.0	115.9	116.0	-0.2	1.1
25	Manufacture of fabricated metal products. except machinery and equipment	4.7	134.9	134.9	134.9	134.9	0.3	6.0
26	Manufacture of optics. electronics and computer products	0.7	98.2	98.2	98.2	98.2	-0.3	-2.5
27	Manufacture of electrical equipment	3.0	99.1	99.1	99.1	99.1	0.1	-3.5
28	Manufacture of machinery and equipment	0.8	102.1	102.1	102.1	102.1	0.3	0.1
29	Manufacture of transport vehicles. trailers and semi-trailers	0.8	94.0	94.0	94.0	94.0	-0.8	-1.3
30	Other transport equipment	0.2	129.9	129.9	129.9	129.9	0.6	0.4
31	Manufacture of furniture	1.8	123.4	123.5	123.5	123.4	0.7	4.3
32	Other Industries	0.4	101.5	101.5	101.5	101.5	-1.4	-2.4
D	Electricity, gas, steam and air conditioning	16.5	401.3	401.3	401.3	401.3	0.0	-1.0
35	Electricity, gas, steam and air conditioning	16.5	401.3	401.3	401.3	401.3	0.0	-1.0
E	Water supply, treatment activities and wastemanagement	2.9	167.7	166.2	166.7	166.8	0.8	14.0
38	Activities of collection, treatment and disposal of waste, materials recovery	2.9	167.7	166.2	166.7	166.8	0.8	14.0

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 digits 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:

$$I_{2020}^{y.m} = \frac{100}{12 \sum_{F-1.Dec}^{Dec} I_{F-1.Dec}^{F.M}} + I_{F=2020}^{y-1, F-1.Dec, F.M} * I_{y-1.Dec}^{y.m}$$

- 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.