

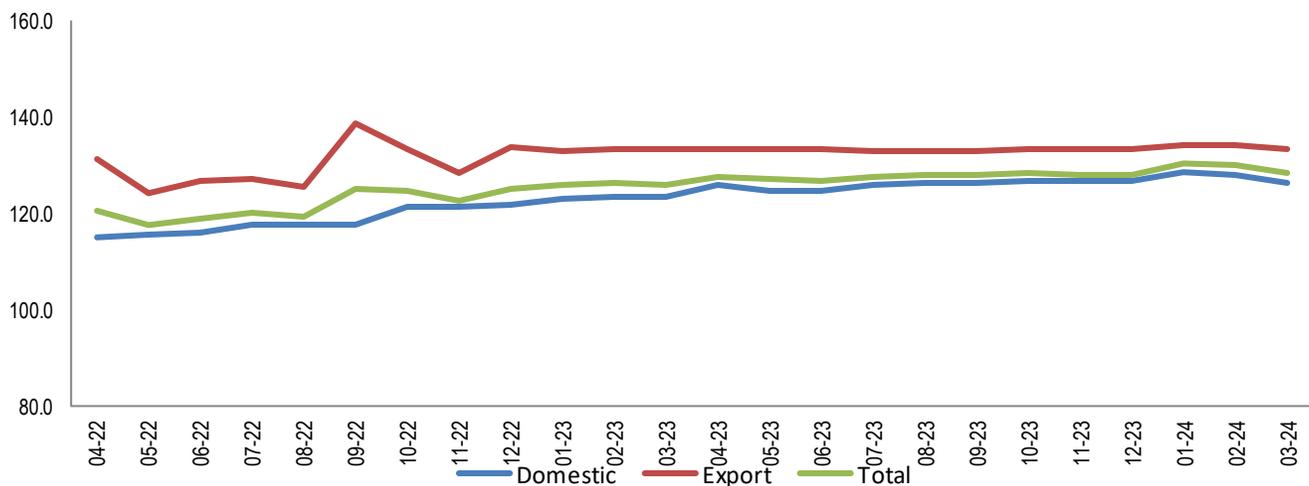
Producer price Index

First quarter, 2024

Tirana, on 05 June 2024: In the first quarter 2024, Producer Price Index reached 129.5 against 2021. Compared to the first quarter of 2023, the Producer Price Index increased by 2.8 %, a year ago this change was 9.4 %.

Producer Price Index in the first quarter 2024 increased by 1.1 % compared with fourth quarter 2023.

Fig.1 ProducerPriceIndex



Annual change: Compared to the first quarter of 2023, the largest price increase of 7.2 % is observed in the "Electricity, gas, steam and air-conditioned", followed by the sections "Mining and quarrying" section by 3.9 %, "Water supply, waste treatment and management activities" by 1.8 % and "Manufacturing" by 1.2 %. Within the section "Manufacturing", the largest increase in prices is observed in the activity "Manufacture of tobacco products" by 4.5 %, followed by the activities "Manufacture of food products" by 4.1 %, "Manufacture of beverages" by 3.8 %, "Metallurgy" by 3.1 %, "Paper printing and regrouping of recorded media" by 2.6 %, "Manufacture of woods and products of wood and oak, except furniture; manufacture of articles of straw and reed" by 2.2 %, etc. On the other hand, the biggest decrease in prices is observed in the activities "Manufacture of non-metallic mineral products" by 2.5 %, followed by the activities "Manufacture of electrical equipment" by 2.2 %, "Manufacture of optics, electronics and computer products" with 2.0 %, "Manufacture of textiles" by 1.6 %, "Manufacture of chemicals and chemical products" by 1.1 %.

The Index of Production Prices of products for the domestic market: Compared to the first quarter of 2023, the index increased by 3.5 %. The biggest increase in prices is observed in the section "Electricity, gas, steam and air conditioning" by 10.5 %, followed by the section "Mining and quarrying" by 3.8 %, "Manufacturing" by 1.2 % and "Water supply, waste treatment and management activities" by 0.2 %.

Production Price Index of products for export: Compared to the first quarter of 2023, the index recorded an increase of 0.5 %. The largest increase in prices was recorded in the "Mining and quarrying" section by 4.0 %, followed by "Water supply, waste treatment and management activities" by 3.9 %, "Manufacturing" by 0.1 %. On the other side, the section "Electricity, gas, steam and air conditioning" decreased by 1.3 %.

Quarterly change: Compared to the fourth quarter of 2023, the largest increase of 1.9 % is observed in the "Mining and quarrying", followed by the sections "Electricity, gas, steam and air conditioning" section by 1.6 %, "Water supply, waste treatment and management activities" by 1.2 %, "Manufacturing" by 0.8 %. Within this section, the largest increase in prices is observed in "Metallurgy" by 1.8 %, followed by "Manufacture of food products" by 1.7 %, "Paper printing and regrouping of recorded media" by 1.0 % etc.

Index of Production Prices of products for the domestic market: Compared to the fourth quarter of 2023, the index increased by 0.9 %. The biggest increase is observed in the "Electricity, gas, steam and air conditioning" section by 2.0 %, followed by the sections "Mining and quarrying" by 1.3 % and "Manufacturing" by 0.4 %. Meanwhile, the section "Water supply, waste treatment and management activities" decreased by 0.2 %.

The Index of Production Prices of products for export: Compared to the previous quarter, the index increased by 0.3 %. The biggest increase of 2.5 % is observed in the section "Mining and quarrying", followed by the section "Electricity, gas, steam and air conditioning" section by 0.1 %. Meanwhile, the section "Water supply, waste treatment and management activities" decreased with 0.9 %.

Tab. 1 Producer Price Index

2021=100

NACE	Description	Weights %	01-24	02-24	03-24	I-24	I-24/ IV-23	I-24/I-23
	Total	100.0	130.3	130.1	128.2	129.5	1.1	2.8
B	Mining and quarrying	11.1	148.1	147.5	145.6	147.1	1.9	3.9
06	Extraction of crude petroleum and natural gas; auxiliary services	4.0	164.4	165.7	164.4	164.8	4.2	12.5
07	Mining of metal ores	5.9	141.6	140.2	137.8	139.9	0.7	-1.1
08	Other mining and quarrying	1.1	126.9	125.3	123.4	125.2	-0.3	1.3
C	Manufacturing	60.3	123.9	123.8	122.8	123.5	0.8	1.2
10	Manufacture of food products	8.1	139.7	139.8	136.5	138.7	1.7	4.1
11	Manufacture of beverages	0.3	125.1	125.1	123.6	124.6	0.9	3.8
12	Manufacture of tobacco products	0.1	104.5	104.5	104.4	104.4	0.1	4.5
13	Manufacture of textiles	0.5	97.6	97.6	97.4	97.5	0.1	-1.6
14	Manufacture of dressing: wearing apparel	4.5	106.1	106.2	106.7	106.3	0.5	-0.6
15	Manufacture of leathers and leather products	7.0	110.0	110.0	108.1	109.3	0.4	0.6
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	1.6	128.1	128.1	129.2	128.5	0.4	2.2
17	Manufacture of papers and paper products	1.1	116.4	116.4	113.9	115.6	0.9	0.3
18	Paper printing and regrouping of recorded media	0.9	128.1	128.1	125.5	127.2	1.0	2.6
19	Manufacture of coke and petroleum products refinery	0.7	120.2	120.2	120.2	120.2	0.0	0.7
20	Manufacture of chemicals and chemical products	1.0	129.0	129.2	129.3	129.2	0.5	-1.1
21	Manufacture of pharmaceutical products and pharmaceutical preparations	1.3	125.0	125.0	125.0	125.0	0.0	1.1
22	Manufacture of rubbers and plastic products	0.9	120.4	120.5	119.8	120.3	0.5	0.6
23	Manufacture of non-metallic mineral products	8.3	135.9	135.7	137.7	136.5	-0.9	-2.5
24	Metallurgy	9.2	127.3	127.3	126.6	127.1	2.9	3.1
25	Manufacture of fabricated metal products, except machinery and equipment	5.6	137.2	137.1	135.3	136.5	0.7	2.0
26	Manufacture of optics, electronics and computer products	0.4	98.1	98.1	98.1	98.1	0.0	-2.0
27	Manufacture of electrical equipment	1.8	99.7	99.7	100.4	99.9	0.8	-2.2
28	Manufacture of machinery and equipment	0.6	101.4	101.4	101.6	101.4	-0.2	-0.8
29	Manufacture of transport vehicles, trailers and semi-trailers	0.4	95.0	95.0	94.2	94.7	0.6	-0.1
30	Other transport equipment	0.1	123.7	123.7	123.7	123.7	0.0	0.3
31	Manufacture of furniture	5.5	121.4	120.6	117.9	120.0	0.0	1.8
32	Other Industries	0.3	106.9	106.9	104.5	106.1	0.9	1.7
33	Repair and installation of machinery and equipment	0.1	107.2	107.2	106.5	106.9	0.4	1.3
D	Electricity, gas, steam and air conditioning	18.7	154.2	153.7	149.2	152.3	1.6	7.2
35	Electricity, gas, steam and air conditioning	18.7	154.2	153.7	149.2	152.3	1.6	7.2
E	Water supply, treatment activities and waste management	10.0	107.1	106.8	103.5	105.8	1.2	1.8
36	Water supply, treatment activities and waste management	7.6	103.1	102.8	99.8	101.9	1.6	1.6
37	Sewage removal and treatment services	0.0	102.8	102.5	99.5	101.6	1.6	1.6
38	Activities of collection, treatment and disposal of waste, materials recovery	2.4	128.4	128.4	123.4	126.7	-0.1	2.0

Tab. 2 Producer Price Index for domestic market

2021=100

NACE	Description	Weights %	01-24	02-24	03-24	I-24	I-24/ IV-23	I-24/I-23
	Total	100.0	128.5	128.1	126.4	127.7	0.9	3.5
B	Mining and quarrying	9.2	148.1	146.0	142.2	145.4	1.3	3.8
06	Extraction of crude petroleum and natural gas; auxiliary services	0.2	159.7	161.9	157.3	159.6	4.2	15.3
07	Mining of metal ores	7.6	150.1	147.7	143.9	147.3	1.5	1.0
08	Other mining and quarrying	1.5	126.4	125.6	122.4	124.8	-0.1	1.9
C	Manufacturing	48.2	132.1	131.9	130.9	131.6	0.4	1.2
10	Manufacture of food products	9.8	147.1	147.2	143.3	145.9	1.9	4.5
11	Manufacture of beverages	0.0	125.8	125.8	123.6	125.1	1.4	4.6
12	Manufacture of tobacco products	0.0	104.8	104.8	104.7	104.8	0.1	4.8
13	Manufacture of textile	0.0	118.2	118.2	117.9	118.1	0.3	0.1
14	Manufacture of dressing: wearing apparel	0.4	106.5	106.6	106.5	106.5	0.8	1.6
15	Manufacture of leathers and leather products	0.1	111.5	111.5	110.7	111.2	1.2	1.2
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	2.4	131.4	131.4	130.4	131.0	0.0	1.8
17	Manufacture of papers and paper products	0.0	122.3	122.3	118.9	121.2	0.8	4.3
18	Paper printing and regrouping of recorded media	1.7	128.1	128.1	125.5	127.2	1.0	2.6
19	Manufacture of coke and petroleum products refinery	0.1	146.9	146.9	146.9	146.9	0.0	0.5
20	Manufacture of chemicals and chemical products	0.0	134.3	134.3	134.2	134.3	-0.6	-1.0
21	Manufacture of pharmaceutical products and pharmaceutical preparations	2.3	126.6	126.6	126.6	126.6	0.0	1.3
22	Manufacture of rubbers and plastic products	0.1	125.4	125.4	125.2	125.4	0.1	-0.2
23	Manufacture of non-metallic mineral products	13.1	132.9	132.6	136.1	133.9	-1.1	-2.8
24	Metallurgy	1.1	133.8	133.8	133.8	133.8	0.0	0.5
25	Manufacture of fabricated metal products, except machinery and equipment	6.4	137.9	137.8	135.2	137.0	1.0	1.5
26	Manufacture of optics, electronics and computer products	0.1	96.5	96.5	96.8	96.6	-0.2	-0.4
27	Manufacture of electrical equipment	0.5	101.8	101.8	100.6	101.4	0.8	0.7
28	Manufacture of machinery and equipment	0.2	106.7	106.7	105.9	106.4	0.6	0.1
29	Manufacture of transport vehicles, trailers and semi-trailers	0.1	92.8	92.8	92.9	92.8	-0.1	-1.0
30	Other transport equipment	0.1	100.0	100.0	100.0	100.0	0.0	0.0
31	Manufacture of furniture	9.1	122.9	122.1	118.8	121.3	0.8	2.8
32	Other Industries	0.1	117.3	117.3	115.9	116.9	1.4	4.5
33	Repair and installation of machinery and equipment	0.2	107.2	107.2	106.5	106.9	0.4	1.3
D	Electricity, gas, steam and air conditioning	26.5	131.5	130.8	127.1	129.8	2.0	10.5
35	Electricity, gas, steam and air conditioning	26.5	131.5	130.8	127.1	129.8	2.0	10.5
E	Water supply, treatment activities and waste management	16.2	100.9	101.1	101.2	101.0	0.2	0.2
36	Water supply, treatment activities and waste management	14.2	100.3	100.5	100.6	100.5	0.2	0.2
37	Sewage removal and treatment services	0.0	100.0	100.0	100.2	100.1	0.1	0.1
38	Activities of collection, treatment and disposal of waste, material recovery	2.0	103.7	103.7	103.5	103.6	0.1	0.3

Tab. 3 Export Price Index

2021=100

NACE	Description	Weights	01-24	02-24	03-24	I-24	I-24/ IV-23	I-24/I-23
	Total	100.0	134.0	134.1	133.3	133.8	0.3	0.5
B	Mining and quarrying	13.2	144.9	145.0	146.4	145.4	2.5	4.0
06	Extraction of crude petroleum and natural gas; auxiliary services	8.5	158.8	159.0	160.9	159.6	4.3	10.8
07	Mining of metal ores	4.1	135.2	135.2	135.9	135.4	-0.8	-4.3
08	Other mining and quarrying	0.7	125.6	125.6	126.0	125.7	-0.1	0.3
C	Manufacturing	74.3	113.1	113.1	112.7	113.0	0.0	0.1
10	Manufacture of food products	6.1	120.9	120.9	121.3	121.0	0.4	2.2
11	Manufacture of beverages	0.6	127.3	127.3	126.9	127.2	0.2	1.6
12	Manufacture of tobacco products	0.1	100.1	100.1	100.1	100.1	0.0	0.2
13	Manufacture of textiles	1.1	90.7	90.7	91.9	91.1	-0.9	-3.6
14	Manufacture of dressing: wearing apparel	9.3	104.8	105.0	106.7	105.5	-0.5	-1.6
15	Manufacture of leathers and leather products	15.1	110.9	111.0	107.2	109.7	0.5	0.9
16	Manufacture of woods and products of wood and oak, except furniture; Manufacture of articles of straw and reed	0.7	125.0	125.0	127.4	125.8	0.8	2.4
17	Manufacture of papers and paper products	2.4	115.0	115.0	115.1	115.0	0.9	0.2
19	Manufacture of coke and petroleum products refinery	1.5	118.2	118.2	118.2	118.2	-0.1	0.7
20	Manufacture of chemicals and chemical products	2.1	120.4	120.4	120.8	120.5	-0.3	-3.0
21	Manufacture of pharmaceutical products and pharmaceutical preparations	0.1	104.2	104.2	104.2	104.2	0.0	-2.5
22	Manufacture of rubbers and plastic products	1.9	108.5	108.5	110.6	109.2	-1.1	-0.2
23	Manufacture of non-metallic mineral products	2.7	159.7	159.6	160.1	159.8	-0.5	0.3
24	Metallurgy	18.5	112.1	112.1	112.1	112.1	-0.8	-0.9
25	Manufacture of fabricated metal products, except machinery and equipment	4.6	135.2	135.3	135.6	135.3	1.6	4.2
26	Manufacture of optics, electronics and computer products	0.8	98.0	98.0	98.2	98.1	-0.2	-2.8
27	Manufacture of electrical equipment	3.2	100.6	100.6	100.9	100.7	1.8	-1.5
28	Manufacture of machinery and equipment	1.0	101.9	101.9	101.7	101.8	0.1	-0.6
29	Manufacture of transport vehicles, trailers and semi-trailers	0.7	96.4	96.4	94.3	95.7	1.5	0.9
30	Other transport equipment	0.2	125.0	125.0	125.0	125.0	0.9	1.3
31	Manufacture of furniture	1.3	120.0	120.0	119.6	119.8	-0.1	1.1
32	Other Industries	0.4	101.5	101.5	102.2	101.7	-0.4	-2.1
D	Electricity, gas, steam and air conditioning	9.6	282.8	283.6	274.9	280.4	0.1	-1.3
35	Electricity, gas, steam and air conditioning	9.6	282.8	283.6	274.9	280.4	0.1	-1.3
E	Water supply, treatment activities and waste management	2.9	149.0	149.0	140.4	146.1	-0.9	3.9
38	Activities of collection, treatment and disposal of waste, materials recovery	2.9	149.0	149.0	140.4	146.1	-0.9	3.9

Methodology

The Producer Price Index starting from the first quarter of 2024 will be calculated with the new base period. Year 2021 is considered as the base period for the index calculation (Year 2021=100)

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 Laspayer type and is calculated as following:

$$I_{corrent}^{y,m} = \frac{100}{\frac{1}{12} \sum^{Dec} I_{F-1,Dec}^{F,M}} + \prod_{F=base\ year}^{y-1} I_{F-1,Dec}^{F,M} * I_{y-1,Dec}^{y,m}$$

- The first part before the equal sign is stating the price level of December previous year in percent of the average price level during base year. Hence adjusting the average of base year.
- The second term is the chained index movement from December previous year 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.