

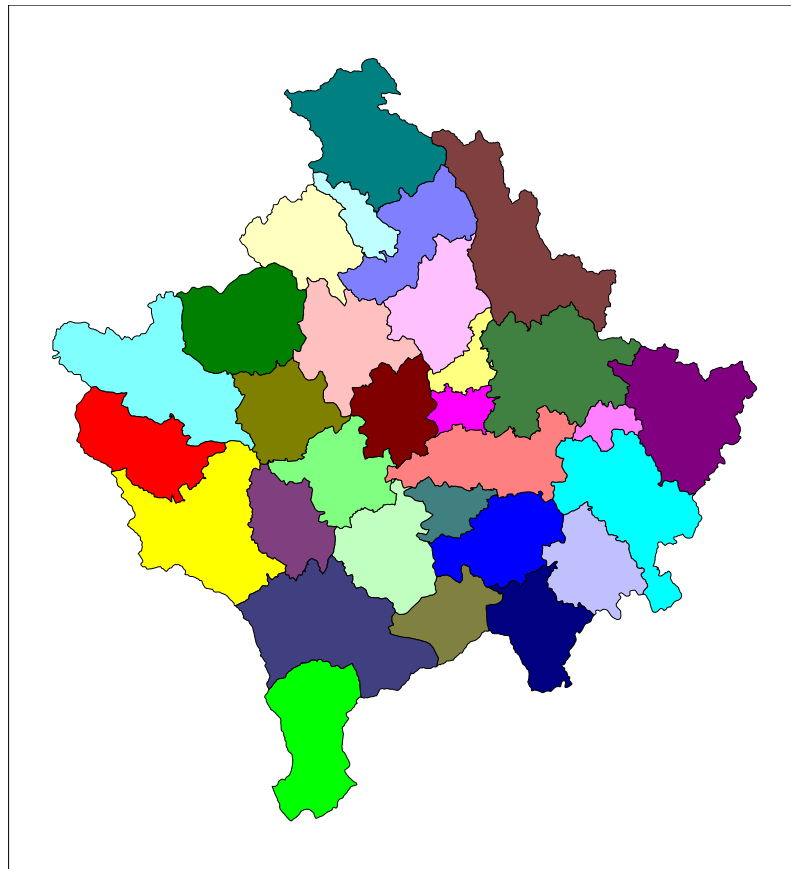


Republika e Kosovës  
Republika Kosova-Republic of Kosovo  
*Qeveria - Vlada - Government*

*Ministria e Administratës Publike - Ministarstvo Javne Uprave - Ministry of Public Administration*

## Series 3: Economic Statistics

# Producer Price Index Q3 - 2009



Enti i Statistikës së Kosovës  
Zavod za Statistiku Kosova  
Statistical Office of Kosovo

## **C o n t e n t**

Producer Price Index (PPI) data are preliminary and have started to be published in March 2009.

Prices and value of industrial products are collected by manufacturing enterprises that are most representative in Kosovo. Value of product and annual average price is for 2007, while since first quarter 2008 the index is monitored and calculated continuously in quarterly and annual periods.

PPI-Producer Price Index is in accordance with the Standard Classification of Activities according to NACE REV.1, is under construction and continuously seeks to include economic activities which currently are not active, but gradually the product is expected from these activities.

Comments, remarks and suggestions to be send to E-mail:[economic@ks-gov.net](mailto:economic@ks-gov.net)

Publication was prepared by:

Director Economic Department, Ilir T.Berisha

Mr. Ibish Asllani, Mr. Hamdi Jupolli, Mr. Raif Gashi, Mr. Hasan Berisha, Mrs. Arlinda Mataj

January, 2010

Chief Executive Officer, SOK  
Avni Kastrati

## **Producer Price Index (PPI) for third quarter 2009**

Overall producer price index is not changed 0.0% in the third quarter of 2009 compared with second quarter 2009. Third quarter 2009 compared with third quarter 2008 had higher producer prices for 4.0%.

### **Third quarter 2009 - Second quarter 2009 0.0 %**

Despite not changing the overall producer price index, some changes are observed in prices by some activities. The largest increase by branches of economic activities were the production of machinery and electrical appliances (14.4%), manufacture of metals (3.9%) and other extractive industry (1.6%).

Growth was neutralized by the decrease in the articles of branches of industry of products and beverages (-0.3%) and production of metal products except machines and equipment (-0.3%).

### **Third quarter 2009 – Third quarter 2008 4.0 %**

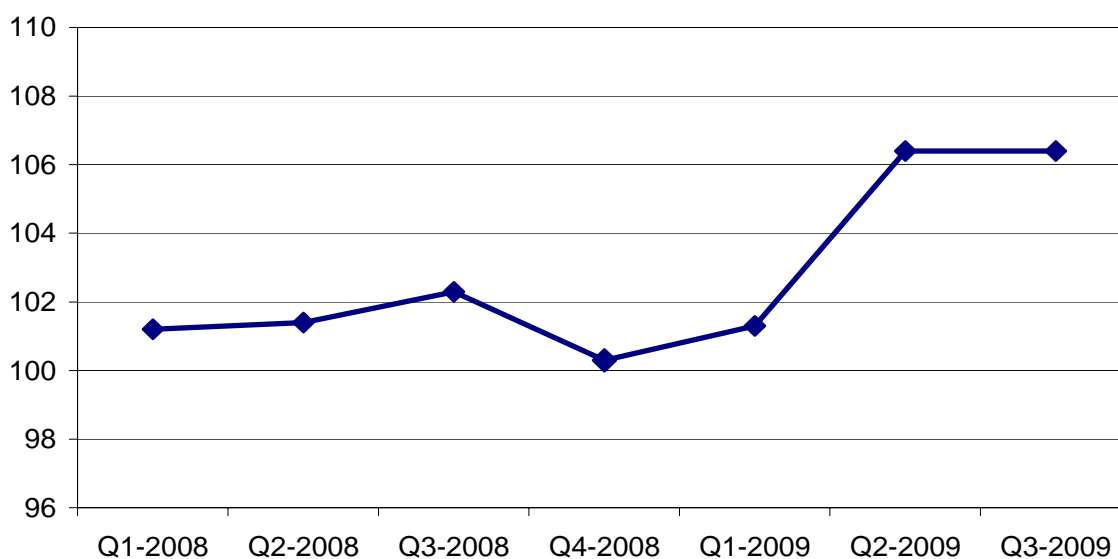
Producer price index in Kosovo increased at an average of 4.0% between the third quarter 2009 and third quarter 2008. The larger increase in branches were in production of machines and equipment (12.4%), electricity, gas, steam and heated water supply (10.4%), collection, purification and distribution of water (9.5%) and production of dough from paper and paper articles (2.1%).

Growth was neutralized by reducing the items of the branches of metal production (-27.3%), production of machines and electrical appliances (-8.5%), wood processing and manufacture of articles of wood (-5.5%), production of chemicals and chemical products (-5.2%), other extractive industries (-3.9%), food industry and beverages (-3.4%) and production of other non metallic mineral products (-3.4%).

**Table 1: Producer Price Index (PPI) First quarter 2008 – Third quarter 2009 (2007=100), quarterly and annual changes in percent**

	Quarter	Index (2007=100)	Quarterly change in per cent	Annual change in per cent
2008	Q1	101.2	:	:
	Q2	101.4	0.2	:
	Q3	102.3	0.9	:
	Q4	100.3	-2.0	:
	Annual average 2008	101.3	:	:
2009	Q1	101.3	1.0	0.1
	Q2	106.4	5.0	4.9
	Q3	106.4	0.0	4.0

**Figure 1: PPI development, Q1 2008 – Q3 2009 (2007=100)**



**Table 2: Weight, Producer Price Index (2007=100) and annual changes based indices**

Code	NACE REV.1 economic activity nomenclature	Weight	Q3-2009 Ø2007=100	Q3-2009 Q2-2009	Q3-2009 Q3-2008	PPI-2008 (2007=100)
	<b>Total PPI</b>	1000	106.4	100.0	104.0	101.3
10	Extraction of coal lignite and poor coal -bed mining	2.4	100.0	100.0	100.0	100.0
14	Other extractive industrie	24.8	102.2	101.6	96.1	102.3
15	Industry food and beverage	151	103.4	99.7	96.6	105.4
16	Tobacco industry	0.3	58.4	100.0	100.0	65.6
19	Preparation leather tannin,production of travel goods and fancy a articles,production equipment and production of horse shoes	1.5	100.0	100.0	100.0	100.0
20	Wood processing and manufacturing of wood articles	25	83.7	100.0	94.5	87.5
21	Production of dough of paper and paper articles	1.8	100.0	100.0	102.1	99.5
24	Production of chemicals and chemical products	27.7	98.8	100.0	94.8	102.3
25	Production of rubber and plastic	31.1	101.2	100.7	97.8	101.8
26	Production of mineral products other than metal	119	102.2	100.0	96.6	102.6
27	Production of metals	8.9	88.9	103.9	72.7	109.9
28	Production of metal products except machinery and equipment	20.3	108.6	99.7	97.1	109.9
29	Production of machinery and equipmeny	16.3	102.7	100.0	112.4	99.1
31	Production of machinery and electrical appliances	2	91.5	114.4	91.5	100.0
36	Production of furniture, other processing industry	14.5	100.0	100.0	100.0	100.0
40	Electricity supply,gas,steam and warm water	526.6	110.7	100.0	110.4	100.1
41	Collection,purification and distribution of water	26.8	109.5	100.0	109.5	100.0

## Definition and the purpose of PPI

Producer Price Index (PPI) is a relative indicator that measures the degree to which prices of goods (products) produced and services vary in a certain period of time. This index is the statistical key for decision making process on economic policy, business and monitoring the inflator and deflator parameters. As a statistical parameter, PPI has a special significance for the estimation (calculation) of the Gross Domestic Product by product approach.

## Methodology

Prices and value of products are collected from the most representative manufacturing enterprises in Kosovo. Value of products and average price are for 2007, while since the first quarter of 2008 the collection is made in regular quarterly bases.

PPI-producer price index is in consistency with the Standard Classification of Activities according to NACE REV., is under construction, are not included many economic items or articles that depend from the economic development of the country, and is based on the standards of the European Union.

PPI is calculated for 17 economic activities from 100 product enterprises and for more than 280 articles/items. As project (GOPA-SOK) has started during 2007 in order to create the basis for the establishment of PPI survey.

The specific weight are calculated by the value of product collected for this research in 2007, in the absence of data on the statistics of the production value, these weights do not represent overall product value in the country.

Aggregation of PPI as a whole

$$PPI_0^q = 100 * \sum_{g=1}^h w_g * I_{0,g}^q$$

$PPI_0^q$  = Producer Price Index between quarter 0 and quarter q

$w_g$  = Weights per groups

$I_{0,g}^m$  = Rate of price for group g between quarter 0 and quarter q

$h$  = Number of economic activities according to NACE REV.1

$$PPI_{2007}^{Y,q} = \frac{PPI_{2007}^{Y-1,4}}{100} * PPI_0^{Y,q}$$

$PPI_{27007}^{Y,q}$  = Chain index of PPI between 2007 and quarter q in the current year

$PPI_{2007}^{Y-1,4}$  = Chain index of PPI between 2007 and quarter 4 of the previous year

$PPI_0^{Y,q}$  = Producer price index between quarter 0 and quarter q in the current year

### Calculation of changes

Changes between quarter q and quarter q-1 is calculated as follows:

$$\left[ \left( \frac{PPI_0^{Y,q}}{PPI_0^{Y,q-1}} \right) - 1 \right] * 100 = \text{Percentage of quarterly change}$$

$PPI_0^{Y,q}$  = PPI for the current quarter q

$PPI_0^{Y,q-1}$  = PPI for the previous quarter q-1

Annual changes are calculated:

$$\left[ \left( \frac{PPI_{2007}^{Y,q}}{PPI_{2007}^{Y-1,q}} \right) - 1 \right] * 100 = \text{Percentage of annual change}$$

$PPI_{2007}^{Y,q}$  = Producer price index for current quarter q

$PPI_{2007}^{Y-1,q}$  = Producer price index for previous year and quarter q

## Statistical Office of Kosovo, a brief description

**The Statistical Office of Kosovo (SOK)** is a professional office operating since 1948. The SOK passed through some of the historic phases and it has been structured by the state rule of that time. SOK restarted its work on August 2, 1999, as an independent and professional office working in the frames of the Ministry of Public Administration (MPA). SOK is financed by the Kosovo Consolidated Budget and by donors for the various projects.

**The Statistical Office of Kosovo** acts pursuant the UNMIK Regulation 2001/14 that entered into force on July 2, 2001. A medium-term Master Plan is being developed for the statistical system of Kosovo compatible with the European Statistics.

**The SOK Organization Structure;** composes of four departments for production of statistics (Department of Economic Statistics and National Accounts, Department of Population Statistics, Department of Social Statistics and Department of Agricultural and Environment Statistics), seven Regional Offices (located in Gjakova, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj), two support departments (Department of Methodology and Information Technology, and Department of Administration), as well as the Office of the Population Census.

Total number employees is 134, of them 96 (71.6%) within the SOK offices whilst 38 (28.4%) in regional offices.

There is also a support and cooperation with the international institutions.

The Statistical Office of Kosova covers Kosovo entirely. For implementation of the surveys in the field, the SOK uses appropriate sampling and methodology approach. In the collection of the reports from the reporting units, the SOK engages professionals, technicians, administrators and civilians form the local offices and regional field population census.

Recently, a team of national and international experts is working in the project of the population census.

**SOK Mission** is to fulfill the needs of the users with the reliable statistical data and with regular analyses in order to support and provide government departments with the proper information for decision-making process including other users as well.

- **Address: Statistical Office of Kosovo, Str. Zenel Salihu, No. 4, Pristina**
- **Telephones:**  
**Head-Quarters: +381 (0) 38 235 111**  
**Director: +381 (0) 38 235 545**
- **Fax: +381 (0) 38 235 033**
- **E-mail: [economic@ks-gov.net](mailto:economic@ks-gov.net)**
- **Web-site: [www.ks-gov.net/esk](http://www.ks-gov.net/esk)**