

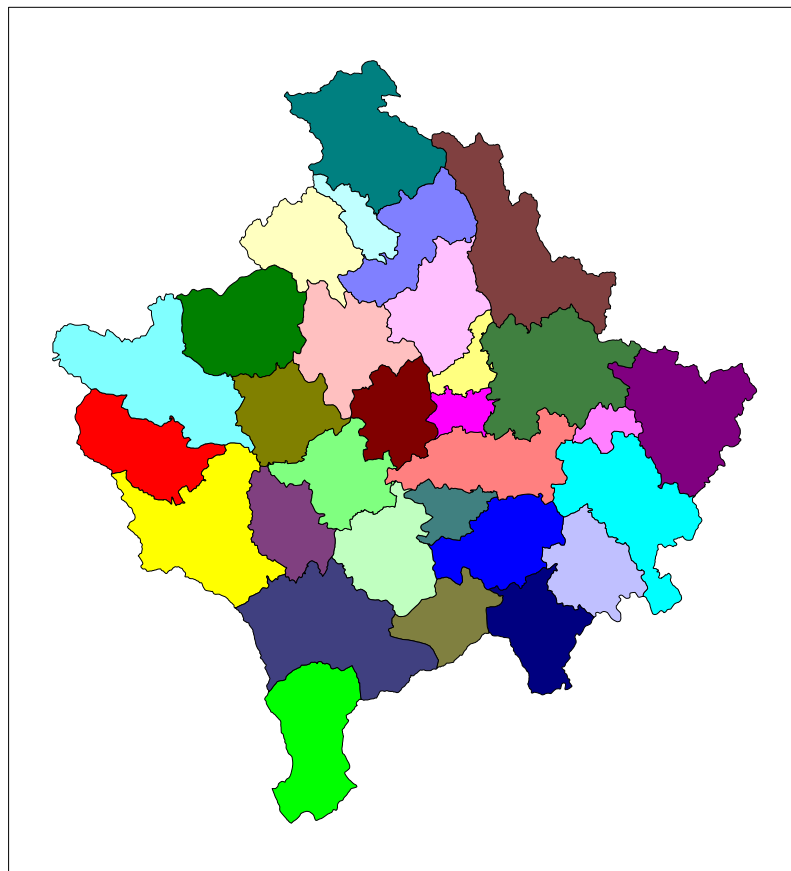


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Series 3: Economic Statistics

Consumer Price Index (june – 2010)



ENTI I STATISTIKËS SË KOSOVËS
ZAVOD ZA STATISTIKU KOSOVA
STATISTICAL OFFICE OF KOSOVA

Foreword

Statistical Office of Kosovo (SOK), Department of Economic Statistics and National Accounts, has started to publish the Consumer Price Index (CPI) in September 2002. Consumer prices have started to be collected in May 2002 which is considered as a base month. Prices are collected from date 10 to 20 each month in 10 centers in Kosovo.

Since September 2002, SOK has published the CPI on a monthly basis and six publications on an annual basis (2004, 2005, 2006, 2007, 2008 and 2009).

This publication contains; table with the Consumer Price Index in Kosovo on a monthly basis May 2002-June 2010, annual averages 2003-2009 (May 2002 = 100) with monthly and annual changes of CPI in percentage, graphic development of CPI May 2002-June 2010 (May 2002 = 100), graphical presentation of monthly change of CPI in percentage May 2002-June 2010, table for specific weights, index for June 2010, monthly price changes in percentage (June 2010-May 2010) and annual price changes in percentage (June 2010-June 2009) for groups and subgroups according to COICOP, the table of average prices for some more representative items and the calculation methodology of consumer price indices.

Proposals, suggestions and your remarks regarding this publication are welcome and they can be sent to e-mail address ekonomik@ks-gov.net

Consumer Price Index is a regular monthly publication.

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Symbols and Abbreviations

CPI	-	Consumer Price Index
COICOP	-	Classification of individual consumption by purpose
HBS	-	Household Budget Survey
HICP	-	Harmonized Index of Consumer Prices
SOK	-	Statistical Office of Kosovo

:	-	Figure not available
0	-	Less than half the unit used
-	-	Not applicable
%	-	Percentage
W	-	Statistical weights
Ø	-	Average

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Consumer Price Index (CPI) for June 2010

Overall index of consumer prices in Kosovo is higher for 0,2% in June 2010 compared with May 2010. June 2009 compared with May 2009 was with higher prices to 0,2%. The inflation rate as measured in June 2010 to June 2009 was 2,2%.

June 2010 - May 2010 0,2%

Consumer prices in Kosovo rose to 0,2% in June 2010 compared with May 2010. Observed increase of prices was for tobacco (5.7%) with an impact of 0,4 percent. Fruits (11,8%) with an impact of 0,3 percent. The other groups and subgroups in the June 2010 price changes had no impact on the CPI

The observed decline in prices was for bread and cereals (-0,6%) with an impact of -0,1 percent in the CPI.

June 2010 - June 2009 2,2%

Consumer prices in Kosovo rose to 2,2% in June 2010 compared with June 2009. Increased prices were mainly observed to vegetables (13,7%) with an impact of 0,6 percent. Use of personal transport equipment (9,2%) - (diesel and petrol) with an impact of 0,5 percent. Fruits (9,8%), sugar, jam, honey, chocolate and sweets (14,4%) to each group with an impact of 0,3 percent. Tobacco (3,3%) with an impact of 0,2 percent. Meat (1,2%), coffee, tea and cocoa (4,3%), clothing (1,2%), water supply and various services related to residence (13,9%), education (4,4%) to each group with an impact of 0,1 percent in the CPI.

The observed decline in prices was for bread and cereals (-1,0%), oils and fats (-5,4%), food products (soup, salt, etc.. (-3,2%), footwear (-3,5 %), transport services (-7,3%) to each group with a -0,1 percent impact in the CPI.

Table 1: Consumer Price Index (CPI) May 2002 - June 2010 (May 2002=100), monthly and annual changes of prices in percent

Year	Month	Index (May 2002 = 100)	Monthly change in percent	Annual change in percent
2002	May	100.0	:	:
	June	98.4	-1.6	:
	July	96.9	-1.5	:
	August	96.8	-0.1	:
	September	98.6	1.9	:
	October	100.2	1.6	:
	November	100.6	0.4	:
	December	101.4	0.8	:
2003	January	102.0	0.6	:
	February	101.4	-0.6	:
	March	102.6	1.2	:
	April	101.7	-0.9	:
	May	100.2	-1.5	0.2
	June	98.9	-1.3	0.5
	July	96.8	-2.1	-0.1
	August	96.4	-0.4	-0.4
	September	98.9	2.6	0.3
	October	100.9	2.0	0.7
	November	101.9	1.0	1.3
	December	101.9	0.0	0.5
	Annual average 2003	100.3	:	:
2004	January	101.9	0.0	-0.1
	February	102.0	0.1	0.6
	March	101.6	-0.4	-1.0
	April	101.3	-0.3	-0.4
	May	100.1	-1.2	-0.1
	June	98.8	-1.3	-0.1
	July	98.1	-0.7	1.3
	August	97.5	-0.6	1.1
	September	96.6	-0.9	-2.3
	October	97.2	0.6	-3.7
	November	97.7	0.5	-4.1
	December	98.1	0.4	-3.7
	Annual average 2004	99.2	:	-1.1
2005	January	97.8	-0.3	-4.0
	February	97.8	0.0	-4.1
	March	99.2	1.4	-2.4
	April	98.6	-0.6	-2.7
	May	97.8	-0.8	-2.3
	June	97.6	-0.2	-1.2
	July	96.7	-0.9	-1.4
	August	96.6	-0.1	-0.9
	September	97.2	0.6	0.6
	October	98.0	0.8	0.8
	November	98.2	0.2	0.5
	December	98.8	0.6	0.7
	Annual average 2005	97.9	:	-1.4

Table 1: Consumer Price Index (CPI) May 2002 - June 2010 (May 2002=100), monthly and annual changes of prices in percent (continued)

Year	Month	Index (May 2002 = 100)	Monthly change in percent	Annual change in percent
2006	January	98,4	-0,4	0,6
	February	99,1	0,7	1,3
	March	99,3	0,2	0,1
	April	99,1	-0,2	0,5
	May	98,8	-0,3	1,0
	June	98,3	-0,5	0,7
	July	97,6	-0,7	0,9
	August	97,4	-0,2	0,8
	September	97,4	0,0	0,2
	October	97,6	0,2	-0,4
	November	98,7	1,1	0,5
	December	99,9	1,2	1,1
		Annual average 2006	98,5	:
2007	January	100,7	0,8	2,3
	February	100,6	-0,1	1,5
	March	100,0	-0,6	0,7
	April	99,3	-0,7	0,2
	May	99,5	0,2	0,7
	June	99,4	-0,1	1,1
	July	98,9	-0,5	1,3
	August	103,6	4,8	6,4
	September	103,7	0,1	6,5
	October	108,0	4,1	10,7
	November	109,0	0,9	10,4
	December	110,4	1,3	10,5
		Annual average 2007	102,8	:
2008	January	111,5	1,0	10,7
	February	112,1	0,5	11,4
	March	113,2	1,0	13,2
	April	112,8	-0,4	13,6
	May	113,6	0,7	14,2
	June	113,3	-0,3	14,0
	July	112,8	-0,4	14,1
	August	111,7	-1,0	7,8
	September	111,8	0,1	7,8
	October	112,9	1,0	4,5
	November	111,8	-1,0	2,6
	December	110,9	-0,8	0,5
		Annual average 2008	112,4	:
2009	January	110,9	0,0	-0,5
	February	110,7	-0,2	-1,2
	March	110,9	0,2	-2,0
	April	108,9	-1,8	-3,5
	May	108,6	-0,3	-4,4
	June	108,8	0,2	-4,0
	July	108,6	-0,2	-3,7
	August	108,4	-0,2	-3,0
	September	108,8	0,4	-2,7
	October	110,0	1,1	-2,6
	November	110,3	0,3	-1,3
	December	111,0	0,6	0,1
		Annual average 2009	109,7	:
2010	January	111,6	0,5	0,6
	February	111,9	0,3	1,1
	March	111,8	-0,1	0,8
	April	110,7	-1,0	1,7
	May	111,0	0,3	2,2
	June	111,2	0,2	2,2

Figure 1: CPI development, May 2002 - June 2010 (May 2002=100)

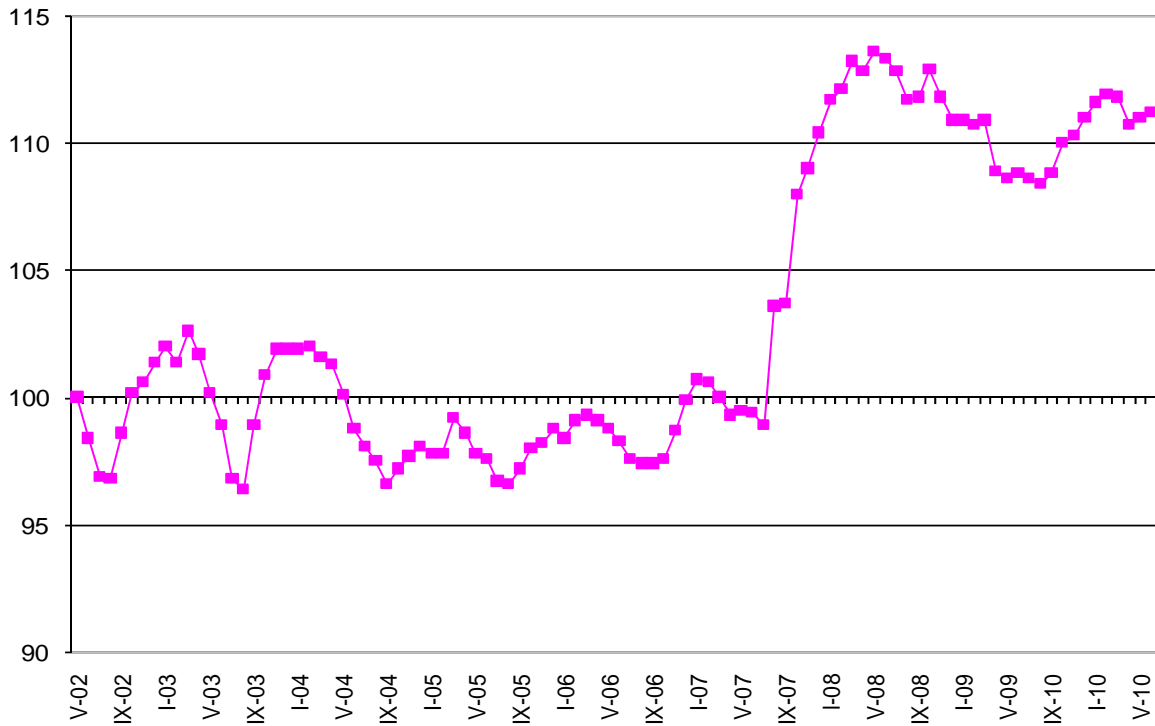


Figure 2: Monthly Consumer Price Index (CPI) changes in percent, May 2002 - June 2010

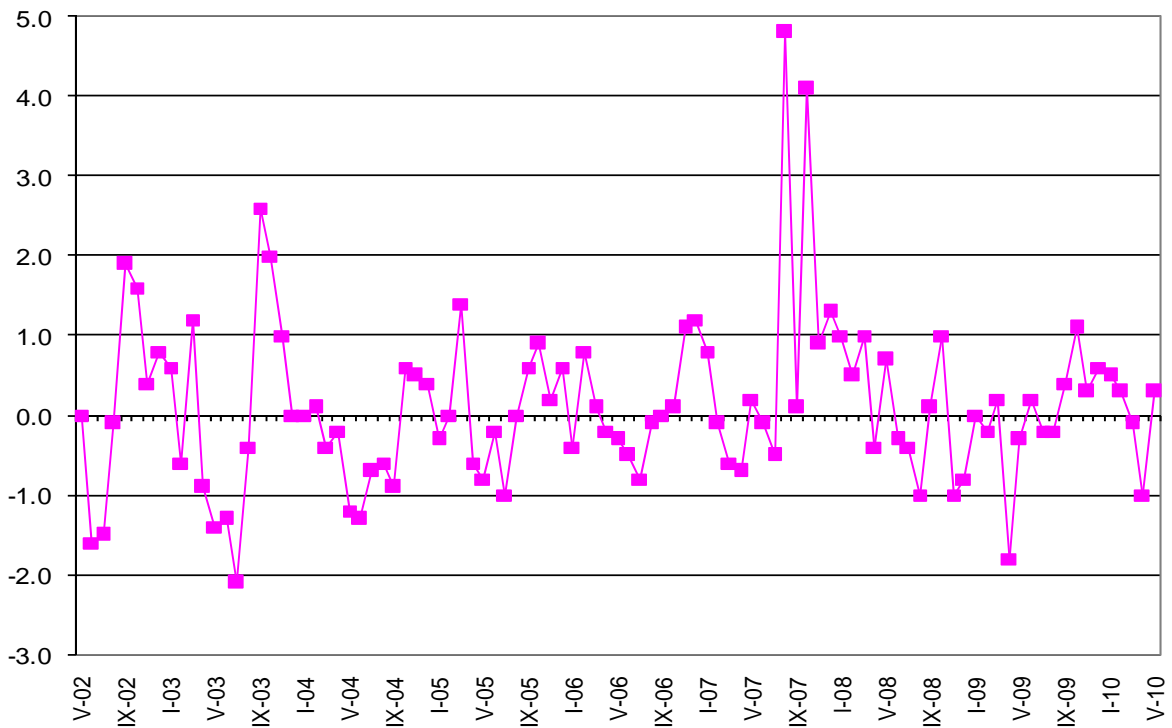


Table 2: Weight, CPI- (May 2002=100 if not otherwise stated), monthly and annual price change in percent for groups and sub-groups according to COICOP

Code	Group	Weight	VI-2010 May 2002=100	$\frac{VI - 10}{V - 10}$	$\frac{VI - 10}{VI - 09}$
01-12	Total CPI	1000	111.2	0.2	2.2
01	Food and non-alcoholic beverages	427	113.9	-0.5	2.6
01.1	Food	385	115.5	-0.5	2.7
01.1.1	Bread and cereals	101	131.2	-0.6	-1.0
01.1.2	Meat	81	123.0	-0.1	1.2
01.1.3	Fish	5	118.4	-0.4	-1.0
01.1.4	Milk, cheese and eggs	53	113.2	-0.8	-0.9
01.1.5	Oils and fats	26	99.1	0.6	-5.4
01.1.6	Fruits	27	103.9	11.8	9.8
01.1.7	Vegetables	46	80.7	-10.3	13.7
01.1.8	Sugar, jam, honey, chocolate and confectionery	23	128.1	0.9	14.4
01.1.9	Food products n.e.c.	23	95.3	0.0	-3.2
01.2	Non-alcoholic beverages	42	99.5	0.2	2.1
01.2.1	Coffee, tea and cocoa	16	105.7	0.4	4.3
01.2.2	Mineral waters, soft drinks, fruit and vegetable juices	26	95.5	0.0	0.5
02	Alcoholic beverages, tobacco	80	141.8	4.8	3.0
02.1	Alcoholic beverages	13	115.1	0.3	1.1
02.2	Tobacco	67	146.1	5.7	3.3
03	Clothing and footwear	116.5	82.5	0.4	-0.2
03.1	Clothing	79	91.2	0.3	1.2
03.2	Footwear	37.5	68.2	0.4	-3.5
04	Housing, water, electricity, gas and other fuels	104.5	106.9	-0.3	1.8
04.1	Actual rentals for housing	8	92.4	0.0	1.8
04.3	Maintenance and repair of the dwelling	7.5	96.0	0.4	2.0
04.4	Water supply and miscellaneous services relating to the dwelling	10	175.5	0.3	13.9
04.5	Electricity, gas and other fuels	79	102.6	-0.4	-0.5
05	Furnishing, household equipment and routine maintenance of the house	46	102.5	0.0	-0.2
05.1	Furniture and furnishing, carpets and other floor coverings	6.5	86.7	0.1	-0.8
05.2	Household textiles	5	95.2	0.2	1.7
05.3	Household appliances	5	106.8	0.1	1.0
05.4	Glassware, tableware and household utensils	5	94.4	2.6	3.4
05.5	Tools and equipment for house and garden	2	99.4	0.1	0.2
05.6	Goods and services for routine household maintenance	22	107.0	-0.8	-1.7

Table 2: Weight, CPI- (May 2002=100 if not otherwise stated), monthly and annual price change in percent for groups sub-groups according to COICOP (continued)

Code	Group	Weight	VI - 2010 May 2002 = 100	$\frac{VI - 10}{V - 10}$	$\frac{VI - 10}{VI - 09}$
06	Health	29	109,3	-0.2	0.3
06.1	Medical products, appliances and equipment	20	109,6	-0.3	0.1
06.2	Out-patient services	8	106,4	0.0	0.6
06.3	Hospital services (Dec 03 = 100)	1	100,0	0.0	0.0
07	Transport	81	130,8	0.1	4.8
07.1	Purchase of vehicles (Jul 02 = 100)	6	100,6	0.0	0.1
07.2	Equipment operations of personal transportation	56	137,8	-0.4	9.2
07.3	Transport services	19	115,1	1.7	-7.3
08	Communication	24	100,3	0.0	-0.1
08.1	Postal services (Jul 02 = 100)	2	123,5	0.0	0.0
08.x	Telephone and telefax equipment and telephone and telefax services	22	99,0	0.0	-0.2
09	Recreation and culture	17	96,7	0.2	-0.8
09.1	Audio-visual, photographic and information processing equipment	1,5	72,7	-0.1	-2.4
09.2	Other major durables for recreation and culture (Jul 02 = 100)	0,3	89,5	0.0	-2.0
09.3	Other recreational items and equipment, gardens and pets (Jul 02 = 100)	2,7	97,1	0.0	0.7
09.4	Recreational and cultural services (Jul 02=100)	2	101,9	0.0	-6.6
09.5	Newspapers, books and stationery	9	100,3	0.2	-0.2
09.6	Package Holidays (Dec.2006=100)	1,3	121,3	2.6	1.7
10	Education	16	109,1	0.0	4.4
11	Restaurants and hotels	23	110,1	0.0	-0.2
11.1	Catering services	16	111,8	0.0	-0.6
11.2	Accommodation services	7	104,5	0.0	2.6
12	Miscellaneous goods and services	36	101,8	0.3	2.2
12.1	Personal care	24	98,9	0.0	1.3
12.3	Personal effects n.e.c.	3	136,5	2.0	13.6
12.4	Social protection	1	127,1	0.0	0.0
12.5	Insurance (Dec 03 = 100)	4	104,1	0.3	2.1
12.6	Financial services n.e.c. (Dec 03 = 100)	1	100,0	0.0	0.0
12.7	Other services n.e.c.	3	78,6	0.0	-0.4

Table 3: Average prices in Euros for some selected goods and services

Item	Unit Mesaure	VI 2009	V 2010	VI 2010
Rice	1 kg	1,37	1,30	1,29
Wheat flour	1 kg	0,31	0,29	0,29
White bread	500 g	0,30	0,28	0,27
Beef meat	1 kg	5,55	5,45	5,41
Chicken	1 kg	2,22	2,26	2,26
Milk (tetrapak)	1 lit	0,84	0,83	0,82
Yoghurt	1 lit	1,00	0,97	0,95
Eggs	30 piece	1,97	2,07	1,99
Edible oils	1 lit	1,15	1,05	1,05
Bananas	1 kg	1,00	1,02	0,99
Potatoes	1 kg	0,41	0,64	0,54
Tomatoes	1 kg	0,83	0,93	0,74
Beans	1 kg	2,03	1,84	1,84
Pepper	1 kg	0,96	1,24	1,14
Sugar	1 kg	0,55	0,71	0,72
Ground coffee	1 kg	5,15	5,05	5,06
Tea	1 kg	3,65	4,16	4,21
Mineral water	1.5 lit	0,38	0,35	0,35
Beer	0.5 lit	0,49	0,50	0,50
Cigarettes - Ronhill	1 pack	0,89	0,89	0,94
Electricity	1 kw	0,042	0,042	0,042
Firewood	1 m ³	29,13	30,05	29,67
Petrol	1 lit	0,94	1,07	1,07
Diesel	1 lit	0,90	1,05	1,05

Methodology

Prices are collected in seven regional centers of Kosovo: Gjakova, Gjilan, Mitrovica, Peja, Prizren, Prishtina and Ferizaj (i.e. in urban and rural areas of ten municipalities) during the period 10th - 20th of each month for the period May 2002 - December 2004. From January 2005 price collection has expanded to three new centers: Istog, Podujeva and Suha Reka.

Prices of approximately 160 items are collected every month, starting from May 2002. In July 2002 the number of items increased in around 180, which means that from that month around 1200 prices are collected each month. In March 2003 were added prices of food and drinks in rural areas and from this period the CPI prices are calculated for around 1500 prices. From January 2005 prices were monitored for around 198 articles and services, while from January 2007 is added the subgroup of the package holiday with the code 09.6. Prices are monitored for about 210 items and services. As the number of items and the collection of prices increased, CPI is calculated approximately with 2700 prices by January 2009. Whereas from January 2010 it has been added the subgroups of the energy and central heating (Central District) with the code 04.5.5, household services (child care and domestic services) with the code 05.6.2, other services related to personal transport device renting the garages, etc..with the code 07.2.4, Transfer of passenger through rail with the code 07.3.1, photographic and cinematographic equipment and optical instruments with the code 09.1.2, information processing equipment with the code 09.1.2, gardens, plants and flowers with the code 09.3.3, pet and other things related to veterinary and other services for pets with the code 09.3.4 /5, cultural services with th code 09.4.2, insurance related to housing with th code 12.5.2, other insurance with the code 12.5.5. And the prices are monitored from this period for about 370 items and services. As the number of price collection items and increase of the prices mentioned, CPI is calculated approximately with 4800 prices in each month. Results are presented according to COICOP (Classification of Individual Consumption by Purpose) which is an international standard for classifying the private consumption of households.

Preliminary weights were used in the calculation of the CPI during May 2002 - December 2003. The weights were calculated by using quarterly data from the Household Budget Survey (HBS) referring to the period of June - August 2002. Since January 2004, weights are used based on the information for a year from the HBS referring to the period June 2002 – May 2003. In January 2007 – December 2008, specific weights are used from the HBS data of 2003 and 2004. Since January 2009-December 2009 specific weights are used from the HBS data of 2005 and 2007. The CPI specific weights from January 2010 are used as data from HBS (Household Budget Survey) and NA (National Accounts) data by expenditure approach of 2008

The HICP (Harmonized Index of Consumer Prices) standard of Household Final Monetary Consumption has been used for the calculation of weights. This means that the weights in the CPI should represent all domestic monetary transactions of the household sector in Kosovo.

Through updating the weights each year, the CPI basket will reflect changes in consumption patterns. The CPI will be affected by both price changes and changes in consumption. If the weights are not updated, the CPI basket will become out of date.

Excluded from the CPI are consumption of own production and costs for owner-occupied housing as these are not included or covered by the HICP standard outlined above. Due to the lack of data, the expenditures made by foreigners in Kosovo are excluded, even if these standards had been included.

The methodology for calculating the CPI in Kosovo has been changed in 2006. Mid geometric lower level is used as a new method for surveys of the items. At the level of items is used Lasper Index type. The same method is used for higher aggregations. Detailed information about these changes is provided in the monthly bulletin for February 2006.

Calculation of the price ratio for a single item

$$I_{0,i}^m = \prod_{i=1}^n \left[\frac{P_{ij}^m}{P_{ij}^0} \right]^{1/n} = \left[\frac{P_{i1}^m}{P_{i1}^0} * \frac{P_{i2}^m}{P_{i2}^0} * \Lambda * \frac{P_{in}^m}{P_{in}^0} \right]^{1/n}$$

$I_{0,i}^m$ = Price ratio for item i between month 0 and month m

P_1^0 = Price for item i in outlet 1 in month 0 (December)

P_1^m = Price for item i in outlet 1 in month m

n = Number of outlets where prices are collected for item i

Aggregation of item price ratios up to price ratios for groups

$$I_{0,g}^m = \sum_{i=1}^k w_i * I_{0,i}^m$$

$I_{0,g}^m$ = Price ratio for group g between month 0 and month m

w_i = Weight for item i

$I_{0,i}^m$ = Price ratio for item i between month 0 and month m

k = Number of items in group

Aggregation up to total CPI

$$CPI_0^m = 100 * \sum_{g=1}^h w_g * I_{0,g}^m$$

CPI_0^m = Consumer price index between month 0 and month m

w_g = Weight for groups

$I_{0,g}^m$ = Price ratio for group g between month 0 and month m

h = Number of groups in total CPI

Calculating the chained index of CPI

$$CPI_{2002}^{Y,m} = \frac{CPI_{2002}^{Y-1,12}}{100} * CPI_0^{Y,m}$$

$CPI_{2002}^{Y,m}$ = The chained index of CPI between 2002 and month m in current year

$CPI_{2002}^{Y-1,12}$ = The chained index of CPI between 2002 and month 12 in previous year

$CPI_0^{Y,m}$ = Consumer price index between month 0 and month m in current year

Calculating changes

The change between month m and month m-1 is calculated as follows:

$$\left[\left(\frac{CPI_0^{Y,m}}{CPI_0^{Y,m-1}} \right) - 1 \right] * 100 = \text{1-month percentage change}$$

$CPI_0^{Y,m}$ = Consumer price index for the current month m

$CPI_0^{Y,m-1}$ = Consumer price index for the previous month m-1 (in January also previous year)

The inflation rate, the 12-month change, is calculated as:

$$\left[\left(\frac{CPI_{2002}^{Y,m}}{CPI_{2002}^{Y-1,m}} \right) - 1 \right] * 100 = \text{12-month percentage change}$$

$CPI_{2002}^{Y,m}$ = The chained Consumer price index for the current month m

$CPI_{2002}^{Y-1,m}$ = The chained Consumer price index for the previous year and month m

Calculation of average prices

The average price for item i with n number of observations in month m is calculated using a geometrical mean

$$\bar{P}_i^m = \left[\prod_{j=1}^n P_{ij}^m \right]^{1/n}$$

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.

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