Albania

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Institute of Statistics

Periodicity: Monthly

Price reference period: December year $t - 1 = 100$

Index reference period: December 2007 = 100

Weights reference period: 2007

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments, main inflation indicator used for monetary policy, deflate household expenditures in national accounts, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Urban areas

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households.

Consumption expenditure includes:

- Foods produced for own final consumption;
- Other goods produced for own final consumption;
- Services produced for own final consumption;
- Income in-kind receipts of goods;
- Income in-kind receipts of services;
- In-kind goods received as gifts;
- In-kind services received as gifts;
- Housing maintenance, minor repairs;
- Major repairs, conversions and extensions to owner occupied housing;
- Purchase of gifts of goods and services given to others outside the household;
- Luxury goods;
- Financial services (including fees for financial advice, brokerage fees);
- Interest payments (excluding mortgage interest payments);
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- Life insurance premiums;
- Licences and fees (e.g. driver’s licence, hunting licence, vehicle registration)

Consumption expenditure excludes:
• Food consumed away from home;
• Purchase of owner-occupied housing;
• Mortgage repayments;
• Mortgage interest;
• Gambling expenditure, gross of winnings;
• Investment-related expenditures (e.g. purchase of shares/stocks);
• Occupational expenditures;
• Other business-related expenditures;
• Social transfers in-kind of goods and services from government and No-profit institutions serving households;
• Second hand goods purchased;
• Expenditures abroad

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The Consumer Price Index (CPI) measures the change of the prices of a fixed basket of goods and services from base period to the current period. The consumer price index is used for different purposes: as a measurement of inflation rate in Albania, as a deflator for the national accounts, as a deflator for calculations of volume indices, for compensation of change in the cost of living of households, as a base for wage negotiations and other agreement and as a target variable for macro-economic policy, especially for monetary policy of the central bank of Albania.

Classification: COICOP (Classification of individual consumption by purpose)

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

Price updating of weight reference period to the index reference period: Yes

Weights for different population groups or regions: No

D: Sample design

Sampling methods:

Localities: Judgmental sampling

Outlets: Judgmental sampling

Products: Judgmental sampling

Frequency of sample updates:

Localities: At the time of updating the weights and the basket of goods and services.

Outlets: Annual
Products: At the time of updating the weights and the basket of goods and services.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 11, Outlets: 500, Price observations: 18,000

Frequency with which prices are collected: Food and others items - monthly; rent – quarterly; government tariffs- yearly.

Reference period for data collection: Specific date

Methods of Price Collection

- Personal data collection for all items.
- Official tariffs for government prices.

Treatment of:

Discounts and sales prices: They are used in the calculation of the index.

Black market prices: Not collected.

Second hand purchases: Not included.

Treatment of seasonal items and seasonality

Seasonal food items: Seasonal food items are included in the CPI using fixed weights approach: the weights are kept constant over the year, while prices of out-of season products are estimated or imputed.

Seasonal Clothing: Seasonal clothing items are included in the CPI using fixed weights approach: the weights are kept constant over the year, while prices of out-of season products are estimated or imputed.

Method to impute the price of seasonal items: The method used to impute price development in out-of season periods is carrying forward the last observed price.

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is not included in the CPI

Types of dwellings covered by the rent data: Apartment with furniture, rent data is collected quarterly.

F: Computation
Formula used for calculation of elementary indices: The ratio of geometric mean prices (Jevons index) (Chained form)

Formula to aggregate elementary indices to higher level indices: The regional CPI is calculated (but is not published).

\[ RCPI_{i,0} = \sum_j r_{ij} \cdot PR_{0,j}^i \]

Formula of aggregating regional/population group indices into national index: To calculate the national CPI the price relatives are aggregated geographically to form product indices on items for whole Albania:

\[ I_{0,j}^i = \sum_j r_{ij} \cdot PR_{0,j}^i \quad \text{where} \quad \sum_j r_{ij} = 1 \quad \forall j \quad (\text{for all cases}) \]

Aggregation over items then gives the national CPI of Albania:

\[ CPI_{i,0}^i = \sum_i w_i \cdot I_{0,i}^i \quad \text{where} \quad \sum_i w_i = 1 \]

Monthly and annual average prices: Average prices are calculated monthly.

Seasonally adjusted indices: No

Software used for calculating the CPI: Microsoft Excel

G: Editing and validation procedures

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: 6 days after the end of the reference month.

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes) and Average prices

Online: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes)

Restricted Access: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes)

Separate indices published for specific population groups: No

Type of products for which average prices are calculated and disseminated: Food product, gasoline

Documentation
Publications and websites where indices can be found: Monthly publication “Consumer Price Index”; Internet website: www.instat.gov.al

Publications and websites where methodological information can be found: Monthly publication “Consumer Price Index”; Internet website: www.instat.gov.al

I: Other Information

Reported by the country in 2012.