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Producer Price Index

Q3 2024

Prishtina 06.12.2024 Kosovo Agency of Statistics (KAS) has started to publish the Producer Price Index (PPI) in May 2009.

Prices and values of industrial products are collected from manufacturing enterprises with the most influence in Kosovo. Value of product and annual average price is referred to 2007, while since the first quarter of 2009 the index is monitored and calculated continuously in quarterly and annual periods.

PPI, or Producer Price Index is in accordance with the Standard Classification of Activities according to NACE rev.2, based on the "Regulation No.11/2013 Article 7, for the implementation of the Standard Classification of Activities. PPI is under construction and continuously seeks to include economic activities which currently are not active but gradually the product is expected from these activities.

Suggestions, comments, proposals and remarks related to this publication can be sent to:
infoask@rks-gov.net

Publication was prepared by:

Ilir T. Berisha Director of Economic Department
Arlinda Mataj Acting of the Price Statistics Division
Hasan Berisha - Senior Officer

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Acting Executive Officer, KAS
Avni Kastrati

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Symbols and Abbreviations

PPI	-	Producer Price Index
KAS	-	Kosovo Agency of Statistics
NEA	-	Nomenclature of economic activities
Q1	-	First quarter
Q2	-	Second quarter
Q3	-	Third quarter
Q4	-	Fourth quarter
:	-	Figure not available
0	-	Less than half the unit used
-	-	Not applicable
%	-	Percentage
W	-	Statistical weight
Ø	-	Average

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Producer Price Index (PPI) for the Third quarter of 2024

The price index for total manufacturing in Kosovo increase 6.9 % between between Q3 2024 Compared Q2 2024. Compared with Q3 2023 production prices ncrease by an average of 9.9%.

Third quarter 2024 – Second quarter 2024 6.9%

Producer prices in Kosovo increase by an average of 6.9% between Q3 2024 and Q2 2024. Largest increase by economic activity is noticed to: supply of electricity, gas, steam and air conditioning (20.1%), other ores and quarries (7.8%), manufacture of furniture (7.5%), production of metals (3.9%), manufacture of fabricated metal products, except machinery and equipment (3.2%), manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials – plating (2.9%), manufacture of rubber and plastic (1.5%), manufacture of machinery and equipment p.k.t. (1.4%), manufacture of leather and articles thereof (0.9%), manufacture of beverages (0.4%), and production of food products (0.3%).

The increase was neutralized by the decrease in prices to: mining of metal ore (-15.0%), manufacture of motor vehicles (transport), trailers and semi-trailers (-12.9%) and production of non-metallic mineral products (-0.5%).

Third quarter 2024 – Third quarter 2023 9.9%

Producer prices in Kosovo increase by an average of 9.9%, between Q3 2024 and Q3 2023. The largest increase by economic activities were: supply of electricity, gas, steam and air conditioning (26.6%), manufacture of paper and articles of paper (11.2%), manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials – plating (10.9%), manufacture of machinery and equipment p.k.t. (10.5%), mining of metal ore (9.5%), manufacture of leather and articles thereof (8.8%), production of metals (8.1%), production of food products (6.1%), other ores and quarries (5.8%), manufacture of chemical products (4.4%), manufacture of beverages (3.6%), collection, treatment and supply of water (3.5%), manufacture of fabricated metal products, except machinery and equipment (3.1%), manufacture of furniture (2.2%), manufacture of rubber and plastic (1.6%) and production of non-metallic mineral products (0.7%).

The increase was neutralized by the decrease in prices to: manufacture of motor vehicles (transport), trailers and semi-trailers (-17.8%) and manufacture of electrical equipment (-8.0%).

Tab. 1: Producer Price Index (PPI) Q1 2009 – Q3 2024 (2010=100), quarterly and annual changes in percentage

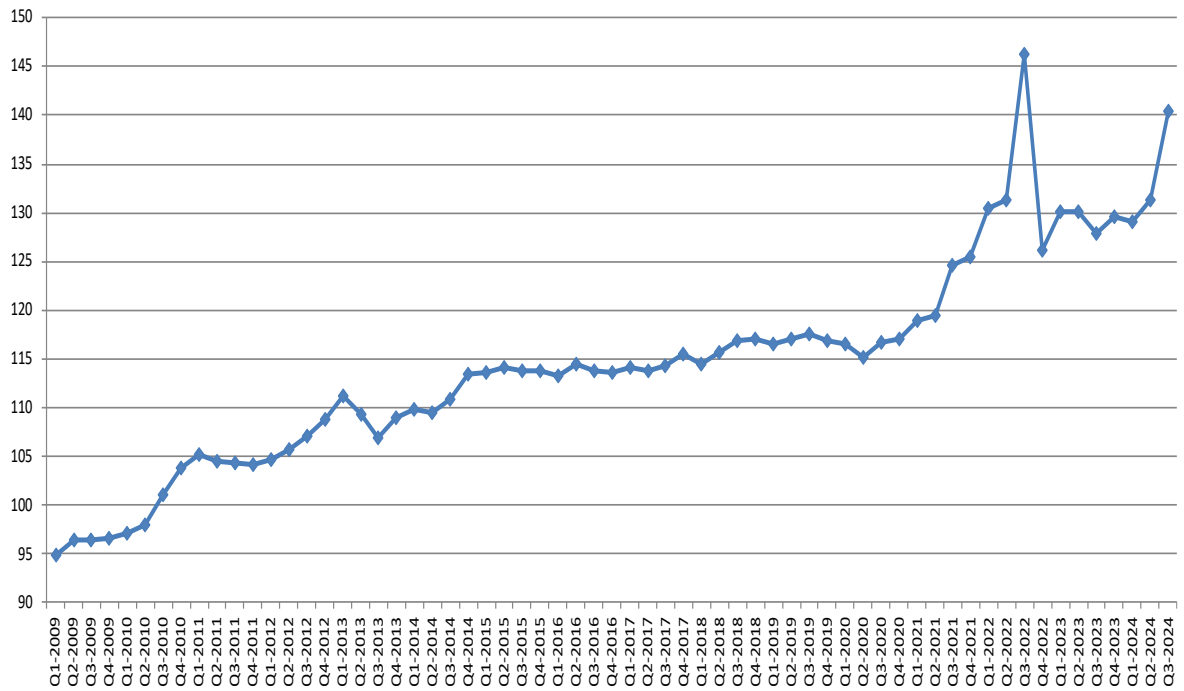
Year	Quarter	Index (2010=100)	Quarterly change in per cent	Annual change in per cent
2009	Q1	94.9	:	:
	Q2	96.5	1.7	:
	Q3	96.5	0.0	:
	Q4	96.6	0.1	:
	Annual average 2009	96.1	:	:
2010	Q1	97.1	0.5	2.3
	Q2	98.0	0.9	1.6
	Q3	101.1	3.2	4.8
	Q4	103.9	2.8	7.6
	Annual average 2010	100.0	:	4.1
2011	Q1	105.2	1.3	8.3
	Q2	104.5	-0.7	6.6
	Q3	104.4	-0.1	3.3
	Q4	104.2	-0.2	0.3
	Annual average 2011	104.6	:	4.5
2012	Q1	104.6	0.4	-0.6
	Q2	105.8	1.1	1.2
	Q3	107.1	1.2	2.6
	Q4	108.8	1.6	4.4
	Annual average 2012	106.6	:	1.9
2013	Q1	111.3	2.3	6.4
	Q2	109.3	-1.8	3.3
	Q3	106.9	-2.2	-0.2
	Q4	109.0	2.0	0.2
	Annual average 2013	109.1	:	2.4
2014	Q1	109.8	0.7	-1.3
	Q2	109.5	-0.3	0.2
	Q3	110.8	1.2	3.6
	Q4	113.5	2.4	4.1
	Annual average 2014	110.9	:	1.6
2015	Q1	113.7	0.2	3.6
	Q2	114.1	0.4	4.2
	Q3	113.8	-0.3	2.7
	Q4	113.8	0.0	0.3
	Annual average 2015	113.9	:	2.7
2016	Q1	113.2	-0.5	-0.4
	Q2	114.4	1.1	0.3
	Q3	113.8	-0.5	0.0
	Q4	113.7	-0.1	-0.1
	Annual average 2016	113.8	:	-0.1

**Tab. 1: Producer Price Index (PPI) Q1 2009 – Q3 2024 (2010=100), quarterly
And annual changes in percentage**

(Continued)

Year	Quarter	Index (2010=100)	Quarterly change in per cent	Annual change in per cent
2017	Q1	114.2	0.4	0.9
	Q2	113.8	-0.4	-0.5
	Q3	114.3	0.4	0.4
	Q4	115.5	1.0	1.6
	Annual average 2017	114.5	:	0.6
2018	Q1	114.4	-1.0	0.2
	Q2	115.7	1.1	1.7
	Q3	116.9	1.0	2.3
	Q4	117.0	0.1	1.3
	Annual average 2018	116.0	:	1.4
2019	Q1	116.8	-0.2	2.1
	Q2	117.0	0.2	1.1
	Q3	117.6	0.5	0.6
	Q4	116.9	-0.6	-0.1
	Annual average 2019	117.1	:	0.9
2020	Q1	116.6	-0.3	-0.2
	Q2	115.2	-1.2	-1.5
	Q3	116.7	1.3	-0.8
	Q4	117.1	0.3	0.2
	Annual average 2020	116.4	:	-0.6
2021	Q1	118.9	1.5	2.0
	Q2	119.4	0.4	3.6
	Q3	124.7	4.4	6.9
	Q4	125.5	0.6	7.2
	Annual average 2021	122.1	:	4.9
2022	Q1	130.4	3.9	9.7
	Q2	131.3	0.7	10.0
	Q3	146.2	11.3	17.2
	Q4	126.2	-13.7	0.6
	Annual average 2022	133.5	:	9.3
2023	Q1	130.2	3.2	-0.1
	Q2	130.1	-0.1	-0.9
	Q3	127.8	-1.8	-12.6
	Q4	129.6	1.4	2.7
	Annual average 2023	129.4	:	-3.1
2024	Q1	129.1	-0.4	-0.9
	Q2	131.3	1.7	0.9
	Q3	140.4	6.9	9.9

Fig. 1: PPI development, First quarter 2009 - Third quarter 2024 (2010=100)



**Tab. 2: Weight, Producer Price Index (2010=100) quarterly and annual changes
In percentage**

Code	Nomenclature of economic activity EAN rev.2	Weight	Q3 - 2024	Q3 - 2024	Q3 - 2024
			Ø2010=100	Q2 - 2024	Q3 - 2023
	Total PPI	1000.00	140.4	6.9	9.9
05	Extraction of coal and lignite	1.21	137.5	0.0	0.0
07	Mining of metal ore	9.20	174.9	-15.0	9.5
08	Other ores and quarries	24.86	168.9	7.8	5.8
10	Food processing	143.26	143.9	0.3	6.1
11	Manufacture of beverages	45.74	115.3	0.4	3.6
12	Production of tobacco products	1.42	0.0	0.0	0.0
13	Manufacture of textiles	8.38	0.0	0.0	0.0
14	Manufacture of clothing	5.46	0.0	0.0	0.0
15	Manufacture of leather and articles thereof	3.39	125.0	0.9	8.8
16	Manufacture of wood and of products of wood and cork, except furniture: production of articles of straw and plaiting materials - plaiting	20.86	129.4	2.9	10.9
17	Manufacture of paper and articles of paper	25.13	115.8	0.0	11.2
18	Printing and reproduction of recorded media	12.66	0.0	0.0	0.0
20	Manufacture of chemical products	13.17	160.9	0.0	4.4
21	Processing products and pharmaceutical preparations	0.79	0.0	0.0	0.0
22	Manufacture of rubber and plastics	75.22	113.4	1.5	1.6
23	Production of non-metallic mineral products	134.46	110.0	-0.5	0.7
24	Production of metals	30.01	99.8	3.9	8.1
25	Manufacture of fabricated metal products, except machinery and equipment	58.16	107.3	3.2	3.1
27	Manufacture of electrical equipment	6.32	111.1	0.0	-8.0
28	Manufacture of machinery and equipment p.k.t	2.64	105.3	1.4	10.5
30	Production of motor vehicles (transport), trailers and semi-trailers	0.61	113.8	-12.9	-17.8
31	Manufacture of furniture	72.87	107.4	7.5	2.2
32	Other industries	6.22	0.0	0.0	0.0
35	Supply of electricity, gas, steam and air conditioning	279.84	164.9	20.1	26.6
36	Collection, treatment and supply of water	14.63	117.8	0.0	3.5
38	Activities of collection, treatment and disposal of waste; materials recovery	15.26	0.0	0.0	0.0

Methodological explanations

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 production approach.

Methodology

Prices and value of industrial products are collected from the most representative manufacturing enterprises in Kosovo. Value of products and average price are for Q1 2007, while since Q1 2009 the collection is made in regular quarterly bases.

Due to comparability of data with Eurostat, with the decision of the Government of the Republic of Kosovo, the Kosovo Statistical Agency from 01.09.2014 has started using the new nomenclature of economic activities (NACE Rev.2) based on the "Regulation No.11/2013 on the implementation of standards for the classification of activities" therefore the Producer Price Index has changed in accordance with this nomenclature.

At the same time the core index has changed moving from base year 2007=100 in base year **2010=100**. Sections 12,13,14,18, 21, 32 and 38 take part in the calculation of the Index, but because prices for these sections have started to be collected after 2010 and they lack base index 2010=100 of which later will create base index and will calculate the following indicators.

Since 2024, PPI is calculated for 26 Sections (economic activities), about 192 Manufacturing enterprise over 800 items. As a project (GOPA - KAS) has started in 2007 in order to create the basis for establishing the PPI survey, while since the mid-2010 project is being supported by Swedish SIDA.

PPI from first quarter 2024 uses specific weights updated from the data of the Structural Business Survey (SBS), 2022.

For the calculation of PPI is used the Laspeyres formula.

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 2

Calculating the PPI chain index

$$PPI_{2010}^{Y,q} = \frac{PPI_{2010}^{Y-1,4}}{100} * PPI_0^{Y,q}$$

$PPI_{2010}^{Y,q}$ = Chain index of PPI between 2010 and quarter q in the current year

$PPI_{2010}^{Y-1,4}$ = Chain index of PPI between 2010 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:

$$\left[\left(\frac{PPI_{2010}^{Y,q}}{PPI_{2010}^{Y-1,q}} \right) - 1 \right] * 100 = \text{Percentage of annual change}$$

$PPI_{2010}^{Y,q}$ = Producer price index for current quarter q

$PPI_{2010}^{Y-1,q}$ = Producer price index for previous year and quarter q

o **Adresa: KOSOVO AGENCY OF STATISTICS**

o Street. "Zenel Salihu", No. 4, 10000 Pristina

o Telefoni: +383 (0) 38 200 31 129

o CEO: +383 (0) 38 200 31 112

o Fax: +383 (0) 38 235 033

o E-mail: infoask@rks-gov.net

o Website: <http://ask.rks-gov.net>

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