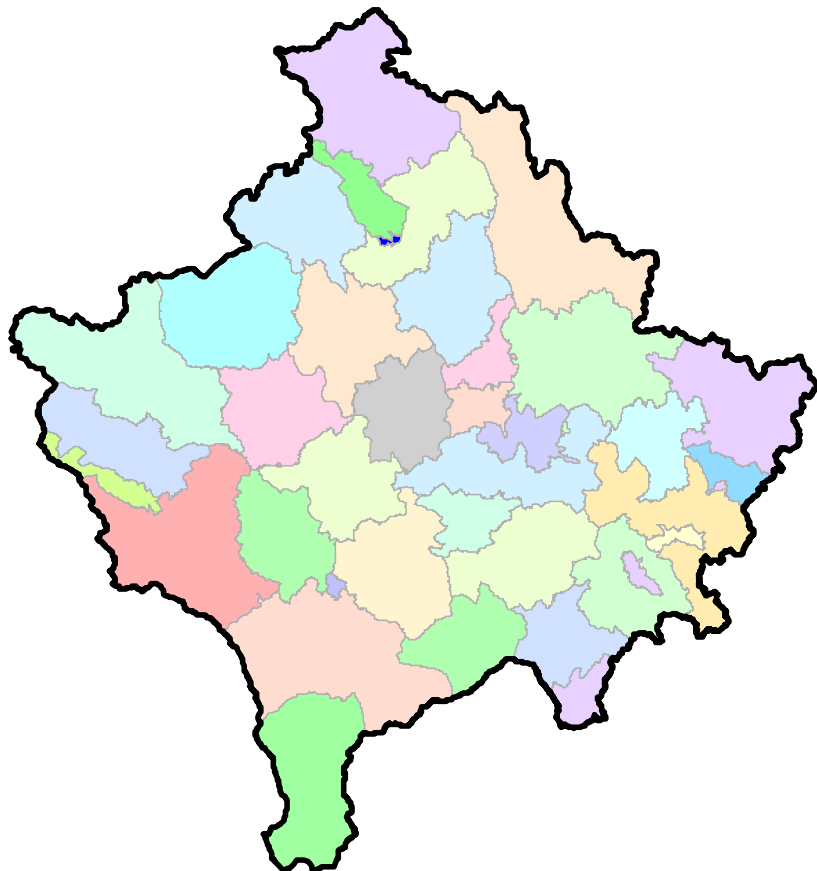




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Series 3: Economic Statistics

Harmonised indices of consumer prices (May – 2015)



Foreword

Kosovo Agency of Statistics (KAS) has started to publish the Consumer Price Index (CPI) in September 2002 until December 2014, and since January 2015 has been harmonized according to international concept and published as the Harmonised Indices of Consumer Prices (HICP). Consumer prices have started to be collected in May 2002 which is considered as base month. Prices are collected from 10 to 20 each month in 10 centers in Kosovo.

Since September 2002 KAS has published the CPI on a monthly basis and ten publications on an annual basis (2004 - 2013).

This publication contains the table with the Harmonised Indices of Consumer Prices in Kosovo on a monthly basis in May 2002 - May 2015, annual averages 2003-2014 (May 2002 = 100) with monthly and annual HICP in percentages, graphical development of CPI 2003 - 2014 (May 2002 = 100), graphical presentation of the annual change in the HICP's percentage, table for specific weights, index for May 2015, monthly harmonized index of consumer prices percentage (May 2015 / April 2015) and annual changes of the consumer price index in percentage (May 2015 / May 2014) for groups and subgroups according to COICOP, table with average prices for some more representative items and the methodology of calculation of indices of consumer prices.

Proposals, suggestions and your remarks regarding this publication are welcome and they can be sent via e-mail address economic@rks-qov.net

Consumer Price Index (CPI), respectively Harmonized Index of Consumer Prices (HICP) is the 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 |
| KAS | Kosovo Agency of Statistics |
| : | Figure not available |
| 0 | Less than half the unit used |
| - | Not applicable |
| % | Percentage |
| W | Statistical weights (CPI/HICP) |
| Ø | Average |

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Harmonised indices of consumer prices (HICP) for May 2015

Total harmonized indices of consumer prices in Kosovo decreased by 0,1% in May 2015 compared with April 2015. The inflation rate measured in May 2015 with the month of May 2014 was -0.4%.

May 2015 / April 2015 -0.1%

Harmonised indices of consumer prices in Kosovo suffered a decrease by 0,1% in May 2015 compared with April 2015. Decrease of the harmonised consumer price index was observed in subgroup of vegetables (-11.1%) with an impact of -0.5 percent in the HICP.

The decrease was counteracted by increase of harmonized indices of consumer prices in subgroups: bread and cereals (1.1%), fruits (5.8%), use of personal transport equipment (petroleum and diesel) (2,5%) with a common impact of these subgroups of 0.4 percent in the HICP.

May 2015 / May 2014 -0.4%

Harmonised indices of consumer prices in Kosovo suffered a decrease of 0,4% in May 2015 compared with May 2014. Decrease of the harmonised consumer price index in this period was observed in subgroups: milk, cheese and eggs (-4.8%), use of personal transport equipment (petroleum and diesel) (-9.7%), higher education (-28.1%), student's services and housing (-15.7%) with a common impact of these subgroups of -1.8 percent in the HICP.

The decrease was counteracted by increase of harmonized indices of consumer prices in subgroups: bread and cereals (2.7%), meat (1.6%), fruits (8.5%), vegetables (4.1%), alcoholic beverages (5.5%), tobacco (4.2%), electricity, gas and other fuels (8.0%) with a common impact of these subgroups of 1.4 percent in the HICP.

Table 1: Harmonised indices of consumer prices (HICP) May 2002 – May 2015 (May 2002=100), monthly and annual changes of prices in percentage

| Year | Month | Index (May 2002 = 100) | Monthly change in percentage | Annual change in percentage |
|------|-------------------------------|------------------------|------------------------------|-----------------------------|
| 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 | : |
| | Average June-Dec. 2002 | 99.0 | : | : |
| 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 | : | 1.3 |
| 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 |
| 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 | : | 0.6 |

Table 1: Harmonised indices of consumer prices (HICP) May 2002 – May 2015 (May 2002=100), monthly and annual changes of prices in percent (continued)

| Year | Month | Index (May 2002 = 100) | Monthly change in percentage | Annual change in percentage |
|------|-----------|----------------------------|------------------------------|-----------------------------|
| 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 |
| | July | 111.5 | 0.3 | 2.7 |
| | August | 114.8 | 3.0 | 5.9 |
| | September | 115.2 | 0.3 | 5.9 |
| | October | 116.6 | 1.2 | 6.0 |
| | November | 117.1 | 0.4 | 6.2 |
| | December | 118.3 | 1.0 | 6.6 |
| | | Annual average 2010 | 113.5 | : |

Table 1: Harmonised indices of consumer prices (HICP) May 2002 – May 2015 (May 2002=100), monthly and annual changes of prices in percentage (continued)

| Year | Month | Index (May 2002 = 100) | Monthly change in percentage | Annual change in percentage |
|------|-----------|----------------------------|------------------------------|-----------------------------|
| 2011 | January | 119.9 | 1.4 | 7.4 |
| | February | 122.5 | 2.2 | 9.5 |
| | March | 123.9 | 1.1 | 10.8 |
| | April | 122.4 | -1.2 | 10.6 |
| | May | 122.5 | 0.1 | 10.4 |
| | June | 121.4 | -0.9 | 9.2 |
| | July | 120.8 | -0.5 | 8.3 |
| | August | 120.9 | 0.1 | 5.3 |
| | September | 120.7 | -0.2 | 4.8 |
| | October | 122.1 | 1.2 | 4.7 |
| | November | 122.0 | -0.1 | 4.2 |
| | December | 122.5 | 0.4 | 3.6 |
| | | Annual average 2011 | 121.8 | : |
| 2012 | January | 123.4 | 0.7 | 2.9 |
| | February | 124.6 | 1.0 | 1.7 |
| | March | 124.7 | 0.1 | 0.6 |
| | April | 123.9 | -0.6 | 1.2 |
| | May | 123.8 | -0.1 | 1.1 |
| | June | 123.5 | -0.2 | 1.7 |
| | July | 123.5 | 0.0 | 2.2 |
| | August | 124.7 | 1.0 | 3.1 |
| | September | 125.7 | 0.8 | 4.1 |
| | October | 126.7 | 0.8 | 3.8 |
| | November | 126.3 | -0.3 | 3.5 |
| | December | 127.0 | 0.6 | 3.7 |
| | | Annual average 2012 | 124.8 | : |
| 2013 | January | 127.8 | 0.6 | 3.6 |
| | February | 127.9 | 0.1 | 2.6 |
| | March | 127.9 | 0.0 | 2.6 |
| | April | 126.9 | -0.8 | 2.4 |
| | May | 126.5 | -0.3 | 2.2 |
| | June | 126.8 | 0.2 | 2.6 |
| | July | 126.3 | -0.3 | 2.3 |
| | August | 126.2 | -0.1 | 1.2 |
| | September | 126.0 | -0.2 | 0.2 |
| | October | 127.0 | 0.8 | 0.2 |
| | November | 127.3 | 0.2 | 0.8 |
| | December | 127.6 | 0.3 | 0.5 |
| | | Annual average 2013 | 127.0 | : |
| 2014 | January | 128.1 | 0.3 | 0.2 |
| | February | 128.0 | 0.0 | 0.1 |
| | March | 128.3 | 0.2 | 0.3 |
| | April | 127.3 | -0.8 | 0.3 |
| | May | 127.1 | -0.1 | 0.5 |
| | June | 127.3 | 0.1 | 0.4 |
| | July | 127.3 | 0.1 | 0.8 |
| | August | 127.4 | 0.1 | 0.9 |
| | September | 127.7 | 0.2 | 1.4 |
| | October | 127.8 | 0.1 | 0.6 |
| | November | 127.4 | -0.3 | 0.1 |
| | December | 127.1 | -0.2 | -0.4 |
| | | Annual average 2014 | 127.6 | : |
| 2015 | January | 127.3 | 0.2 | -0.6 |
| | February | 127.7 | 0.3 | -0.3 |
| | March | 127.8 | 0.1 | -0.4 |
| | April | 126.7 | -0.8 | -0.4 |
| | May | 126.6 | -0.1 | -0.4 |

Figure 1: CPI development, 2003 - 2014 (May 2002=100)

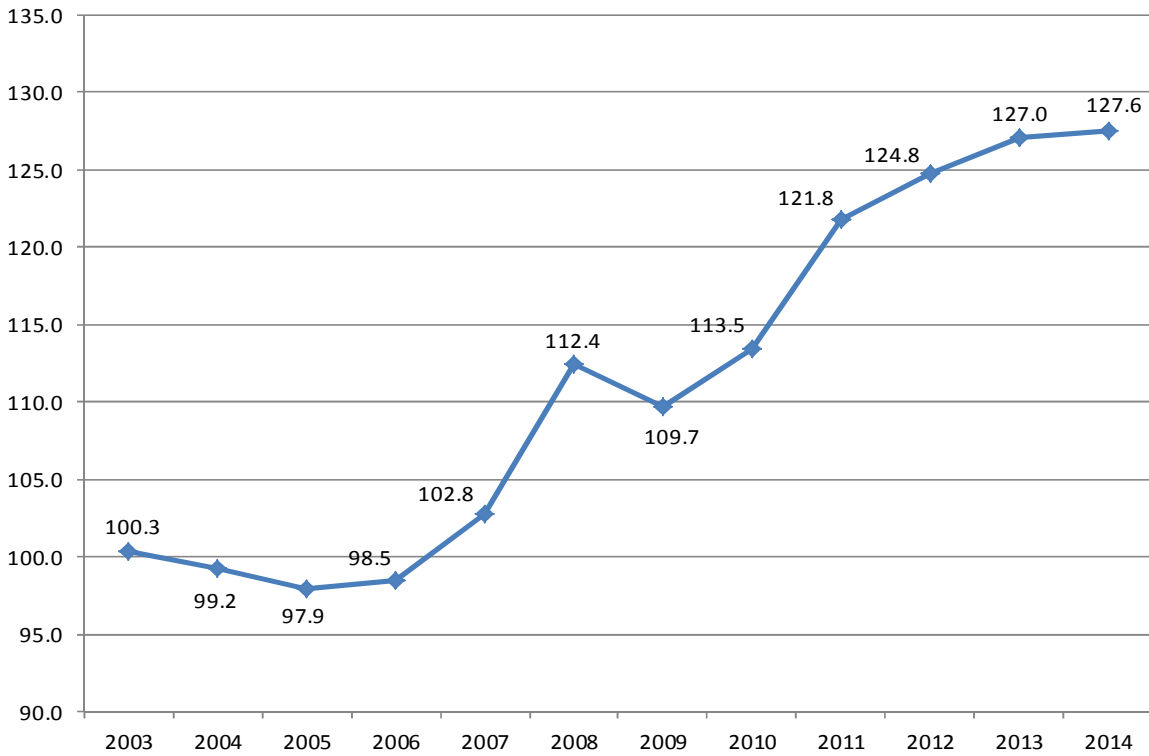
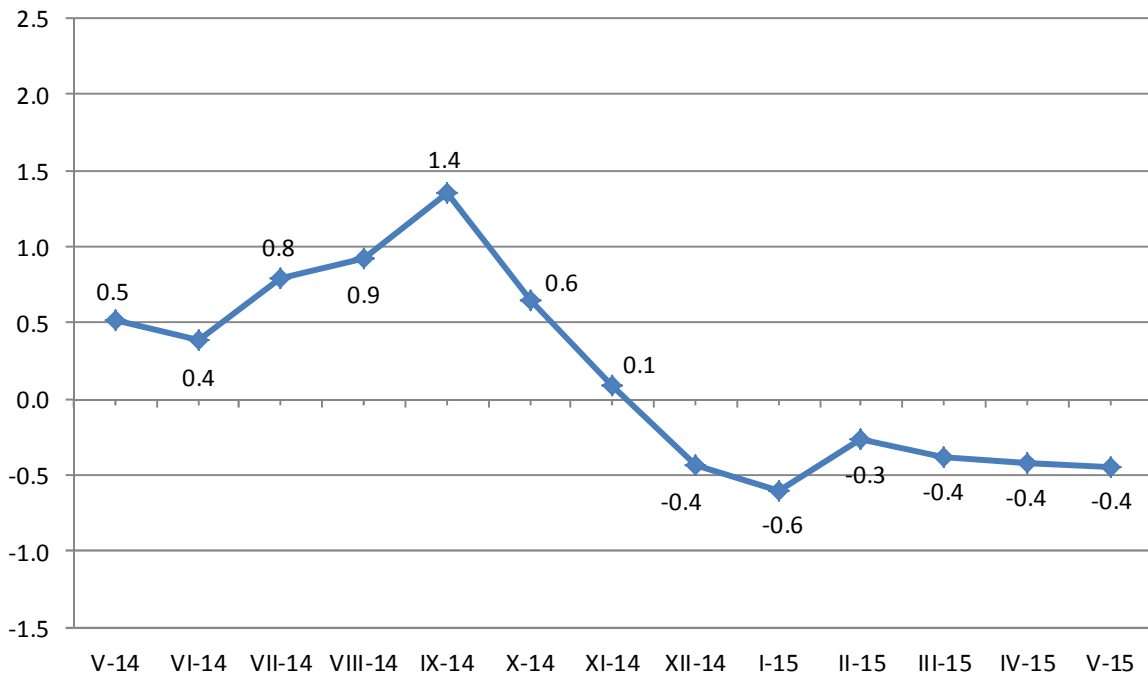


Figure 2: Annual changes in percentage of the harmonized indices of consumer prices



—◆— Annual changes in % of the HICP, May 2014 - May 2015

Table 2: Weight, HICP May 2015 (May 2002=100 if not otherwise stated), monthly and annual price change in percentage for groups and sub-groups according to COICOP

| Code | Groups and subgroups | Weight | V - 2015 May 2002=100 | <u>V - 2015</u> IV - 2015 | <u>V - 2015</u> V - 2014 |
|--------------|---|---------------|--------------------------|------------------------------|-----------------------------|
| 01-12 | Total CPI | 1000.0 | 126.6 | -0.1 | -0.4 |
| 01 | Food and non-alcoholic beverages | 408.8 | 135.8 | -0.9 | 0.5 |
| 01.1 | Food | 371.0 | 138.3 | -1.0 | 0.5 |
| 01.1.1 | Bread and cereals | 91.7 | 172.1 | 1.1 | 2.7 |
| 01.1.2 | Meat | 88.2 | 143.6 | 0.2 | 1.6 |
| 01.1.3 | Fish | 3.0 | 136.8 | 0.5 | 2.0 |
| 01.1.4 | Milk, cheese and eggs | 91.3 | 120.1 | -0.5 | -4.8 |
| 01.1.5 | Oils and fats | 9.7 | 133.8 | 0.2 | 0.8 |
| 01.1.6 | Fruits | 18.1 | 125.1 | 5.8 | 8.5 |
| 01.1.7 | Vegetables | 43.9 | 98.0 | -11.1 | 4.1 |
| 01.1.8 | Sugar, jam, honey, chocolate and confectionery | 17.9 | 136.8 | 0.3 | -0.3 |
| 01.1.9 | Food products n.e.c. | 7.2 | 100.6 | 0.0 | 0.7 |
| 01.2 | Non-alcoholic beverages | 37.8 | 113.2 | 0.0 | 0.4 |
| 01.2.1 | Coffee, tea and cocoa | 12.5 | 139.3 | 0.3 | 2.1 |
| 01.2.2 | Mineral waters, soft drinks, fruit and vegetable juices | 25.3 | 101.2 | -0.2 | -0.5 |
| 02 | Alcoholic beverages, tobacco | 52.1 | 186.1 | 0.7 | 4.4 |
| 02.1 | Alcoholic beverages | 12.7 | 136.7 | 2.9 | 5.5 |
| 02.2 | Tobacco | 39.4 | 196.4 | 0.0 | 4.2 |
| 03 | Clothing and footwear | 44.7 | 93.7 | -0.1 | 1.7 |
| 03.1 | Clothing | 32.1 | 102.2 | -0.1 | 1.0 |
| 03.2 | Footwear | 12.6 | 81.5 | 0.0 | 3.5 |
| 04 | Housing, water, electricity, gas and other fuels | 89.2 | 130.2 | -0.1 | 4.9 |
| 04.1 | Actual rentals for housing | 5.9 | 107.4 | 0.0 | 0.0 |
| 04.3 | Maintenance and repair of the dwelling | 6.0 | 101.5 | 0.4 | 1.0 |
| 04.4 | Water supply and miscellaneous services relating to the dwelling | 11.6 | 211.9 | 0.0 | 1.4 |
| 04.5 | Electricity, gas and other fuels | 65.7 | 128.4 | -0.1 | 8.0 |
| 05 | Furnishing, household equipment and routine maintenance of the house | 84.8 | 110.1 | 0.1 | 0.6 |
| 05.1 | Furniture and furnishing, carpets and other floor coverings | 18.1 | 96.5 | 0.2 | 0.6 |
| 05.2 | Household textiles | 2.9 | 101.3 | 0.0 | 0.5 |
| 05.3 | Household appliances | 15.0 | 110.8 | 0.1 | 1.1 |
| 05.4 | Glassware, tableware and household utensils | 9.4 | 100.5 | 0.2 | 1.0 |
| 05.5 | Tools and equipment for house and garden | 12.9 | 106.8 | 0.2 | 0.6 |
| 05.6 | Goods and services for routine household maintenance | 26.5 | 112.1 | 0.0 | 0.2 |

Table 2: Weight, HICP May 2015 (May 2002=100 if not otherwise stated), monthly and annual price change in percentage for groups sub-groups according to COICOP (continued)

| Code | Groups and subgroups | Weight | V - 2015 May 2002=100 | V - 2015 IV - 2015 | V - 2015 V - 2014 |
|-----------|--|--------------|--------------------------|-----------------------|----------------------|
| 06 | Health | 28.3 | 114.1 | 0.0 | 0.6 |
| 06.1 | Medical products, appliances and equipment | 21.3 | 114.4 | 0.0 | 0.7 |
| 06.2 | Out-patient services | 4.9 | 114.1 | 0.0 | 0.6 |
| 06.3 | Hospital services (Dec. 2003 = 100) | 2.1 | 100.0 | 0.0 | 0.0 |
| 07 | Transport | 130.7 | 135.7 | 1.7 | -6.2 |
| 07.1 | Purchase of vehicles (July 2002 = 100) | 34.7 | 103.9 | 0.0 | -0.8 |
| 07.2 | Equipment operations of personal transportation | 82.8 | 143.4 | 2.5 | -9.7 |
| 07.3 | Transport services | 13.2 | 111.2 | 0.9 | -1.3 |
| 08 | Communication | 31.7 | 93.2 | -0.1 | -0.4 |
| 08.1 | Postal services (July 2002 = 100) | 6.4 | 124.6 | 0.0 | 0.0 |
| 08.x | Telephone and telefax equipment and telephone and telefax services | 25.3 | 91.9 | -0.2 | -0.5 |
| 09 | Recreation and culture | 45.1 | 106.4 | 0.3 | -0.9 |
| 09.1 | Audio-visual, photographic and information processing equipment | 11.3 | 69.4 | 0.0 | -1.2 |
| 09.2 | Other major durables for recreation and culture (July 2002 = 100) | 1.6 | 93.5 | 0.0 | 1.1 |
| 09.3 | Other recreational items and equipment, gardens and pets (July 2002 = 100) | 9.8 | 102.7 | 0.0 | -1.1 |
| 09.4 | Recreational and cultural services (July 2002=100) | 8.5 | 106.7 | 1.5 | 1.5 |
| 09.5 | Newspapers, books and stationery | 10.1 | 125.9 | 0.0 | -0.4 |
| 09.6 | Package Holidays (Dec.2006=100) | 3.8 | 115.6 | 0.0 | -4.4 |
| 10 | Education | 12.6 | 78.8 | 0.0 | -28.1 |
| 11 | Restaurants and hotels | 33.6 | 116.0 | 0.3 | -3.0 |
| 11.1 | Catering services | 27.4 | 124.9 | 0.3 | 1.2 |
| 11.2 | Accommodation services | 6.2 | 91.7 | 0.0 | -15.7 |
| 12 | Miscellaneous goods and services | 38.4 | 122.0 | 0.0 | 1.1 |
| 12.1 | Personal care | 14.6 | 108.5 | -0.1 | 0.5 |
| 12.3 | Personal effects n.e.c. | 5.8 | 164.8 | 0.0 | 2.0 |
| 12.4 | Social protection (Dec. 2013=100) | 1.0 | 102.5 | 2.2 | 2.5 |
| 12.5 | Insurance (Dec 2003 = 100) | 6.8 | 105.1 | 0.0 | 0.0 |
| 12.6 | Financial services n.e.c. (Dec. 2003 = 100) | 4.9 | 140.2 | 0.0 | 3.4 |
| 12.7 | Other services n.e.c. | 5.3 | 80.3 | 0.0 | 0.0 |

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

| Code | Item | Unit Mesaure | V 2014 | IV 2015 | V 2015 |
|-------------|-----------------------|-------------------------|-------------------|--------------------|-------------------|
| 101 | Rice | 1 kg | 1.29 | 1.27 | 1.29 |
| 102 | Wheat flour | 1 kg | 0.39 | 0.38 | 0.39 |
| 103 | White bread | 500g | 0.35 | 0.34 | 0.34 |
| 111 | Beef meat | 1 kg | 6.43 | 6.43 | 6.43 |
| 112 | Veal meat | 1 kg | 7.32 | 7.29 | 7.29 |
| 114 | Chicken | 1 kg | 2.69 | 2.62 | 2.64 |
| 131 | Milk (tetrapak) | 1 lit | 0.92 | 0.90 | 0.90 |
| 133 | Yoghurt | 1 lit | 0.92 | 0.92 | 0.92 |
| 137 | Eggs | 30 pcs | 2.77 | 1.94 | 1.88 |
| 141 | Edible oils | 1 lit | 1.12 | 1.10 | 1.10 |
| 153 | Bananas | 1 kg | 1.11 | 1.28 | 1.07 |
| 161 | Potatoes | 1 kg | 0.56 | 0.36 | 0.45 |
| 162 | Tomatoes | 1 kg | 0.86 | 1.52 | 1.01 |
| 163 | Beans | 1 kg | 2.91 | 2.50 | 2.46 |
| 167 | Pepper | 1 kg | 1.18 | 2.05 | 1.18 |
| 175 | Sugar | 1 kg | 0.68 | 0.62 | 0.63 |
| 192 | Ground coffee | 1 kg | 7.10 | 7.06 | 7.06 |
| 193 | Tea | 1 kg | 5.18 | 5.31 | 5.40 |
| 195 | Mineral water | 1.5 lit | 0.32 | 0.32 | 0.32 |
| 204 | Beer | 0.5 l | 0.53 | 0.54 | 0.56 |
| 215 | Cigarettes - Ronhill | 1 pack | 1.22 | 1.30 | 1.30 |
| 217 | Cigarettes - Marlboro | 1 pack | 2.20 | 2.23 | 2.23 |
| 416 | Electricity | 1 kwh | 0.048 | 0.054 | 0.054 |
| 418 | Firewood | 1 m ³ | 33.15 | 36.84 | 36.84 |
| 701 | Petrol | 1 lit | 1.23 | 1.05 | 1.09 |
| 702 | Diesel | 1 lit | 1.23 | 1.04 | 1.08 |

HICP Methodology

HICP Kosovo, produced by the Kosovo Agency of Statistics (KAS), was compiled by method of Harmonized Index of Consumer Prices (HICP). Eurostat has defined HICP as the European standard for consumer price indices. Calculated index and their results are presented through the Classification of Individual Consumption by Purpose (COICOP), the international classification, which classifies consumption in divisions, groups and classes of items. By using the COICOP, KAS has divided 83 classes of consumption defined (at the 4-digit level) further to 378 products (elementary aggregate). KAS has determined weight for each aggregated element and each month collects prices for each elementary aggregate.

Each month HICP is calculated in two steps:

1. Elementary indexes (indexes for the elementary aggregates) are calculated from collected prices using the unweighted-geometric-average formula (*Jevons*).
2. Higher-level indexes, including the HICP itself, are formed by averaging elementary indexes using a weighted arithmetic-average formula (*Laspeyres-type*).

The elementary-aggregate weights are based on estimates of annual consumption expenditures. KAS estimates annual consumption expenditures for the 83 consumption classes from Kosovo's Household Budget Survey (HBS) and its National Accounts (NA); the weights within consumption classes are from internal KAS sources. Specific weights from January 2012 were based on estimates of Household Budget Survey (HBS) and National Accounts (NA) data, year 2010, while the new weights apply from January 2014 are based on Household Budget Survey (HBS) and National Accounts (NA) data, year 2012. Updating the weights each year assures that the CPI reflects current consumption patterns.

Specific weights from January 2012 were based on estimates of Household Budget Survey (HBS) and National Accounts (NA) data, year 2010, while the new weights apply from January 2014 are based on Household Budget Survey (HBS) and National Accounts (NA) data, year 2012.

Total annual consumption expenditure is defined as all domestic (within-country) monetary purchases of the household sector. This matches the NA category called *Household Final Monetary Consumption (HFMC)* and means the weights must exclude the value of consumption of own production and costs for owner-occupied housing. Until December 2014 the weights included expenditure of only domestic consumers, while from January 2015 are also include expenditure of non resident consumers.

To estimate monthly price change, KAS staff collect prices for a set of specific items (often called a *market basket*) chosen to represent the elementary aggregates. The goal is to collect all prices of exactly the same items every month; whenever a price cannot be collected, carefully developed procedures must be applied to avoid a biased result.

KAS data collectors, who are based in seven regional centers, collect approximately 5000 prices during the period of 10th - 20th of each month. They collect prices in stores, markets and other retail outlets in ten municipalities of Kosovo:

- Gjakova
- Gjilan
- Istog
- Mitrovica
- Peja
- Podujeva
- Prizren
- Prishtina
- SuhaReka
- Ferizaj

The KAS central office staff in Pristina collects prices for items such as electricity, water, postal and telecom services, and rail transport.

Elementary Indexes

Elementary index for a month is equal to its index in the previous month multiplied by the price change measured on a monthly basis, calculated from collected prices. KAS uses the geometric mean formula (Jevon) to calculate monthly changes: geometric average rate of the current month in geometric average price collected for the previous month.

Index for elementary aggregate e for month m

$$I_e^m = I_e^{m-1} \times \left[\frac{\left(\prod_{i=1}^{n_e} p_i^m \right)^{1/n_e}}{\left(\prod_{i=1}^{n_e} p_i^{m-1} \right)^{1/n_e}} \right] \quad I_e^0 \equiv 100$$

I_e^m = Price index for elementary aggregate e for month m

I_e^{m-1} = Price index for elementary aggregate e in month $m-1$

p_i^m = Price for item i in month m

p_i^{m-1} = Price for item i in month $m-1$

n_e = Number of collected prices for elementary aggregate e

Higher-level indexes

In Kosovo's HICP indexes are calculated first for groups (of elementary aggregates) and these are combined to obtain the overall HICP.

Higher-level indexes are weighted by arithmetic averages of elementary indexes. In the current CPI, which uses the *Young* formula until December 2013, the weights are shares of the unadjusted weight-period expenditures. Since January 2014 the index will use the *Lowe* formula, with weights that are shares of weight-period expenditures that have been updated for price change. (The *Lowe* formula is closer to the actual *Laspeyres* formula).

Both the *Young* and *Lowe* formulas are weighted by arithmetic averages with weights that are shares of consumption expenditure and so both are *Laspeyres-type* index formulas. Currently HICP uses the *Young* index formula whose weights are shares of expenditures during the weight period (2010). New weights from NA data and from the 2012 HBS and are applied from January 2014. CPI has passed in calculating indexes by *Lowe's* formula; (weights have been spending part of 2012 calculated by price changes in December 2013, and by January 2015 are applied new weights from the NA data and the HBS 2013 calculated with the price changes in December 2014 (HICP weights).

Index weights

Young Formula Weights for Elementary Aggregates within Groups

$$w_{e,g}^b = \frac{x_e^b}{\sum_{e=1}^{k_g} x_e^b} \quad \sum_{e=1}^{k_g} w_{e,g}^b = 1$$

$w_{e,g}^b$ = Weight for elementary aggregate e within group g in weight-period b

x_e^b = expenditure for elementary aggregate e in weight-period b (Currently $b = 2012$)

k_g = Number of elementary aggregates in group g

Young Formula Weights for Groups within the Overall CPI

$$w_g^b = \frac{\sum_{e=1}^{k_g} x_e^b}{\sum_{g=1}^h \sum_{e=1}^{k_g} x_e^b} \quad \sum_{g=1}^h w_{e,g} = 1$$

w_g^b = Weight for group g in weight period b

h = Number of groups in CPI

Lowe Formula Weights for Elementary Aggregates within Groups

$$w_{e,g}^b = \frac{x_e^b \times a_e^{b \rightarrow v}}{\sum_{e=1}^{k_g} (x_e^b \times a_e^{b \rightarrow v})} \quad \sum_{e=1}^{k_g} w_{e,g} = 1$$

$w_{e,g}^b$ = Weight for elementary aggregate e within group g in weight-period b
(Effective January 2014, $b = 2012$)

$a_e^{b \rightarrow v}$ = weight adjustment factor for elementary aggregate e

$$a_e^{b \rightarrow v} = I_e^v / \frac{1}{12} \left(\sum_{m=Jan}^{Dec} I_e^{m/b} \right)$$

I_e^v = Price index for elementary aggregate e for month v

(Effective January 2014, $v = \text{December 2013}$)

$I_e^{m/b}$ = Price index for elementary aggregate e in month m in year b

Lowe Formula Weights for Group within Overall-CPI

$$w_g^b = \frac{\sum_{e=1}^{k_g} (x_e^b \times a_e^{b \rightarrow v})}{\sum_{g=1}^h \sum_{e=1}^{k_g} (x_e^b \times a_e^{b \rightarrow v})} \quad \sum_{g=1}^h w_{e,g} = 1$$

Indexes for higher-level Groups

$$I_g^m = \sum_{e=1}^{k_g} w_{e,g}^b * I_e^m \quad I_e^0 = 100$$

period 0 is May 2002 for most items,
but later for items that entered at a later date

Total HICP

The overall HICP is a weighted arithmetic average of the indexes of groups. In the CPI is used Young formula, but since January 2014 changed into using Lowe formula.

Because the groups have different base index (most are based on May 2002 = 100, but added later groups have other grounds), indices should be re-based on a common period, the month ν (preliminary month before using new weights).

$$\text{HICP}^m = \text{HICP}^\nu \times \sum_{\xi=1}^n w_\xi^b \times \frac{I_\xi^m}{I_\xi^\nu} \quad \text{HICP}^0 = 100$$

HICP^m = Harmonised index of the consumer price index for month m

ν = the month prior to the first use of the weights (Currently ν = December 2014)

Kosovo Agency of Statistics

short description

Kosovo Agency of Statistics is a professional institution which deals with collection, processing and publication of official statistical data. As such acts since 1948 and has passed through several historical stages, structured according to state regulation of those times.

On 2 August 1999, the Agency has resumed his professional work (after nine years of interruption of all statistical series detrimental to the interest of Kosovo), as an independent institution under the Ministry of Public Administration. Since 12.12.2011 the Agency operates in the frames of the Prime Minister's Office. Office is funded by the Kosovo Consolidated Budget, but also by donors for specific projects and for technical professional support.

Kosovo Agency of Statistics acts according to the Law No. 04/L-036 which entered into force on 12.12.2011. Strategic development plan 2009-2013 is the middle term implementation for the development of statistical system in correlation with the European Union statistics (EUROSTAT).

Kosovo Agency of Statistics has this organizational structure: production departments; (Department of Economic statistics and National Accounts, Department of Agriculture and Environment statistics and Department of Social statistics. **Support Departments**; Department of Methodology and Information Technology, Department of Policy Planning, Coordination and Communication, Department of Census and survey and Department of Administration.

In ASK are employed in total 139 workers, of them 104 (74,8 %) at the headquarters of the Agency, while in the Regional Offices, 35 (25,2%), with qualifying structure, 70,5% with university education to 29,5% with secondary education.

We have professional and technical cooperation with all Ministries of the Government of Kosovo, especially with the Ministry of Economy and Finance, Central Bank of Kosovo, with international institutions, EUROSTAT, International Monetary Fund, World Bank, Sweden's SIDA, DFID, UNFPA, UNDP, UNICEF, and with the statistical institutions of the countries in the region.

Kosovo Agency of Statistics almost completely covers the territory of Kosovo, based on the statistical structure of the enumeration areas as the basic unit and sole in the country from which it gets first hand information. All surveys conducted in the field use the extension of the samples in these enumeration areas but also a statistical methodology according to international recommendations. During the collection of statistical data and reports from reporting entities are involved professionals, technicians, administrators, servants of the country offices, field enumerators from regional offices, etc.

We have successfully implemented the project of Population Census, Households and Dwellings in 2011, Census that was not carried out since 1981. Results obtained from the Census will have an important role in compiling the development policies.

The mission of the Agency; to meet the needs of users with qualitative statistical data, objective, in time and space so that users have reliable base to conduct regular analysis in the interest of planning and project development at the municipal and country level. To support government institutions, scientific institutes, research academies, businesses in order to provide proper information for decision-makers and other users in Kosovo.

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