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Series 3: Economic Statistics

Harmonised indices Of consumer prices, (September 2015)



AGJENCIA E STATISTIKAVE TË KOSOVËS
AGENCIJA ZA STATISTIKE KOSOVA
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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 - 2014).

This publication contains the table with the Harmonised Indices of Consumer Prices in Kosovo on a monthly basis in May 2002 - September 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 September 2015, monthly harmonized index of consumer prices percentage (September 2015 / August 2015) and annual changes of the consumer price index in percentage (September 2015 / September 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-gov.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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Harmonized Index of Consumer Prices (HICP) for the month of September 2015

The overall harmonized index of consumer prices in Kosovo decreased to -0,3% in September 2015 compared with August 2015. The rate of inflation (deflation) measured in September 2015 with the month of September 2014 was -1,2 %. Application of the Government Decision no. 02/20 dated 24.03.2015 amending the VAT Law no. 05/L-037 on value added tax, approved by the Assembly of Kosovo on 07.22.2015, published in accordance with Article 80.5 of the Constitution of the Republic of Kosovo on 12.08.2015, empowered in September 1, 2015 - see page 16 for the escalation of VAT from 1 September 2015, has affected in the extent of -0,4 percent in the cost of living in September compared with August 2015.

September 2015 / August 2015 -0,3%

The harmonized index of consumer prices declined to -0,3% in September 2015 compared with August 2015. Decreased harmonized index of consumer prices was observed in subgroups: bread and cereals (-1,9%), fruits (-6,7%), water supply and various services related to residence (-6,3%), electricity, gas and other fuels (-3,4%), use of equipment for personal transportation (-3,4%) - (drop in the price of petrol and diesel for -4,1%), transport services (-5,8%) - (drop in the price of plane tickets) with a joint impact of these subgroups of -1.0 percent in the HICP.

The decline was offset mainly by the increase of harmonized index of consumer prices in subgroups: milk, cheese and eggs (2,0%), vegetables (3,2%), goods and services for routine maintenance of household (1, 2%), medical products and equipment (2,4%), purchase of vehicles (1,5%) with a joint impact of these subgroups of 0.7 percent in the HICP.

September 2015 / September 2014 -1.2%

The harmonized index of consumer prices decreased for 1.2% in September 2015 compared with September 2014. The decline of the harmonized index of consumer prices in this period was observed in subgroups: milk, cheese and eggs (-1,7%), vegetables (-3,6%), water supply and various services related to residence (-5,0%), electricity, gas and other fuels (-2,5%), the use of personal transport equipment (-13,8%) - (drop in the price of petrol and diesel for -15,7%), higher education (-28,1%), student services and housing (-15,7%) with a joint impact of these subgroups of -2,3 percent in the HICP.

The decline was offset mainly by the increase of harmonized index of consumer prices in subgroups: meat (1,8%), oils and fats (6,0%), alcoholic beverages (12,2%), tobacco (9,7%), goods and services for routine maintenance of household (2,5%), medical products and equipment (3,2%) with a joint impact of these subgroups of 1,1 percent in the HICP.

Table 1: Harmonised indices of consumer prices (HICP) May 2002 – September 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 – September 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 – September 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	:	7,3
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	:	2,5
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	:	1,8
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	:	0,4
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	-0,5
	June	126,7	0,1	-0,4
	July	126,4	-0,2	-0,7
	August	126,6	0,1	-0,7
	September	126,1	-0,3	-1,2

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

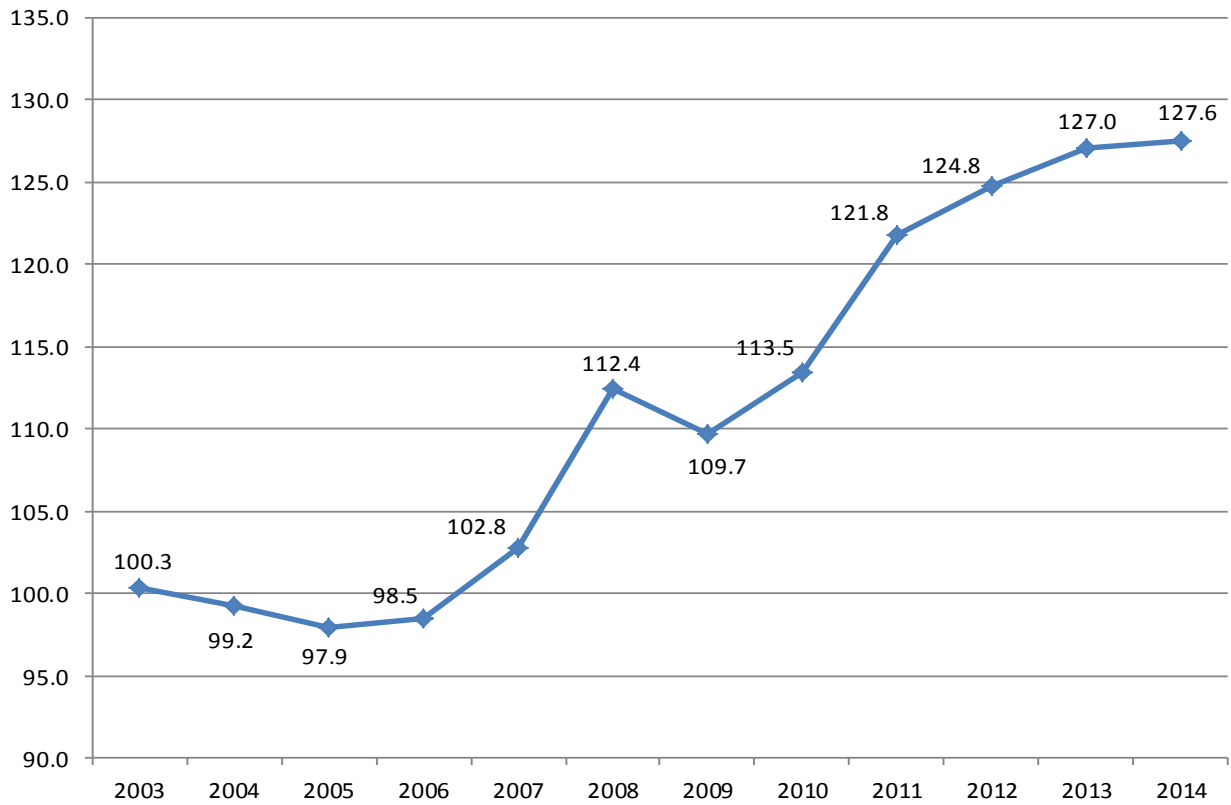
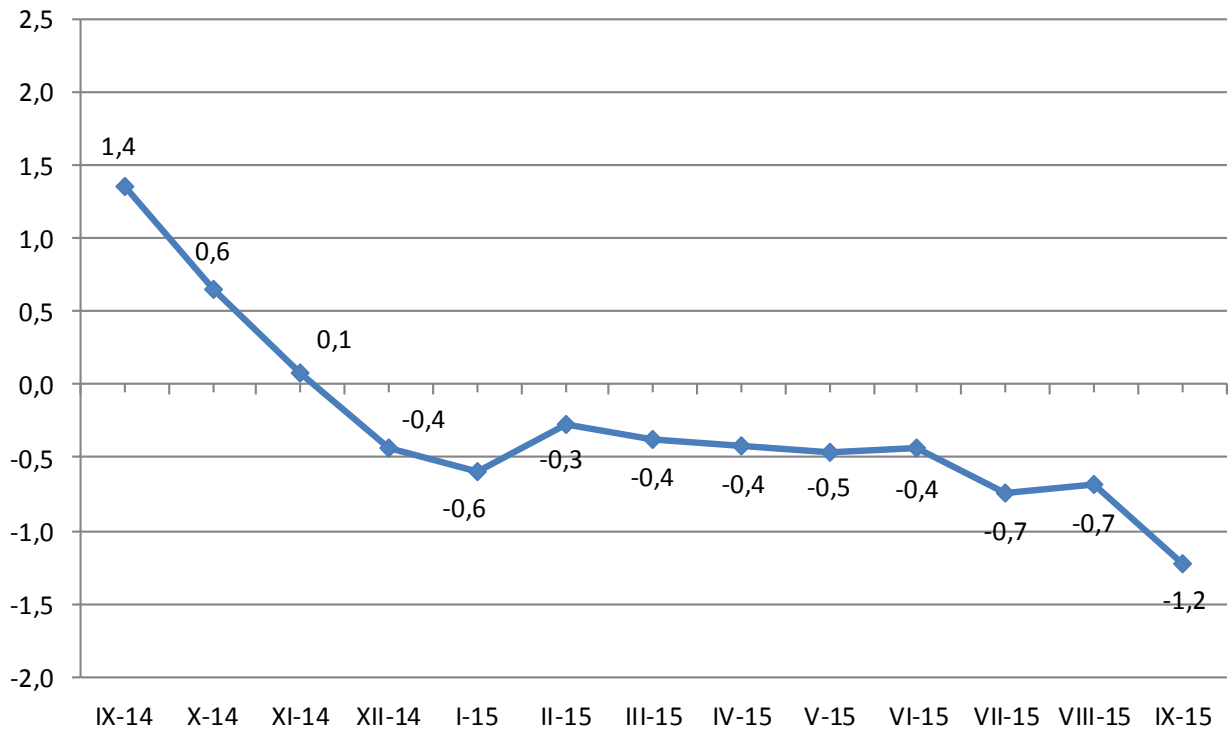


Figure 2: Annual changes in percentage of the harmonized indices of consumer prices



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

Table 2: Weight, HICP September 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	IX - 2015 May 2002=100	IX - 2015 VIII - 2015	IX - 2015 IX - 2014
01-12	Total HICP	1000,0	126,1	-0,3	-1,2
01	Food and non-alcoholic beverages	408,8	134,7	0,0	-0,5
01.1	Food	371,0	136,8	-0,1	-0,7
01.1.1	Bread and cereals	91,7	169,9	-1,9	-0,2
01.1.2	Meat	88,2	144,5	-0,1	1,8
01.1.3	Fish	3,0	138,7	0,2	2,0
01.1.4	Milk, cheese and eggs	91,3	123,9	2,0	-1,7
01.1.5	Oils and fats	9,7	141,0	-0,3	6,0
01.1.6	Fruits	18,1	135,3	-6,7	0,2
01.1.7	Vegetables	43,9	79,9	3,2	-3,6
01.1.8	Sugar, jam, honey, chocolate and confectionery	17,9	139,8	1,4	1,5
01.1.9	Food products n.e.c.	7,2	101,2	0,4	0,7
01.2	Non-alcoholic beverages	37,8	114,7	1,1	1,8
01.2.1	Coffee, tea and cocoa	12,5	141,9	1,4	3,5
01.2.2	Mineral waters, soft drinks, fruit and vegetable juices	25,3	102,3	1,0	0,9
02	Alcoholic beverages, tobacco	52,1	197,2	0,9	10,3
02.1	Alcoholic beverages	12,7	147,5	2,9	12,2
02.2	Tobacco	39,4	206,9	0,2	9,7
03	Clothing and footwear	44,7	94,4	0,5	1,7
03.1	Clothing	32,1	103,0	0,6	1,4
03.2	Footwear	12,6	82,0	0,3	2,5
04	Housing, water, electricity, gas and other fuels	89,2	126,2	-3,3	-3,1
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	0,1	0,5
04.4	Water supply and miscellaneous services relating to the dwelling	11,6	198,6	-6,3	-5,0
04.5	Electricity, gas and other fuels	65,7	124,5	-3,4	-2,5
05	Furnishing, household equipment and routine maintenance of the house	84,8	111,5	0,7	1,9
05.1	Furniture and furnishing, carpets and other floor coverings	18,1	97,3	0,3	1,2
05.2	Household textiles	2,9	101,6	0,8	0,9
05.3	Household appliances	15,0	112,3	0,8	2,9
05.4	Glassware, tableware and household utensils	9,4	101,4	0,6	1,6
05.5	Tools and equipment for house and garden	12,9	107,5	0,3	1,3
05.6	Goods and services for routine household maintenance	26,5	114,2	1,2	2,5

Table 2: Weight, HICP September 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	IX - 2015 May 2002=100	IX - 2015 VIII - 2015	IX - 2015 IX - 2014
06	Health	28,3	116,4	1,8	2,5
06.1	Medical products, appliances and equipment	21,3	117,4	2,4	3,2
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	132,2	-2,3	-8,7
07.1	Purchase of vehicles (July 2002 = 100)	34,7	105,3	1,5	0,8
07.2	Equipment operations of personal transportation	82,8	136,8	-3,4	-13,8
07.3	Transport services	13,2	111,4	-5,8	-3,4
08	Communication	31,7	93,7	0,2	0,2
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	92,4	0,3	0,2
09	Recreation and culture	45,1	106,8	0,0	0,5
09.1	Audio-visual, photographic and information processing equipment	11,3	69,4	-0,1	0,0
09.2	Other major durables for recreation and culture (July 2002 = 100)	1,6	93,7	0,0	0,6
09.3	Other recreational items and equipment, gardens and pets (July 2002 = 100)	9,8	104,4	-0,1	0,9
09.4	Recreational and cultural services (July 2002=100)	8,5	106,8	0,1	1,6
09.5	Newspapers, books and stationery	10,1	125,9	0,0	-0,4
09.6	Package Holidays (Dec.2006=100)	3,8	116,2	0,0	0,5
10	Education	12,6	78,8	0,0	-28,1
11	Restaurants and hotels	33,6	115,9	0,0	-3,4
11.1	Catering services	27,4	124,8	0,0	0,7
11.2	Accommodation services	6,2	91,7	0,0	-15,7
12	Miscellaneous goods and services	38,4	122,8	0,6	1,6
12.1	Personal care	14,6	109,2	0,5	0,8
12.3	Personal effects n.e.c.	5,8	164,5	-0,1	1,9
12.4	Social protection (Dec. 2013=100)	1,0	105,6	3,0	5,6
12.5	Insurance (Dec 2003 = 100)	6,8	106,9	1,7	1,7
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	80,6	0,3	0,3

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

Code	Item	Unit Mesaure	IX 2014	VIII 2015	IX 2015
101	Rice	1 kg	1,32	1,31	1,30
102	Wheat flour	1 kg	0,39	0,39	0,37
103	White bread	500g	0,36	0,34	0,33
111	Beef meat	1 kg	6,46	6,46	6,47
112	Veal meat	1 kg	7,27	7,29	7,29
114	Chicken	1 kg	2,70	2,65	2,60
131	Milk (tetrapak)	1 lit	0,93	0,89	0,88
133	Yoghurt	1 lit	0,93	0,92	0,90
137	Eggs	30 pcs	2,65	1,97	2,42
141	Edible oils	1 lit	1,11	1,22	1,22
153	Bananas	1 kg	1,04	1,01	1,00
161	Potatoes	1 kg	0,37	0,38	0,35
162	Tomatoes	1 kg	0,70	0,43	0,59
163	Beans	1 kg	2,82	2,42	2,45
167	Pepper	1 kg	0,80	0,75	0,85
175	Sugar	1 kg	0,68	0,65	0,66
192	Ground coffee	1 kg	7,09	7,06	7,10
193	Tea	1 kg	5,23	5,52	5,65
195	Mineral water	1.5 lit	0,32	0,31	0,31
204	Beer	0.5 l	0,54	0,60	0,62
215	Cigarettes - Ronhill	1 pack	1,23	1,39	1,39
217	Cigarettes - Marlboro	1 pack	2,20	2,31	2,31
416	Electricity	1 kwh	0,054	0,054	0,050
418	Firewood	1 m ³	35,13	37,41	37,94
701	Petrol	1 lit	1,23	1,08	1,03
702	Diesel	1 lit	1,22	1,05	1,01

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, $v =$ 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).

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

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)

Explaining the decision to apply the VAT law.

Based on the Government decision no. 02/20, dated 24.03.2015, on the VAT amendment.

Law no. 05/L-037 on value added tax adopted by the Assembly of Kosovo dated 07.22.2015 published in accordance with Article 80.5 of the Constitution of the Republic of Kosovo on 08.12.2015, the law is in effect from 1 September 2015.

Chapter VII Article 26

Paragraph 1. VAT is charged at the standard rate of eighteen percent (18%).

Paragraph 2. Regardless of paragraph 1 of this Article, the reduced VAT rate is calculated and paid of eight percent (8%) for supply with goods and services as well as their import, as follows: supply with water, except bottled water; supply with electricity, including transmission and distribution services, with central heating, waste collection and other waste treatment; grains such as barley, corn, maize varieties, oats, rye, rice and wheat; products made from grain for human consumption, such as flour, pasta, bread and similar products; cooking oils made from grains or oilseeds for use in cooking for human consumption; dairy and dairy products intended for human consumption; salt appropriate for human consumption; eggs for consumption; textbooks and serial publications; supply including lending of books from libraries including brochures, leaflets and similar printed materials, children's picture books, drawing and colouring books, music printed texts or manuscripts, maps and hydro graphic charts and similar; information technology equipment; supply with medicines, pharmaceutical products, instruments, medical and surgical devices; medical equipment, ambulances, aids and other medical devices to facilitate or treat inability for exclusive use by the disabled, including the repair of such goods and supply with children's vehicle seats;

Paragraph 3. The Minister of Finance may issue a sub-legal act for expanding list of products with reduced rate under Annex III of this Law or reducing the list of products with reduced rate

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. **Within the Agency we also established Regional Offices;** Gjakove, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj

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, UNVEF, 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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