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*Agjencia e Statistikave të Kosovës - Agencija za Statistike Kosova - Kosovo Agency of Statistics*

## Series 3: Economic Statistics

# Harmonised Indices Of Consumer Prices December 2017



## Foreword

Kosovo Agency of Statistics (KAS) started to publish Consumer Price Index (CPI) in September 2002 until December 2014, and since January 2015 the CPI has been harmonized by the international concept and is published as Harmonized Index of Consumer Prices (HICP). Consumer prices have started to be collected in May 2002 which is considered as a base month.

Since January 2016 the Harmonized Index of Consumer Prices (HICP), based on the Eurostat recommendations, is published with base year **2015=100**. Prices are collected from date 10 to 20 each month in 13 municipalities of Kosovo.

Since September 2002, KAS has continuously published CPI-HICP on a monthly basis including thirteen publications annually (2004 - 2016)

This publication contains the table with Harmonized Index of Consumer Prices in Kosovo on a monthly basis January 2010 – December 2017, annual average 2010-2017 (2015=100), with monthly and annual changes in percentage, graph, table for specific weights, index for December 2017, monthly changes of the harmonized index of consumer prices in percentage (December 2017 / November 2017) and annual changes in the harmonized index of consumer prices in percentage (December 2017 / December 2016) for groups and subgroups according to COICOP, table with average prices for some more representative items and the calculation methodology of the harmonized indices of consumer prices.

### Explanation for data users

The time series of Consumer Price Index (CPI) in the country have been published with the base month May 2002 = 100 for the period May 2002 - December 2015. Whereas, as of January 2016 with the Eurostat recommendations, the Consumer Price Index (CPI), respectively the Harmonized Index of Consumer Prices (HICP) is calculated with the base year 2015 = 100, and are recalculated on this basis of all time series of the Consumer Price Index (CPI) in the country and are published with 06.06.2017 on the KAS website (in the annual publication of the Harmonized Consumer Price Index 2002-2016). From January 2016, the time series have been published continuously from the month of January 2010.

Proposals, suggestions and feedback can be send via e-mail: [economic@rks-gov.net](mailto:economic@rks-gov.net)

Consumer Price Index (CPI), namely the Harmonised Index of Consumer Prices (HICP), 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
KAS	Kosovo Agency of Statistics

:	Figure not available
0	Less than half of the unit used
-	Not applicable
%	Percentage
W	Statistical weights (specific weight - CPI/HICP)
∅	Average

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## **Harmonized Index of Consumer Prices for December 2017**

Total harmonized index of consumer prices in the country is unchanged at 0.0% in December 2017 compared to November 2017. The inflation rate measured in December 2017 with December 2016 was 0,5%.

**The annual average rate of inflation in 2017 is 1.5%.**

### **December 2017 / November 2017 0,0%**

Despite the non-change in December 2017 of the Harmonized Index of Consumer Prices as compared to November 2017, there are some price changes of items and services to the COICOP groups and subgroups. Price increases are observed in the subgroups: vegetables (2.8%), transport services (3.5%) - (airplane ticket price increase) with a common impact of these subgroups of 0,2% in HICP.

The rise was largely neutralized by the fall in the prices in subgroups: electricity, gas and other fuels (-2,5%) - (electricity price decline in December 2017 by -4,9%), price drops of some consumer subgroups of -5,8% with a common impact of these subgroups of 0,2 percent in the HICP.

### **December 2017 / December 2016 0,5%**

Total harmonized index of consumer prices is higher by 0.5 percent in December 2017 compared to December 2016. In this period, there are some price changes of items and services to the COICOP groups and subgroups. Growth of consumer prices is noted in subgroups: bread and cereals (3,6%), meat (0,8%), fruits (13,6%), coffee, tea and cocoa (7,8%), tobacco (3,9%), the use of personal transport means (1,4%) - (increase in oil and petrol prices), transport services (3,2%) - (airplane ticket price increase) with an impact common of these subgroups of 1,3 percent in the HICP.

The rise was neutralized mainly by the fall of prices in this period to subgroups: milk, cheese and eggs (-1,2%), vegetables (-1,9%), sugar, jam, honey, chocolate and sweets (-4,1%), electricity, gas and other fuels (-5,4%) - (decrease of electricity price in December 2017 to -15,4% compared with winter tariffs of December 2016), purchase of vehicles (-1,5%), telephone and telefax equipment (-8,3%), audio-visual, photographic information processing equipment (-6,6%) with a common impact of these sub-groups of -0,8 percent in the HICP.

### **Explanation for data users**

The implementation of new retail electricity tariffs for household consumers as of 1 April 2017, approved by the Energy Regulatory Office of the Republic of Kosovo, dated 31 March 2017, is the cause of the change in the price of electricity in each month calculated by the Kosovo Electricity Supply Company (KES / CO).

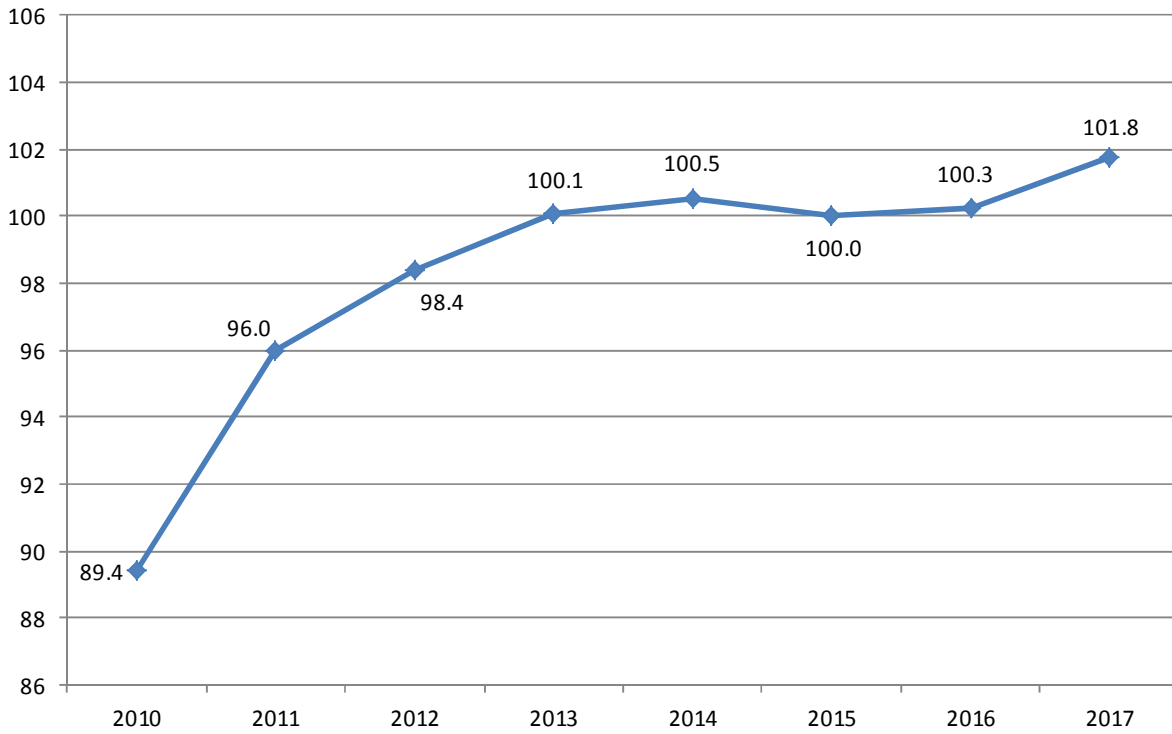
**Table 1: Harmonised indices of consumer prices (HICP) January 2010 – December 2017 (2015=100), monthly and annual changes of prices in percentage**

Year	Month	Index (2015 = 100)	Monthly change in percentage	Annual change in percentage
2010	January	88.0	0.6	0.7
	February	88.2	0.2	1.1
	March	88.1	-0.1	0.8
	April	87.2	-1.0	1.6
	May	87.5	0.3	2.2
	June	87.6	0.1	2.2
	July	87.9	0.3	2.7
	August	90.5	3.0	6.0
	September	90.8	0.3	6.0
	October	91.9	1.2	6.0
	November	92.3	0.4	6.2
	December	93.2	1.0	6.5
		<b>Annual average 2010</b>	<b>89.4</b>	<b>:</b>
2011	January	94.5	1.4	7.4
	February	96.5	2.1	9.4
	March	97.6	1.1	10.8
	April	96.5	-1.1	10.7
	May	96.5	0.0	10.3
	June	95.7	-0.8	9.2
	July	95.2	-0.5	8.3
	August	95.3	0.1	5.3
	September	95.1	-0.2	4.7
	October	96.2	1.2	4.7
	November	96.2	0.0	4.2
	December	96.5	0.3	3.5
		<b>Annual average 2011</b>	<b>96.0</b>	<b>:</b>
2012	January	97.3	0.8	3.0
	February	98.2	0.9	1.8
	March	98.3	0.1	0.7
	April	97.6	-0.7	1.1
	May	97.6	0.0	1.1
	June	97.3	-0.3	1.7
	July	97.3	0.0	2.2
	August	98.3	1.0	3.1
	September	99.1	0.8	4.2
	October	99.9	0.8	3.8
	November	99.5	-0.4	3.4
	December	100.1	0.6	3.7
		<b>Annual average 2012</b>	<b>98.4</b>	<b>:</b>
2013	January	100.7	0.6	3.5
	February	100.8	0.1	2.6
	March	100.8	0.0	2.5
	April	100.0	-0.8	2.5
	May	99.7	-0.3	2.2
	June	99.9	0.2	2.7
	July	99.6	-0.3	2.4
	August	99.5	-0.1	1.2
	September	99.3	-0.2	0.2
	October	100.1	0.8	0.2
	November	100.3	0.2	0.8
	December	100.6	0.3	0.5
		<b>Annual average 2013</b>	<b>100.1</b>	<b>:</b>

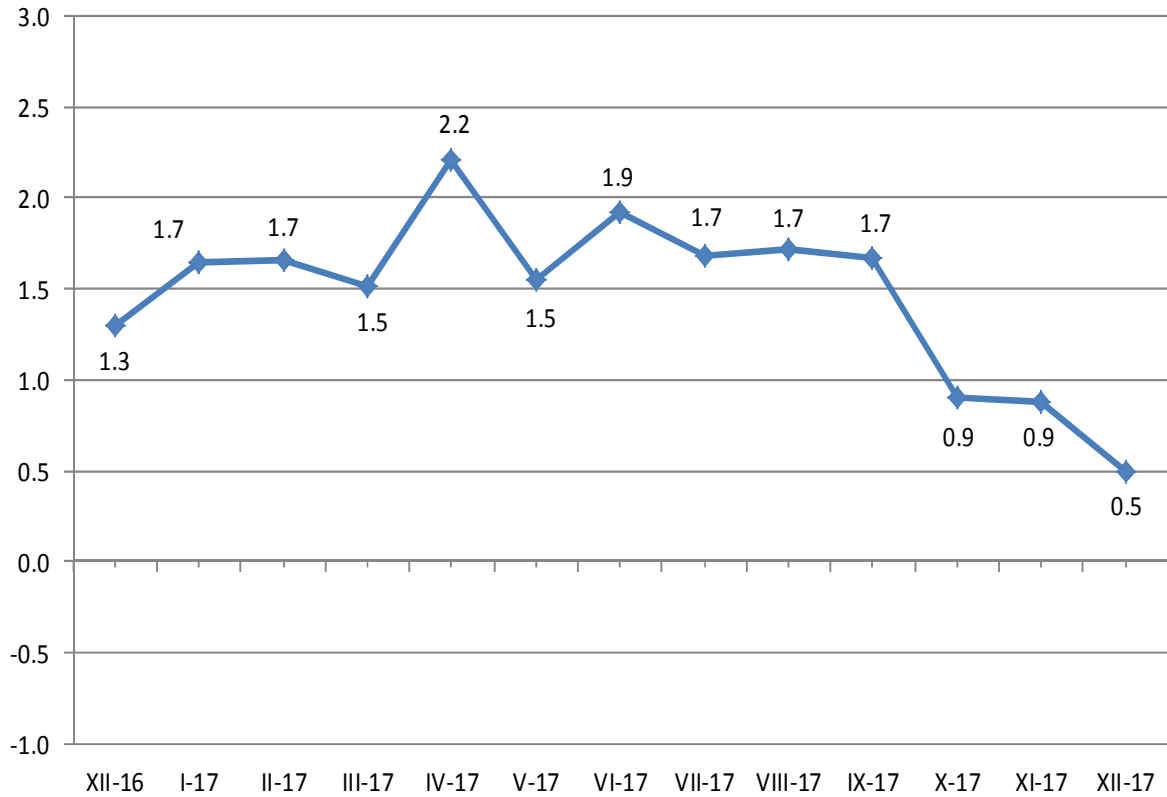
**Table 1: Harmonised indices of consumer prices (HICP) January 2010 – December 2017 (2015=100), monthly and annual changes of prices in percentage (continued)**

Year	Month	Index (2015 = 100)	Monthly change in percentage	Annual change in percentage
2014	January	100.9	0.3	0.2
	February	100.9	0.0	0.1
	March	101.1	0.2	0.3
	April	100.3	-0.8	0.3
	May	100.2	-0.1	0.5
	June	100.3	0.1	0.4
	July	100.4	0.1	0.8
	August	100.4	0.0	0.9
	September	100.6	0.2	1.3
	October	100.7	0.1	0.6
	November	100.4	-0.3	0.1
	December	100.2	-0.2	-0.4
		<b>Annual average 2014</b>	<b>100.5</b>	<b>:</b>
2015	January	100.3	0.1	-0.6
	February	100.6	0.3	-0.3
	March	100.7	0.1	-0.4
	April	99.9	-0.8	-0.4
	May	99.7	-0.1	-0.5
	June	99.9	0.1	-0.4
	July	99.6	-0.2	-0.8
	August	99.7	0.1	-0.7
	September	99.4	-0.3	-1.2
	October	100.0	0.6	-0.7
	November	100.1	0.1	-0.3
	December	100.0	0.0	-0.2
		<b>Annual average 2015</b>	<b>100.0</b>	<b>:</b>
2016	January	100.5	0.4	0.1
	February	100.7	0.2	0.0
	March	100.8	0.1	0.1
	April	99.8	-1.0	-0.1
	May	99.6	-0.2	-0.1
	June	99.6	-0.1	-0.3
	July	99.6	0.0	0.0
	August	99.8	0.2	0.0
	September	99.9	0.2	0.6
	October	100.9	0.9	0.9
	November	101.0	0.1	0.9
	December	101.3	0.4	1.3
		<b>Annual average 2016</b>	<b>100.3</b>	<b>:</b>
2017	January	102.2	0.8	1.7
	February	102.3	0.2	1.7
	March	102.3	-0.1	1.5
	April	102.0	-0.3	2.2
	May	101.2	-0.8	1.5
	June	101.5	0.3	1.9
	July	101.3	-0.2	1.7
	August	101.5	0.2	1.7
	September	101.6	0.1	1.7
	October	101.8	0.2	0.9
	November	101.8	0.1	0.9
	December	101.8	0.0	0.5
		<b>Annual average 2017</b>	<b>101.8</b>	<b>:</b>

**Figure 1: The annual average harmonized index of consumer prices in years 2010 - 2017 (2015 = 100)**



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





**Table 2: Weight, HICP December 2017 (2015=100), monthly and annual price change in percentage for groups and sub-groups according to COICOP**

COICOP	Groups and subgroups	Weight	%	XII - 2017 2015=100	XII - 2017 XI - 2017	XII - 2017 XII - 2016
<b>00</b>	<b>Total HICP</b>	<b>1000.0</b>		<b>101.8</b>	<b>0.0</b>	<b>0.5</b>
<b>01</b>	<b>Food and non-alcoholic beverages</b>	<b>376.2</b>		<b>101.3</b>	<b>0.1</b>	<b>1.5</b>
<b>01.1</b>	<b>Food</b>	<b>320.8</b>		<b>100.9</b>	<b>0.1</b>	<b>1.4</b>
01.1.1	Bread and cereals	81.7		100.0	-0.1	3.6
01.1.2	Meat	104.8		102.7	0.2	0.8
01.1.3	Fish	3.0		103.8	0.4	3.4
01.1.4	Milk, cheese and eggs	53.2		103.7	-0.2	-1.2
01.1.5	Oils and fats	7.6		104.8	-0.4	2.3
01.1.6	Fruits	16.2		97.5	-1.2	13.6
01.1.7	Vegetables	31.3		89.9	2.8	-1.9
01.1.8	Sugar, jam, honey, chocolate and confectionery	14.6		109.9	-1.1	-4.1
01.1.9	Food products n.e.c.	8.4		102.0	0.0	0.2
<b>01.2</b>	<b>Non-alcoholic beverages</b>	<b>55.4</b>		<b>104.9</b>	<b>-0.3</b>	<b>2.5</b>
01.2.1	Coffee, tea and cocoa	13.0		112.6	0.2	7.8
01.2.2	Mineral waters, soft drinks, fruit and vegetable juices	42.4		102.6	-0.5	0.8
<b>02</b>	<b>Alcoholic beverages, tobacco</b>	<b>53.5</b>		<b>112.3</b>	<b>0.0</b>	<b>1.7</b>
02.1	Alcoholic beverages	24.6		107.2	-0.2	-0.7
02.2	Tobacco	28.9		116.5	0.1	3.9
<b>03</b>	<b>Clothing and footwear</b>	<b>44.2</b>		<b>104.1</b>	<b>0.1</b>	<b>0.1</b>
03.1	Clothing	34.0		103.2	0.1	-1.0
03.2	Footwear	10.2		106.8	0.1	3.7
<b>04</b>	<b>Housing, water, electricity, gas and other fuels</b>	<b>75.9</b>		<b>101.6</b>	<b>-1.5</b>	<b>-3.3</b>
04.1	Actual rentals for housing	6.0		97.8	0.0	-1.1
04.3	Maintenance and repair of the dwelling	11.3		100.6	0.0	0.2
04.4	Water supply and miscellaneous services relating to the dwelling	13.4		95.5	0.0	0.0
04.5	Electricity, gas and other fuels	45.2		102.3	-2.5	-5.4
<b>05</b>	<b>Furnishing, household equipment and routine maintenance of the house</b>	<b>88.6</b>		<b>101.4</b>	<b>0.0</b>	<b>-0.5</b>
05.1	Furniture and furnishing, carpets and other floor coverings	20.7		102.3	0.2	0.1
05.2	Household textiles	3.2		102.9	0.2	1.3
05.3	Household appliances	15.2		99.6	-0.8	-2.0
05.4	Glassware, tableware and household utensils	13.6		104.8	1.3	0.5
05.5	Tools and equipment for house and garden	15.1		100.9	0.0	-0.7
05.6	Goods and services for routine household maintenance	20.8		100.0	-0.3	-0.6

**Table 2: Weight, HICP December (2015=100), monthly and annual price change in percentage for groups and sub-groups according to COICOP (continued)**

COICOP	Groups and subgroups	Weight ‰	XII - 2017 2015=100	XII - 2017 XI - 2017	XII - 2017 XII - 2016
<b>06</b>	<b>Health</b>	<b>31.3</b>	<b>103.0</b>	<b>-0.2</b>	<b>0.8</b>
06.1	Medical products, appliances and equipment	19.3	103.0	-0.4	0.8
06.2	Out-patient services	11.0	103.4	0.0	1.0
06.3	Hospital services	1.0	100.0	0.0	0.0
<b>07</b>	<b>Transport</b>	<b>143.9</b>	<b>101.1</b>	<b>0.5</b>	<b>0.7</b>
07.1	Purchase of vehicles	46.6	98.9	-0.3	-1.5
07.2	Equipment operations of personal transportation	74.4	100.9	0.0	1.4
07.3	Transport services	22.9	108.1	3.5	3.2
<b>08</b>	<b>Communication</b>	<b>39.7</b>	<b>98.2</b>	<b>0.1</b>	<b>-1.2</b>
08.1	Postal services	2.6	104.6	0.0	0.0
08.2	Telephone and telefax equipment	6.5	89.1	0.8	-8.3
08.3	Telephone and telefax services	30.6	99.6	0.0	0.2
<b>09</b>	<b>Recreation and culture</b>	<b>49.9</b>	<b>98.2</b>	<b>-0.1</b>	<b>-1.2</b>
09.1	Audio-visual, photographic and information processing equipment	13.0	90.2	-0.6	-6.6
09.2	Other major durables for recreation and culture	3.2	102.1	0.0	2.0
09.3	Other recreational items and equipment, gardens and pets	9.1	101.7	0.1	-0.4
09.4	Recreational and cultural services	6.1	100.7	0.0	0.1
09.5	Newspapers, books and stationery	14.4	99.4	0.0	0.7
09.6	Package Holidays	4.1	102.9	0.0	2.3
<b>10</b>	<b>Education</b>	<b>12.4</b>	<b>100.7</b>	<b>0.0</b>	<b>0.8</b>
<b>11</b>	<b>Restaurants and hotels</b>	<b>31.9</b>	<b>101.9</b>	<b>0.0</b>	<b>1.4</b>
11.1	Catering services	26.8	102.5	0.0	1.1
11.2	Accommodation services	5.1	99.8	0.0	2.5
<b>12</b>	<b>Miscellaneous goods and services</b>	<b>52.5</b>	<b>101.5</b>	<b>0.0</b>	<b>0.7</b>
12.1	Personal care	16.1	101.3	0.1	0.3
12.3	Personal effects n.e.c.	11.7	100.3	0.1	1.4
12.4	Social protection	1.0	106.1	0.0	1.7
12.5	Insurance	10.5	102.7	0.0	0.5
12.6	Financial services n.e.c.	9.6	101.0	0.0	1.0
12.7	Other services n.e.c.	3.6	100.6	0.0	-0.6

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

<b>Code</b>	<b>Item</b>	<b>Unit Mesaure</b>	<b>XII 2016</b>	<b>XI 2017</b>	<b>XII 2017</b>
101	Rice	1 kg	1.35	1.35	1.33
102	Wheat flour	1 kg	0.41	0.40	0.40
103	White bread	500g	0.29	0.29	0.29
111	Beef meat	1 kg	6.50	6.33	6.36
112	Veal meat	1 kg	7.34	7.22	7.29
114	Chicken	1 kg	2.59	2.65	2.66
131	Milk (tetrapak)	1 lit	0.86	0.88	0.87
133	Yoghurt	1 lit	0.86	0.88	0.85
137	Eggs	30 pcs	2.92	2.63	2.68
141	Edible oils	1 lit	1.13	1.09	1.09
153	Bananas	1 kg	0.99	1.01	1.08
161	Potatoes	1 kg	0.36	0.35	0.36
162	Tomatoes	1 kg	0.82	0.79	0.95
163	Beans	1 kg	2.20	2.56	2.50
167	Pepper	1 kg	1.28	0.95	1.12
175	Sugar	1 kg	0.92	0.80	0.76
192	Ground coffee	1 kg	7.29	7.93	7.94
193	Tea	1 kg	6.27	7.64	7.67
195/1	Natural water	1.5 lit	0.30	0.31	0.31
204	Beer	0.5 l	0.64	0.64	0.64
215	Cigarettes - Ronhill	1 pack	1.54	1.61	1.61
217	Cigarettes - Marlboro	1 pack	2.49	2.51	2.51
416	Electricity	1 kwh	0.071	0.064	0.060
418	Firewood	1 m <sup>3</sup>	39.10	41.90	41.82
701	Petrol	1 lit	1.04	1.05	1.05
702	Diesel	1 lit	1.00	1.02	1.02

## HICP Methodology

HICP Kosovo, produced by Kosovo Agency of Statistics (KAS), is produced by methods of the Harmonized Index of Consumer Prices (HICP). Eurostat has defined the HICP as the European standard of consumer price indices. Index calculated and their results are presented by Classification of Individual Consumption by Purpose (COICOP), the international classification which classifies consumption in divisions, groups and classes of items. By COICOP, KAS has allocated 91 classes of defined consumption (at 4-digit level) further to 408 products (elementary aggregate). KAS has defined aggregation weight for each element and each month collects prices for each elementary aggregate.

Each month the HICP is calculated in two steps:

1. Elementary indices (elementary aggregate indicator) calculated from the collected prices by using the formula of unweighted geometric average (Jevon).
2. The indices of the highest level, including the HICP itself, are calculated by averaging the elementary indices by formula of weighted arithmetic average (Laspeyres).

Elementary aggregate weights are based on estimates of annual consumer spending. KAS, for 91 classes of consumption, estimates the annual consumer spending from the Household Budget Survey (HBS) and National Accounts (NA); weights within the consumer classes come from KAS domestic sources. Specific weights from January 2013 were based on estimates of the data from the Household Budget Survey (HBS) and National Accounts (NA) that refer to 2012, while from January 2015 specific weights are based on updated data from the National Accounts (NA) and the Household Budget Survey (HBS) 2013.

From January 2016, specific weights for items and services harmonized by E-CoICoP (Eurostat recommendations) are based on data from the National Accounts (NA) and the Household Budget Survey (HBS) 2014. As from January 2017 specific weights for items and services are based only on data from the National Accounts (NA) 2015. Annually updated weights ensure that HICP reflects current consumer trends.

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 6000 prices during the period of 10<sup>th</sup> - 20<sup>th</sup> of each month. They obtain prices in stores, markets, service enterprises and other retail outlets in thirteen municipalities of Kosovo:

- Gjakovë
- Gjilan
- Istog
- Mitrovicë
- Pejë
- Kamenicë
- Vushtrri
- Podujevë
- Prizren
- Prishtinë
- Suharekë
- Ferizaj
- Rahovec

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. From January 2015 are applied new weights from the NA data and the HBS 2013 calculated with the price changes in December 2014 (HICP weights). From January 2016 are applied new weights from the NA data and the HBS 2014 calculated with the price changes in December 2015 (HICP weights). As from January 2017 specific weights for items and services are based only on data from the National Accounts (NA) 2015 calculated with the price changes in December 2016 (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

## ***Overall HICP***

Overall HICP is a weighted arithmetic average of the indexes of groups. CPI used in the formula of Young, but since January 2014 has passed in using Lowe formula.

Because the groups have different bases indexed (most have a base May 2002 = 100, but the groups added later have otherwise, since January 2016 the indices are calculated with base year 2015 = 100), indices of groups should be re-based on a common period, which is the month  $v$  (previous month before new weights being put into use).

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

$\text{HICP}^m$  = Harmonized index of consumer prices for the month ***m***

$v$  = previous month before new weights being put into use). (Currently  $v = 2015=100$ )

# 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. Programme of Official Statistics 2013/2017 is in 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 are also established Regional Offices**; Gjakove, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj

Number of employees and budget are still limited. In KAS are employed in total 143 workers, of whom 98 (68,58 %) at the headquarters of the Agency, while in the Regional Offices, 45 (31,5%). Agency's educational qualifying structure is as follows: 61,7% with university education, 15,4% with with non-tertiary education, and 17.5% 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.

In 2011, the project of Population Census , Households and Dwellings was successfully implemented, and in 2014 was successfully carried out the Agriculture Census. The result obtained from these censuses will have an important role in 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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