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## Series 3: Economic Statistics

### Import Price Index Q1 – 2017



## Foreword

Kosovo Agency of Statistics (KAS), the Department of Economics and National Accounts, has started to publish the Import Price Index (IMPI) in June 2009. Import prices started to be collected in the beginning of 2006. Prices are collected quarterly and cover the most representative import companies which were active in the most of the municipalities for the period first quarter 2006 – first quarter 2017.

This publication contains the table of Import Price Index in Kosovo on a quarterly basis Q1 2006 – Q1 2017, annual average 2006 - 2017 (2010 = 100) with quarterly and annual changes in percentage, graphic presentation, the table for weights, quarter index for Q1 2017, quarterly changes (Q4 2016 – Q1 2017) and annual changes (Q1 2016 – Q1 2017) for sectors according to Harmonised System.

IMPI is developed in compliance with European standards and methodologies, in cooperation with experts from Statistics Sweden and Swedish International Development Cooperation Agency (SIDA). IMPI is under development and more price observations will be added in the future.

Suggestions, comments and remarks can be sent to e-mail: [economic@ks-gov.net](mailto:economic@ks-gov.net)

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## Symbols and abbreviations

IMPI	Import Price Index
WCO	World Customs Organization
KSA	Kosovo Statistical Agency
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4

:	Figure not available
0	Less than half the unit used
-	Not applicable
%	Percentage
W	Statistical weight
Ø	Average

## Contents

	Page
Import Price Index (IMPI) for First quarter 2017 .....	4
Table 1: Import Price Index (IMPI) First quarter 2006 – First quarter 2017 (2010=100), quarterly and annual changes in percent.....	5
Figure 1: IMPI development, Q1 2006 – Q1 2017 (2010=100) .....	6
Table 2: Weight, Index numbers, quarterly and annual changes in percent by sections according to Harmonised System (HS) .....	7
Methodology .....	8,9

## **Import Price Index (IMPI) for First quarter 2017**

Import price index in Kosovo increased by 1.3 % between Q4 2016 and Q1 2017. Compared to Q1 2016, the import prices increased by an average of 5.2 %.

### **Fourth quarter 2016 –First quarter 2017 1.3 %**

Import prices in Kosovo increased by an average 1.3 % between the Q4 of 2016 and the Q1 of 2017. The largest increases by sectors were by mineral products (6.8 %), vegetable products (5.2 %), metals and articles of base metals (2.8 %), leather and articles thereof (2.8 %), plastics, rubber and articles thereof (1.1 %), textile and textile articles (1.1 %), miscellaneous manufactured articles (0.6 %), optical, photo, measuring, medical & musical instruments & timepieces (0.6 %), edible oil (0.4 %) and wood and articles thereof (0.2 %).

The increase was counteracted mainly by decreases of prices of paper and articles thereof (-4.6 %), footwear (-1.9 %), stone, plaster, ceramic products and glass (-1.1 %), machinery and electrical appliances (-0.7 %), products of chemical industries (-0.5 %), transport means (-0.5 %) and prepared foodstuffs, beverages and tobacco (-0.1 %).

### **First 2016 – First quarter 2017 5.2 %**

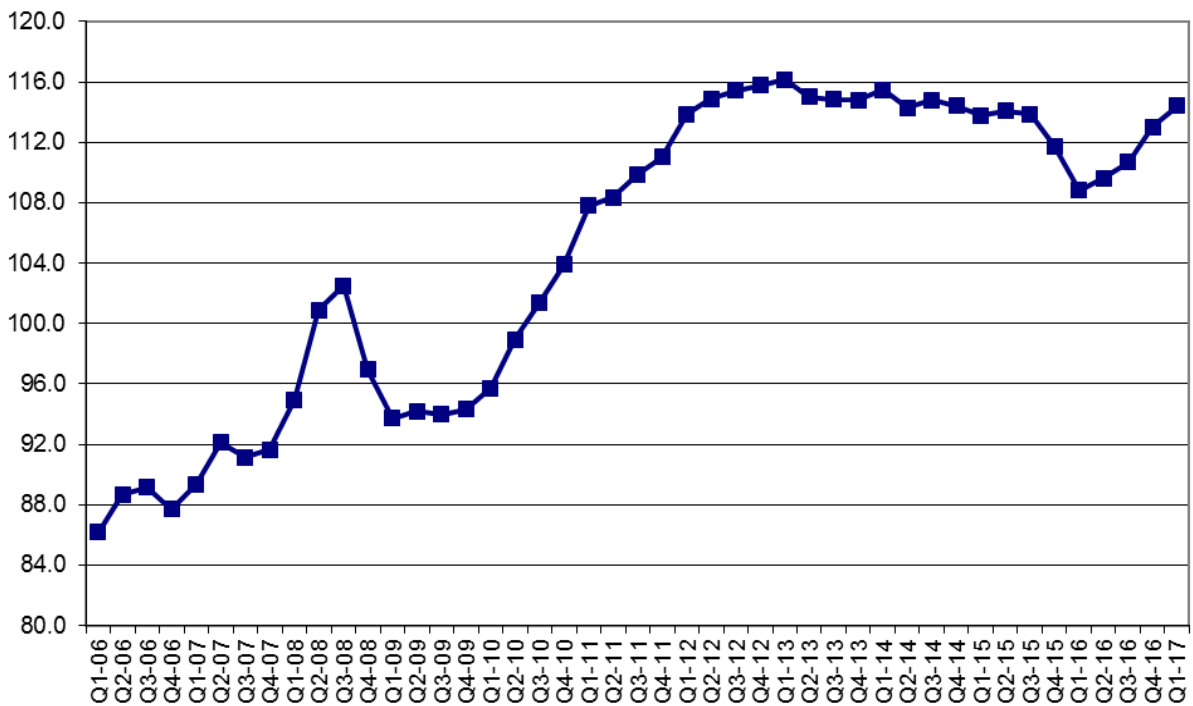
Import prices in Kosovo increased by an average 5.2 % between the Q1 of 2016 and the Q1 of 2017. The largest decreases by sectors were by mineral products (25.0 %), metals and articles of base metals (9.1 %), live animals; animal products (8.9 %), leather and articles thereof (4.7 %), vegetable products (6.4 %), optical, photo, measuring, medical & musical instruments & timepieces (4.0 %), wood and articles thereof (2.2 %), miscellaneous manufactured articles (1.6 %), prepared foodstuffs, beverages and tobacco (1.3 %), stone, plaster, ceramic products and glass (1.1 %), machinery and electrical appliances (0.6 %) i plastics, rubber and articles thereof (0.3 %).

The increase was counteracted mainly by decreases of prices of paper and articles thereof (-4.6 %), footwear (-4.2 %), vegetable products (-3.3 %).textile and textile articles (-2.0 %), products of chemical industries (-1.0 %) and transport means (-0.1 %).

**Table 1: Import Price Index (IMPI) First quarter 2006 – First quarter 2017 (2010=100), quarterly and annual changes in percentage**

Quarter	Quarter	Index (2010 = 100)	Quarterly change in per cent	Annual change in per cent
2006	Q 1	86.2	:	:
	Q 2	88.7	2.9	:
	Q 3	89.1	0.5	:
	Q 4	87.7	-1.6	:
	<b>Annual average 2006</b>	<b>87.9</b>	:	:
2007	Q 1	89.4	1.9	3.7
	Q 2	92.1	3.1	3.9
	Q 3	91.1	-1.1	2.2
	Q 4	91.6	0.6	4.5
	<b>Annual average 2007</b>	<b>91.1</b>	:	<b>3.6</b>
2008	Q 1	95.0	3.6	6.3
	Q 2	100.9	6.2	9.5
	Q 3	102.5	1.6	12.5
	Q 4	96.9	-5	5.8
	<b>Annual average 2008</b>	<b>98.8</b>	:	<b>8.5</b>
2009	Q 1	93.7	-3.3	-1.3
	Q 2	94.2	0.5	-6.6
	Q 3	94.0	-0.2	-8.3
	Q 4	94.3	0.4	-2.7
	<b>Annual average 2009</b>	<b>94.1</b>	:	<b>-4.8</b>
2010	Q 1	95.7	1.5	2.1
	Q 2	99.0	3.4	5.1
	Q 3	101.4	2.5	7.9
	Q 4	103.9	2.5	10.2
	<b>Annual average 2010</b>	<b>100.0</b>	:	<b>6.3</b>
2011	Q 1	107.8	3.7	12.6
	Q 2	108.4	0.5	9.5
	Q 3	109.9	1.4	8.3
	Q 4	111.0	1.0	6.8
	<b>Annual average 2011</b>	<b>109.3</b>	:	<b>9.3</b>
2012	Q 1	113.9	2.6	5.6
	Q 2	114.9	0.9	6.0
	Q 3	115.4	0.5	5.0
	Q 4	115.8	0.3	4.3
	<b>Annual average 2012</b>	<b>115.0</b>	:	<b>5.2</b>
2013	Q 1	116.1	0.3	2.0
	Q 2	115.0	-1.0	0.1
	Q 3	114.8	-0.1	-0.5
	Q 4	114.8	0.0	-0.8
	<b>Annual average 2013</b>	<b>115.2</b>	:	<b>0.2</b>
2014	Q 1	115.5	0.6	-0.6
	Q 2	114.3	-1.0	-0.6
	Q 3	114.8	0.5	0.0
	Q 4	114.4	-0.4	-0.3
	<b>Annual average 2014</b>	<b>114.7</b>	:	<b>-0.4</b>
2015	Q 1	113.8	-0.5	-1.4
	Q 2	114.1	0.3	-0.2
	Q 3	113.9	-0.2	-0.8
	Q 4	111.8	-1.8	-2.3
	<b>Annual average 2015</b>	<b>113.4</b>	:	<b>-1.2</b>
2016	Q 1	108.8	-2.6	-4.4
	Q 2	109.6	0.7	-3.9
	Q 3	110.7	1.0	-2.8
	Q 4	113.0	2.1	1.1
	<b>Annual average 2016</b>	<b>110.5</b>	:	<b>-2.5</b>
2017	Q 1	114.4	1.3	5.2

Figure 1: IMPI development, Q1 2006 – Q1 2017 (2010=100)



**Table 2: Weight, index numbers, monthly and annual changes in percentage by sector according to Harmonised System (HS)**

Code	Group	Weight	Q1 - 2017	Q1 - 2017	Q1 - 2017
			2010=100	Q4 - 2016	Q1 - 2016
<b>01-21</b>	<b>TOTAL IMPI</b>	<b>1000</b>	<b>114.4</b>	<b>1.3</b>	<b>5.2</b>
01	Live animals; animal products	38	125.4	2.1	8.9
02	Vegetable products	54	172.0	5.3	6.4
03	Edible oils	10	152.1	0.4	-3.3
04	Prepared foodstuffs, beverages, and tobacco	133	112.4	-0.1	1.3
05	Mineral products	119	116.2	6.8	25.0
06	Products of chemical industries	82	107.8	-0.5	-1.0
07	Plastics, rubber and articles thereof	69	111.8	1.1	0.3
08	Leather and articles thereof	2	108.6	2.8	7.9
09	Wood and articles thereof	26	124.2	0.2	2.2
10	Paper and articles thereof	16	108.7	-4.9	-4.6
11	Textile and textile articles	44	110.1	1.1	-2.0
12	Footwear	12	148.9	-1.9	-4.2
13	Articles of stone, plaster, ceramic products and glass	40	108.8	-1.1	1.1
14	Pearls, precious stones, metals etc.	:	:	:	:
15	Base metals and articles of base metals	99	95.7	2.8	9.1
16	Machinery appliances and electrical appliances	129	109.7	-0.7	0.6
17	Transport means	81	109.8	-0.5	-0.1
18	Optical, photo, measuring, medical & musical instruments, & timepieces	12	112.6	0.6	4.0
19	Arms and ammunition	:	:	:	:
20	Miscellaneous manufactured articles	34	116.9	0.6	1.6
21	Works of art	:	:	:	:



## Methodology

Prices were collected quarterly in seven regional centers of Kosovo: Gjakova, Gjilan, Mitrovica, Peja, Prizren, Prishtina and Ferizaj and which cover the most representative import companies which were active in most of the municipalities.

Starting from first quarter 2006, prices for around 180 items from seventy companies have been collected on quarterly basis. During 2006 many new price observations were added and for the period 2007-2008 the number of prices collected was around 250. Since 2009 the number of prices collected was around 300 and from 2015 the number of prices is about 500.

The results are presented in accordance with the Harmonized System of the World Customs Organization (WCO).

Price data is collected for a sample of typical transactions relating to goods imported in Kosovo.

## Sampling and calculation of weights

The sample is drawn from external trade data. Those data have been also used for the calculation of weights. The weights are based on information from trade data from Y-1 (previous year) and are updated annually. By updating the weights each year, the IMPI basket will reflect changes in trade patterns. The IMPI will be affected by both price changes and changes in the import structure.

## Variables

The main variable is the price; it can be reported in any currency. Prices reported in foreign currencies are converted into EUR. The invoice currency and the reporting currency are, therefore, complementary variables. Where prices are reported in foreign currencies, the Swedish Central Bank's quarterly average exchange rates are used for converting into EURO.

## Index formulas

The Import price index can be described as a Laspeyres-type chain index with annual links. A Laspeyres index is defined as

$$I^t = \frac{\sum_{i=1}^n P_i^t Q_i^0}{\sum_{i=1}^n P_i^0 Q_i^0} = \sum_{i=1}^n \frac{P_i^0 Q_i^0}{\sum_{i=1}^n P_i^0 Q_i^0} \times \frac{P_i^t}{P_i^0}$$

Where  $P^0$  and  $P^t$  are the price per unit in the base period (0) and the comparison period (t), respectively, and  $Q^0$  is the quantity in the base period. Summation is across the n products. In the centre element above, the index is expressed as the ratio between the summated value of the baseperiod quantities at the comparison-period and base-period price level, respectively. The index can also be expressed, as in the final element, as an average of the goods' price relatives weighted with the base-period values.

The index links are calculated with the current quarter q in year y as the comparison period, and with the fourth quarter in year **y-1** as price reference period. The weighting period is the year **y-1**. A link is thus defined as:

$$I_{y-1,q4}^{y,q} = \sum_{s=1}^k \frac{V_s}{\sum_{s=1}^k V_s} \times \frac{P_s^{y,q}}{P_s^{y-1,q4}}$$

Where the value weight  $V_s$  is the value of the transactions in year **y-1** that are represented by the specification **s**. Summation is across the **k** specifications.

### Calculating the chained index of IMPI

The chained index number is calculated for quarters and indicates the particular quarter's price level compared with the average price level in 2008 (2008=100).

$$I_{2010}^{y,q} = \frac{100}{\frac{1}{4} \sum_{q=1}^4 I_{2009,q4}^{2010,q}} \times \prod_{Y=2010}^{y-1} I_{Y-1,q4}^{Y,q4} \times I_{y-1,q4}^{y,q}$$

### Calculating changes

The quarterly change is calculated as:

$$\left[ \left( \frac{IMPI_0^{Y,q}}{IMPI_0^{Y,q-1}} \right) - 1 \right] * 100 = \text{Quarterly percentage change}$$

$IMPI_0^{Y,q}$  = Import price index for the current quarter q

$IMPI_0^{Y,q-1}$  = Import price index for the previous quarter q-1

The yearly change is calculated as:

$$\left[ \left( \frac{IMPI_{2010}^{Y,q}}{IMPI_{2010}^{Y-1,q}} \right) - 1 \right] * 100 = \text{Yearly percentage change}$$

$IMPI_{2010}^{Y,q}$  = The chained Import price index for the current quarter q

$IMPI_{2010}^{Y-1,q}$  = The chained Import price index for the previous year and quarter q

# 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 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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