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

## Series 3: Economic Statistics

### Import Price Index Q1 2018



AGJENCIA E STATISTIKAVE TË KOSOVËS  
AGENCIJA ZA STATISTIKE KOSOVA  
KOSOVO AGENCY OF STATISTICS

## **F o r e w o r d**

Kosovo Agency of Statistics (KAS), the Department of Economic Statistics and National Accounts, has started to publish the Import Price Index (IMPI) in June 2009. Import prices started to be collected at the beginning of 2006. Prices are collected on a quarterly basis and cover the most representative import companies which were active in most municipalities for the first quarter of 2006 - the first quarter 2018.

The publication contains the Kosovo Import Price Index table on a quarterly basis, Q1 2006 to Q1 2018, annual average for 2006 - 2018 (2010 = 100) with quarterly and annual changes in percentage, with graphs presentation, weight charts, quarterly index for Q1 2018, quarterly changes (Q4 2017 – Q1 2018) and annual changes (Q1 2017 – Q1 2018) for sectors according to the Harmonized System.

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

Comments, remarks, and suggestions regarding this publication are welcome and they can be sent to the e-mail: [ekonomik@ks-gov.net](mailto:ekonomik@ks-gov.net)

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June, 2018

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## List of symbols and abbreviations

IMPI	Import Price Index
KAS	Kosovo Agency of Statistics
WCO	World Customs organization
Q1	First quarter
Q2	Second quarter
Q3	Third quarter
Q4	Fourth quarter
:	Figure not available
0	Less than half the unit used
-	Not applicable
%	Percentage
W	Statistical weight (specific weight)
Ø	Average

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## **Import Price Index (IMPI) in the first quarter of 2018**

The total import price index in Kosovo remained unchanged at 0.0% in Q1 2018 compared to Q4 2017. Compared to Q1 2017, import prices rose to an average of 1.4%.

### **Fourth quarter 2017 – First quarter 2018 0.0%**

Despite the non-change in the import price index in Q1 2018 compared to Q4 2017, it has been observed that some prices had decreased in some sectors. The biggest drop in prices by sectors was in footwear (-13.0%), vegetable products (-5.0%), leather and articles thereof (-4.2%), live animals and animal outputs (-3.7%), edible oils (-1.1%), machinery and electrical appliances (-0.9%), prepared foodstuffs, beverages and tobacco (-0.8%), optical, photographic, measuring, medical and musical instruments and clock mechanisms (-0.8%), products of chemical industries (-0.6%) and wood and articles thereof (-0.5%).

The decline was neutralized mainly by the increase of the prices in the sector of base metals and articles thereof (3.3%), plastics, rubber and articles thereof (2.6%), textiles and articles thereof (2.0%), mineral products (1.5%), articles of stone, mortar, ceramic and glass products (1.2%), miscellaneous manufactured articles (0.1%) and paper and articles thereof (0.1%).

### **First quarter 2017 – First quarter 2018 1.4%**

Import prices in Kosovo rose to an average of 1.4% between Q1 2017 and Q1 2018. The largest sector-based growth was in base metals and articles thereof (12.3%), textiles and articles thereof (6.1%), vegetable products (4.8%), plastics, rubbers and articles thereof (3.6%), stone articles, mortars, ceramics and glass products (3.2%), mineral products (1.6%), means of transport (0.5%) and wood and articles thereof (0.2%).

The rise was neutralized mainly by the drop in prices in the sector of footwear (-13.5%), leather and articles thereof (-10.5%), paper and articles thereof (-6.1%), live animals, animal products (-2.7%), miscellaneous manufactured articles (-2.7%), machinery and electrical appliances (-2.5%), prepared foodstuffs, beverages and tobacco (-1.8%), optical, photographic, measuring, medical and musical instruments and clock mechanisms (-1.4%) and products of chemical industries (-0.7%).

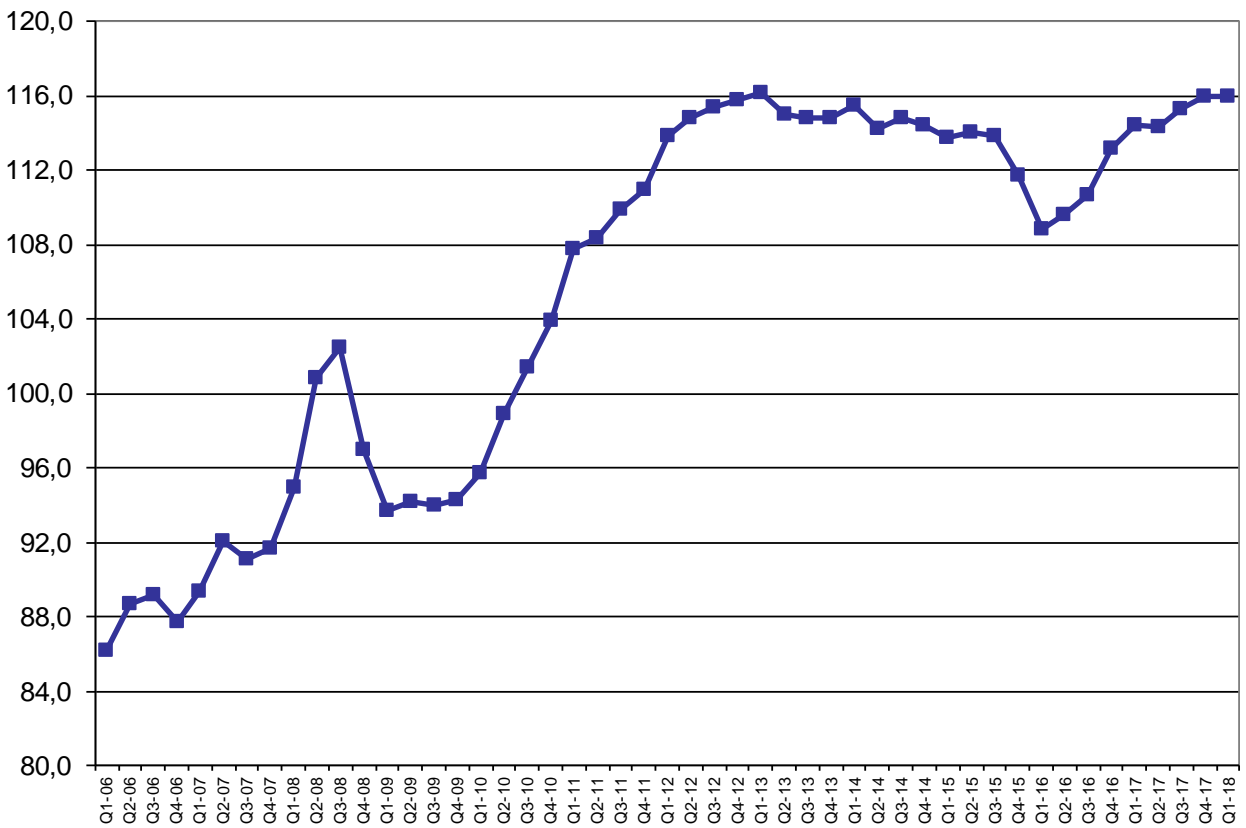
**Table 1: Import Price Index (IMPI), Q1 2006 – Q1 2018 (2010=100), quarterly and annual changes in percentage**

Year	Quarter	Index (2010 = 100)	Quarterly change in percentage	Annual change in percentage
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	-5,4	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>

**Table 1: Import Price Index (IMPI), Q1 2006 – Q1 2018 (2010=100), quarterly and annual changes in percentage (continued)**

Year	Quarter	Index (2010 = 100)	Quarterly change in percentage	Annual change in percentage
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>:</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	113,2	2,2	1,3
	<b>Annual average 2016</b>	<b>110,6</b>	<b>:</b>	<b>-2,5</b>
2017	Q 1	114,4	1,1	5,2
	Q 2	114,3	-0,1	4,3
	Q 3	115,3	0,9	4,2
	Q 4	116,0	0,6	2,5
	<b>Annual average 2017</b>	<b>115,0</b>	<b>:</b>	<b>4,0</b>
2018	Q 1	116,0	0,0	1,4

**Graph 1: Development of IMPI, Q1 2006 – Q1 2018 (2010=100)**





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

Code	Group	Weight	Q1 - 2018 2010 =100	Q1 - 2018 Q4 - 2017	Q1 - 2018 Q1 - 2017
<b>01-21</b>	<b>IMPI - Total</b>	<b>1000</b>	<b>116,0</b>	<b>0,0</b>	<b>1,4</b>
01	Live animals; animal products	38	122,1	-3,7	-2,7
02	Plant products	50	180,2	-5,0	4,8
03	Edible oils	10	154,3	-1,1	1,4
04	Prepared foodstuffs, beverages and tobacco	131	110,4	-0,8	-1,8
05	Mineral products	147	118,1	1,5	1,6
06	Products of chemical industries	80	107,1	-0,6	-0,7
07	Plastics, rubbers and articles thereof	64	115,9	2,6	3,6
08	Leather and articles thereof	2	97,2	-4,2	-10,5
09	Wood and articles thereof	26	124,4	-0,5	0,2
10	Paper and articles thereof	16	102,0	0,1	-6,1
11	Textile and articles thereof	44	116,8	2,0	6,1
12	Footwear	12	128,7	-13,0	-13,5
13	Articles of stone, mortar, ceramic and glass products	34	112,2	1,2	3,2
14	Pearls, precious stones, metals, etc.	:	:	:	:
15	Base metals and articles of base metal	100	107,5	3,3	12,3
16	Machinery and electrical appliances	118	107,0	-0,9	-2,5
17	Means of transport	88	110,4	-0,3	0,5
18	Optical, photographic, measuring, medical and musical instruments and clock mechanisms	10	111,0	-0,8	-1,4
19	Weapons and ammunition	:	:	:	:
20	Miscellaneous articles produced	28	113,7	0,1	-2,7
21	Works of art	:	:	:	:

## Methodology

Prices are collected on a quarterly basis in 7 regional centers in Kosovo: Gjakova, Gjilan, Mitrovica, Peja, Prizren, Prishtina and Ferizaj, by covering the most representative import companies that were active in most of the municipalities.

Starting from the first quarter of 2006, prices were collected on a quarterly basis for around 180 items from seventy companies. During 2006 many new price estimates have increased and in the period 2007-2008 the number of collected prices was around 250. From 2009 the number of collected prices was around 300, and since 2015 the number of prices is over 500 items.

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

Price data are collected for a sample of typical transactions related to imported goods in Kosovo.

## Sampling and calculation of weights

The sampling was drawn from external trade data. These data are also used for calculating specific weights. Weights are based on information from trade data Y-1 (previous year) and are updated on an annual basis. By updating weights every year, the IMPI basket will reflect the changes in trade patterns. IMPI will be affected by both price changes and changes in the import structure

## Statistical variables

The main variable is the price; it can be reported in each monetary unit (in any currency). Prices reported in foreign currency units 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 EUR.

## Index formulas

The Import Price Index can be described as a Laspeyres chain-type index with annual links. The Laspeyres index is defined as follows.

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

Where  $P^0$  and  $P^t$  are prices 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 done through products n. In the centre element above, the index is expressed as the ratio between the summated value of the base-period 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 price of goods weighted with the base-period values.

The index prices 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**.

The relation 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 2010 (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. 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

In KAS are employed in total 147 workers, of whom 100 (68,0 %) at the headquarters of the Agency, while in the Regional Offices, 47 (32,0%). Agency's educational qualifying structure is as follows: 73,5% with university education, 13,6% with with non-tertiary education, and 12.9% 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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