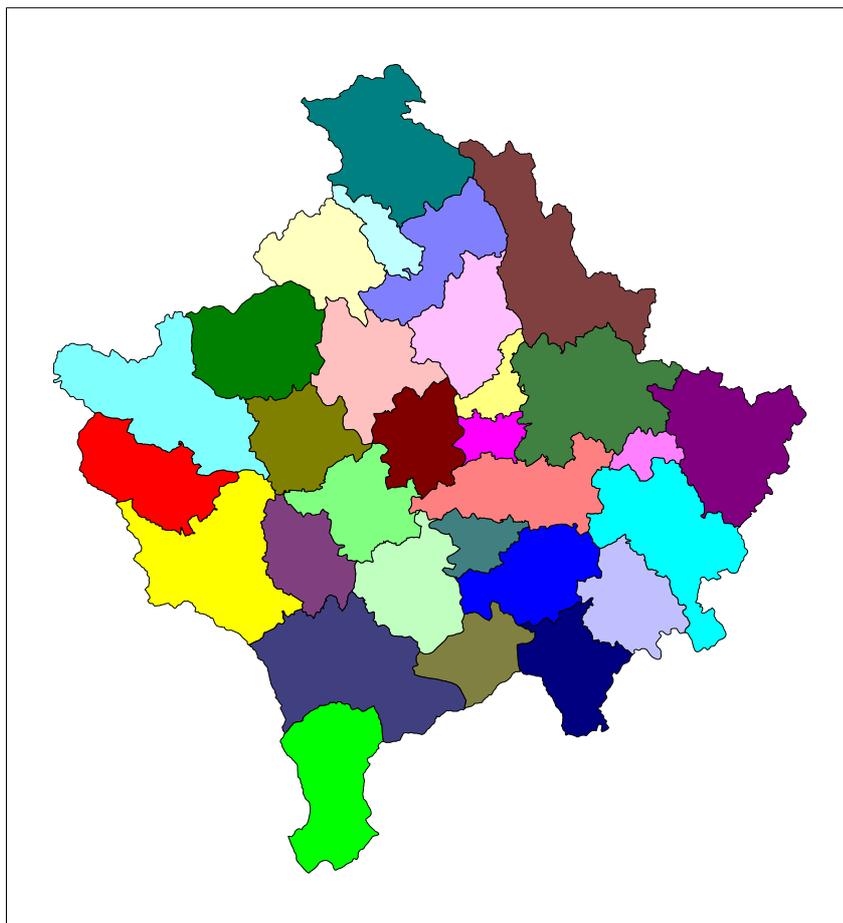




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Series 5: Social Statistics

Statistics of Living Standard 2003-2005



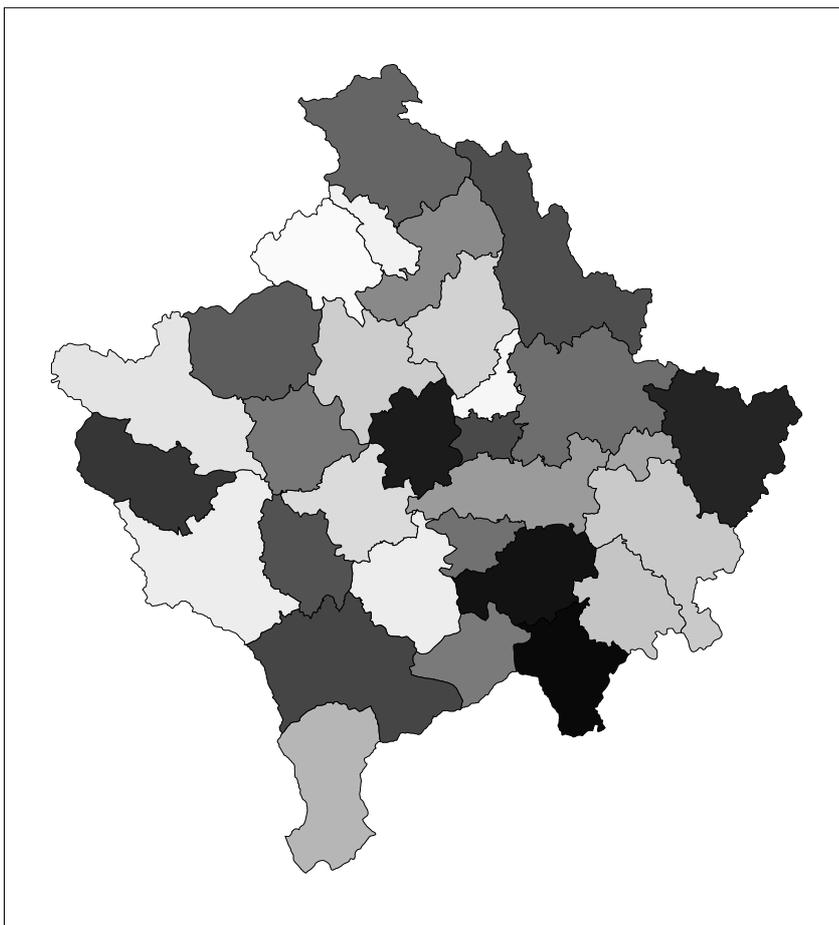
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Statistics of Living Standard 2003-2005



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Statistical Office of Kosovo

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P r e f a c e

The reason of publicizing the Statistics of Living Standards is to offer statistical data regarding the living standard in Kosovo, mainly related to households' budget, and data about poverty.

This publication is a collection of data about consumption, expenditure, income and poverty for the period 2003-2005.

For data collection, SOK used the Household Budget Survey (HBS). The aim of this publication is to alleviate the lack of information in the field of living standards in Kosovo.

We believe that this publication will serve as a useful base of reference for all users of statistical data. We invite all users of this publication for cooperation. You can send your comments and proposals in the email address: socials@ks-gov.net, and hereby contribute towards the improvement of the quality of publications in future.

The following employees of the sector of the Statistics of Living Standard contributed in preparing this publication:

1. Mr sc Bashkim Bellaqa – Director of Social Statistics Department,
2. Emine Deliu – Chief of the living standard sector,
3. Bekim Canolli – High official of the living standard sector,
4. Hatixhe Januzaj - Official of the living standard sector and
5. Mevlyde Dehari - Official of the living standard sector

Organization SIDA and the World Bank (WB) offered professional support for developing HBS (Household Budget Suervey).

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We thank employees of the local offices of SOK, for surveying household budgets.

Chief Executive of SOK,
Avni Kastrati

August, 2007

List of abbreviations

HBS	Household Budget Survey
SIDA	Swedish International Development Agency
WB	World Bank
SOK	Statistical Office of Kosovo
CPI	Consumer Price Index
NA	National Accounts
EU	European Union
COICOP	Classification of Individual Consumption by Purpose

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I N T R O D U C T I O N

The Statistical Office of Kosovo (SOK) continuously measures the private consumption by the Household Budget Survey (HBS). The statistics are needed to determine the basket for the Consumer Price Index (CPI), the private consumption in National Accounts (NA) and analysis of welfare and poverty. The survey also measures education, employment, housing conditions, possession of durable goods, construction and other household related businesses and farming. The data are collected all over the year and all over Kosovo with a random sample of 2 400 households per year, following EU standards and international best practices. The response rate is more than 80 % if the substituted households are counted as non-response.

Economic progress in the last years would be defined as an improvement of living standards in comparison to the period just after the war. In these conditions, acquirement of information through Survey about the household budget is even more appropriate for measurement of living standard, for measurement of GDP, and advantages from ponders of consumption prices. The patterns locations were rural and urban zones, throughout all the territory of Kosovo. Processing and survey of data was done through ACCESS and SPSS programs.

Questionnaire comprise information about the demographic composition of households, including individual data for each member of households, as well as for the income, consumption and expenditures, living conditions, proprietorship of long life goods, business activities and agriculture, approach on elementary infrastructure and public services. Collection of data from households was done by collaborators of SOK, throughout seven regional directorates.

1 Household consumption in Kosovo 2003-2005

Consumption is an important part of people's life. Welfare and poverty is also dependent on other aspects in life, but the consumption level and patterns is core for welfare. While income is earned by individuals, consumption is mainly household related. Alcohol and tobacco, clothing, recreation and some specific items can be consumed individually, but the major parts, like food, housing and furnishing are shared by the household members.

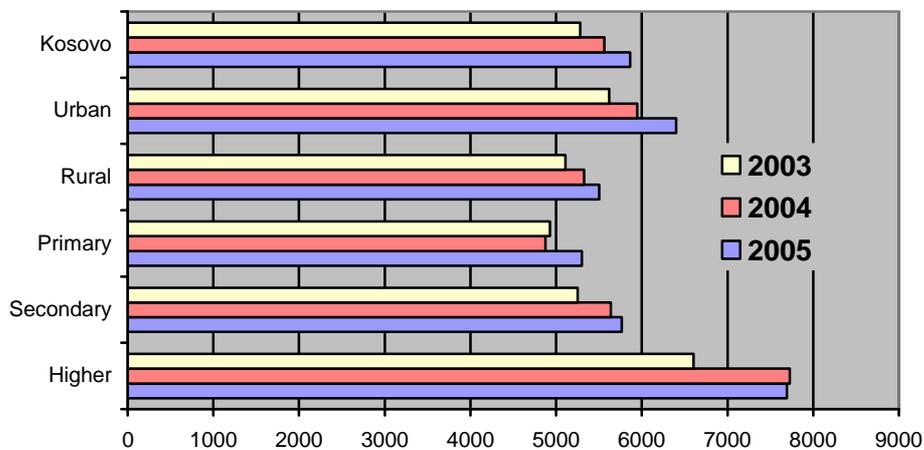
The consumption is classified according to the COICOP (Classification of Individual Consumption by Purpose) standard to harmonize with National Accounts and Consumer Price Index. Besides some improvements, the same standards have been applied during the years, making it easier to compare over time. Most of the consumption is based on goods bought and services paid for during a reference period. The reference period is one month for daily consumption (supported by diary keeping) and last 12 months for durable goods.

Following the international recommendations, the actual costs for housing is not collected, but the welfare value (imputed rent) based on the household's own assessment. In this paper we will focus on the level of consumption for different consumption groups (food, clothing, housing, etc.) and their shares of the total consumption. The development over time for both levels and shares will be presented. We will also compare some household groups. Households with higher education and urban households can be seen as indicators for the future development of consumption, as more people get more education and Kosovo is urbanizing. The figures in the text are rounded to signal that a sample survey only gives approximate estimates.

1.1. Total consumption

The consumption per household has increased with about 5 % each year to 5 800 € in 2005. Urban households have a higher consumption (6 400 €) than the rural households with 5 500 €. The increase over time has been similar in both areas. The total consumption increase with more education. Households where the head have primary school or less consumed 5 300 €, while those with secondary consumed 5 800 € and those with higher education had a total consumption of 7 700 € in 2005. Rural and less educated households have both lower consumption level and more members to share with.

Graph 1: Total annual household level consumption by locality and education level 2003-2005, €

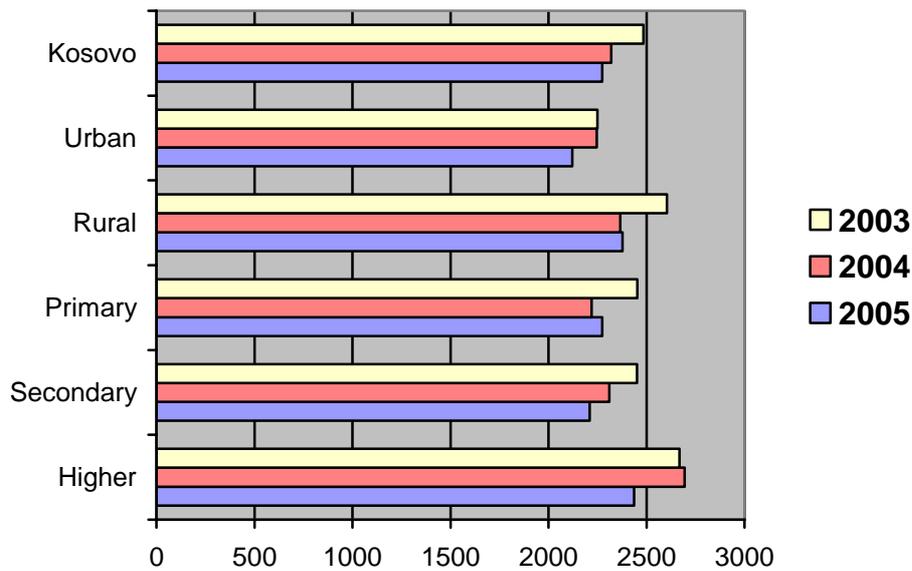


1.2. Food

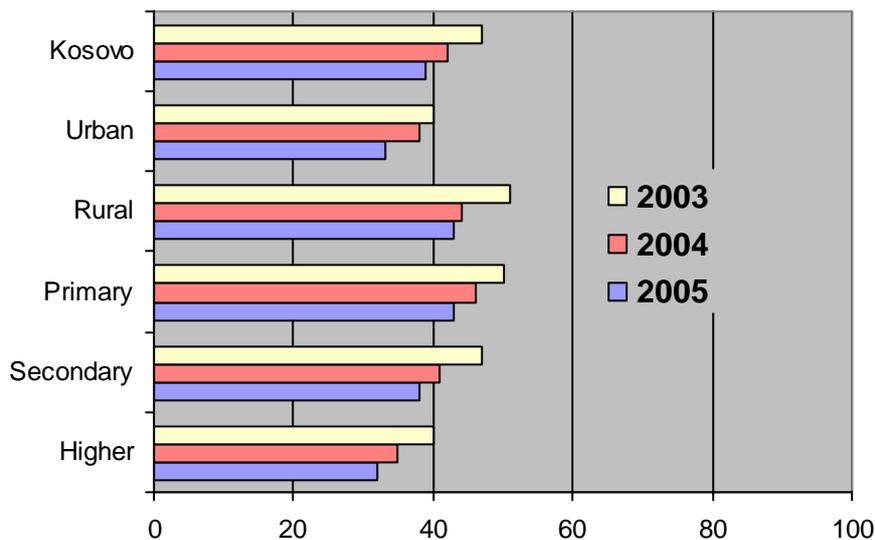
Food has the biggest share of the budget and counts for 2 300 € in 2005 or 39 %. Both the food consumption and its share of the budget have decreased over time. The share was 47 % in 2003. The food consumption is rather even between the groups.

Lower food share of the budget indicate higher welfare. As expected the urban households and those with higher education have lower rates. The food share varied between 10 and 19 % in the EU member states 1999.

Graph 2: Annual food household consumption by locality and education level 2003-2005, €



Graph 3: Food share of total consumption by locality and education level 2003-2005, %

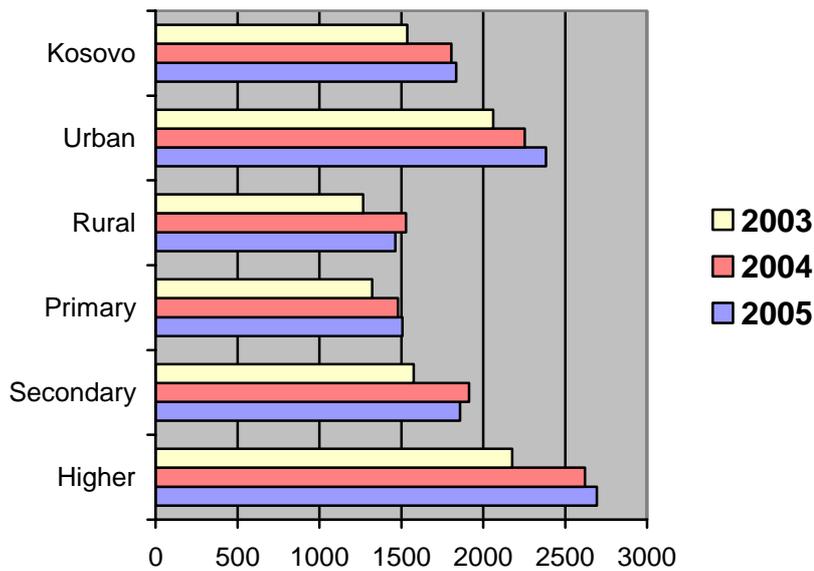


1.3. Housing

Housing is taking the second biggest share of the household budget with 1 800 € and 31 % of the budget. Food and housing takes together more than two thirds (70 %) of the budget.

The biggest part of housing is “imputed rent”, i.e. the welfare value of the house. Only a few pay rent. The budget share for housing varies from 27 % for rural to 37 % for urban households. Housing varied between 20 and 31 % in the EU member states 1999.

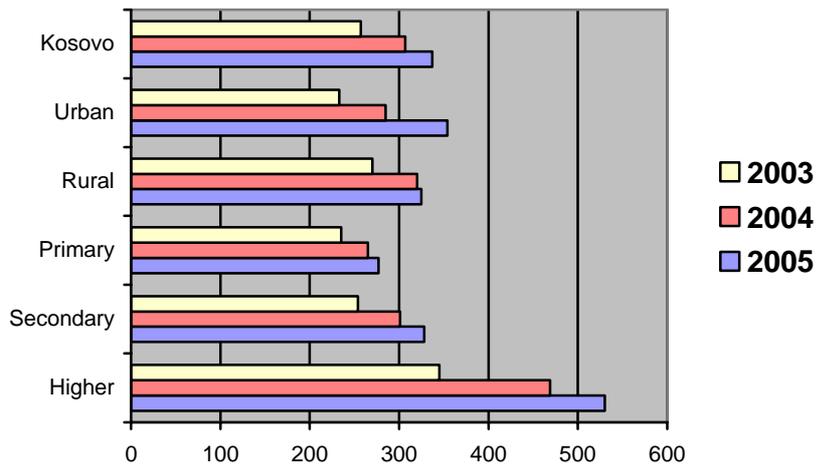
Graph 4: Housing consumption by locality and education level 2003-2005, €



1.4. Clothing and Footwear

The average household spends 340 € per year on clothing and footwear or 6 % of the budget. The budget share varies between 5 and 7 %, compared to 5 – 9 % within EU in 1999.

Graph 5: Consumption of clothing and footwear by locality and education level 2003-2005, €

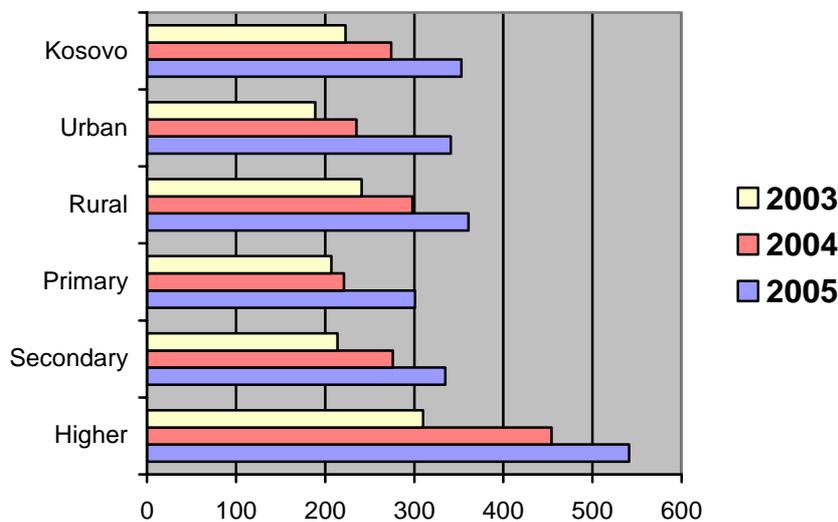


1.5. Transport

Transports have increased rather much for all households, but particularly for those with higher education. The budget share for transports range from 5 % for urban to 7 % for rural households. Those with highest education are also using 7 % of their budget on transports.

The budget share varied between 10 and 17 % in EU in 1999.

Graph 6: Households' transport by locality and education level 2003-2005, €

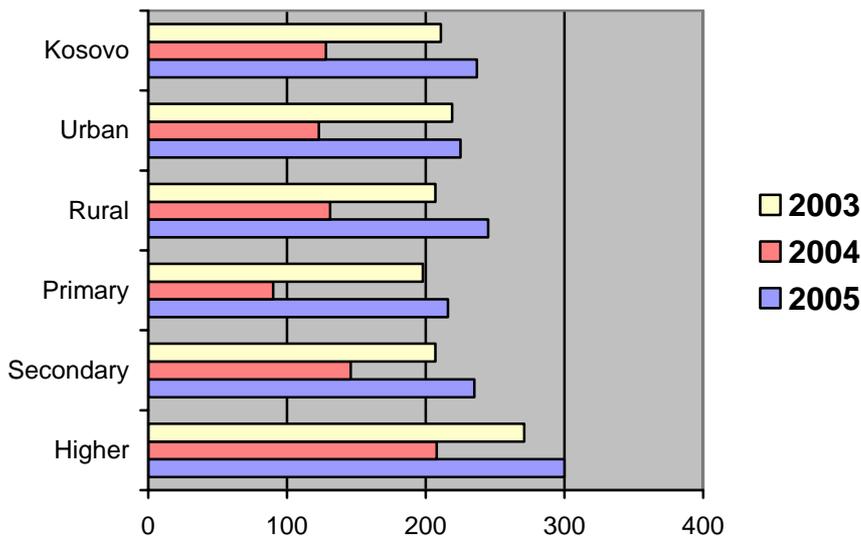


1.6. Furnishing

The purchase of furniture dropped in 2004, but came back in 2005. The average household is spending 200 €, while those with the highest education spent 300 €.

The budget share was 4 % for all groups, compared to 5 - 8 % in EU in 1999.

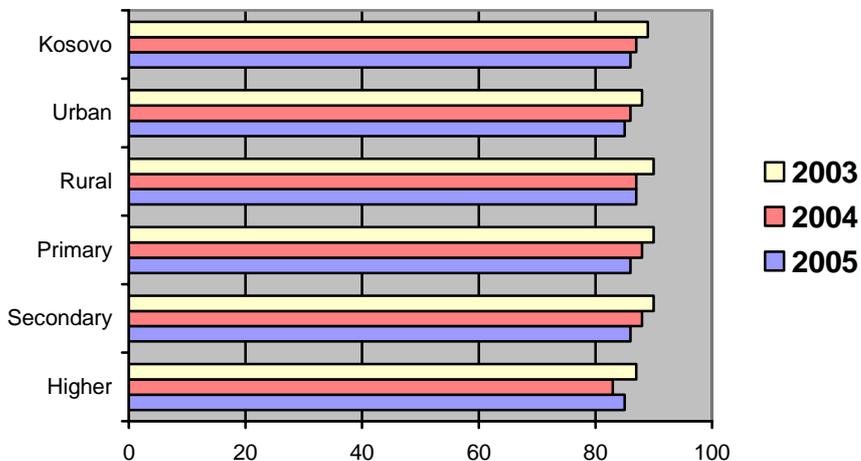
Graph 7: Furnishing by locality and education level 2003-2005, €



1.7. “Main” Consumption

The presented five biggest consumption categories (Food, Housing, Clothing and Footwear, Transport and Furnishing) represent 86 % of the all consumption. The other seven groups are limited to a few percentages each and the differences between household groups are small.

Graph 8: The five biggest consumption categories by locality and education level, total %



1.8. Alcohol and tobacco

Alcohol and tobacco takes at least 4 % of the total household budget or 229 €. The consumption increased in 2005. In the EU this consumption ranges from 2 to 7 %. The survey had a supplementary question in 2005 and in the first survey round 2002/2003 asking how many cigarettes each person smoke per day. All together people were smoking 1.6 billion cigarettes in 2005 compared to 2.8 billion 2002/3. With an average price of 0.5 € per package 2002/3 and 0.7 € in 2005 the total annual consumption was 56 million € 2005 and 71 million € in 2002/3. The percentage smokers have decreased with 4 percentage points for both women and men.

Graph 9: Consumption of alcohol and tobacco by locality and education level 2003-2005, €

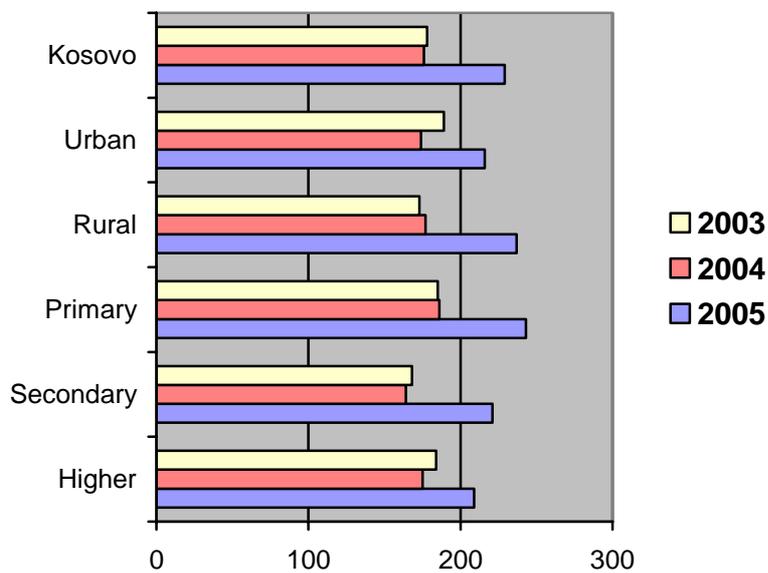


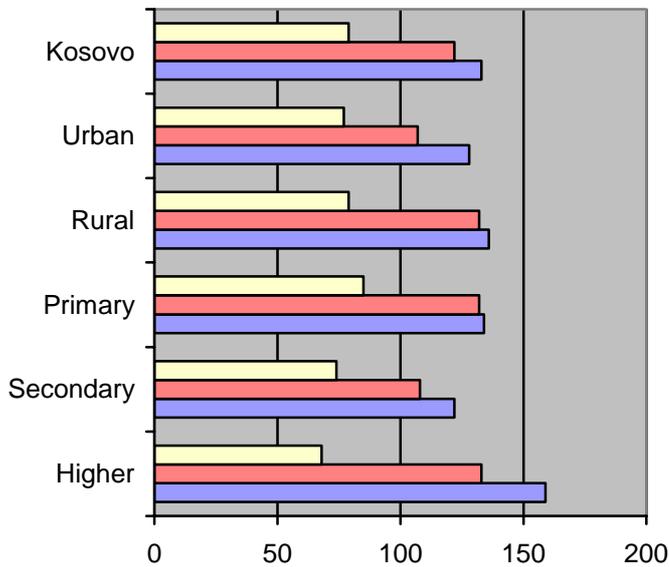
Table 1: Percentage smokers in the population by sex and daily cigarettes, % of population 16 years and older

	Men		Women		All	
	2002	2005	2002	2005	2002	2005
1 to 10	2	2	2	2	2	2
11 to 20	20	22	5	3	13	12
21+	14	8	2	0	8	3
Total Smokers	36	32	9	5	22	18

1.9. Health

Expenditure for health has increased a lot. Households with a higher level education spend more than those with a lower level of education.

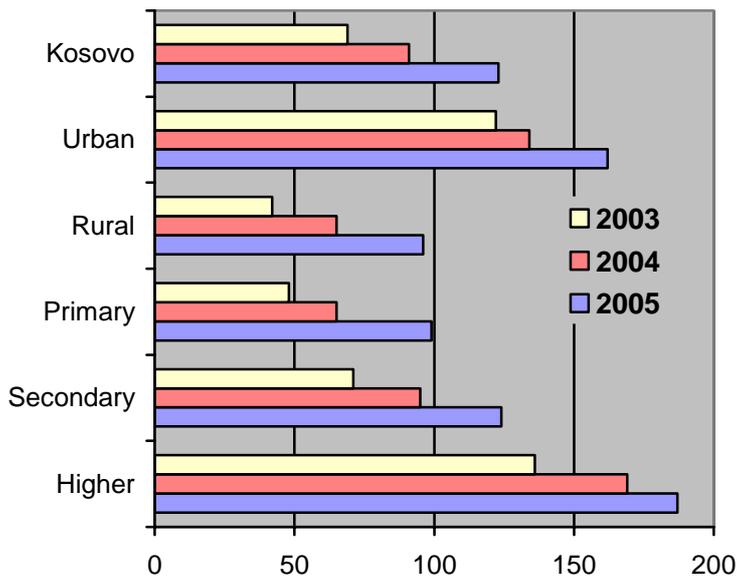
Graph 10: Health expenditure by locality and education level 2003-2005, €



1.10. Communication

Communication expenditure has also increased a lot during the three years. Urban and higher educated households are spending much more than the others.

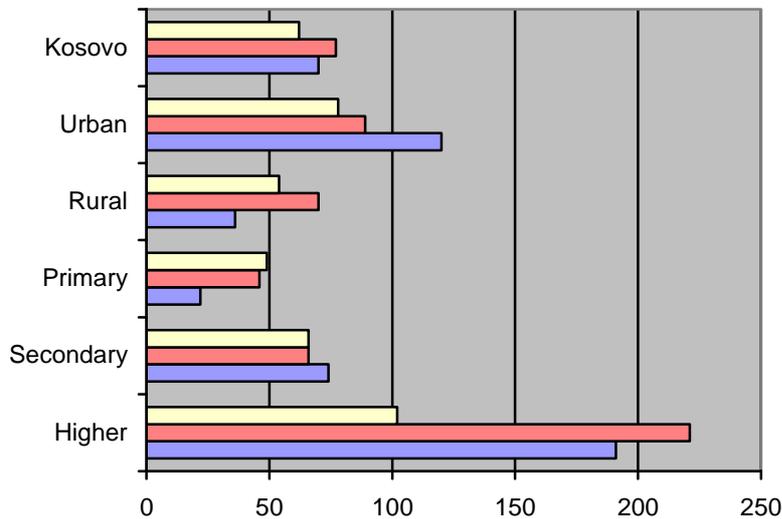
Graph 11: Communication by locality and education level 2003-2005, €



1.11. Recreation

There was a peak of expenditures for recreation for most households in 2004. Only the urban households spent significantly more on recreation in 2005 than in 2004.

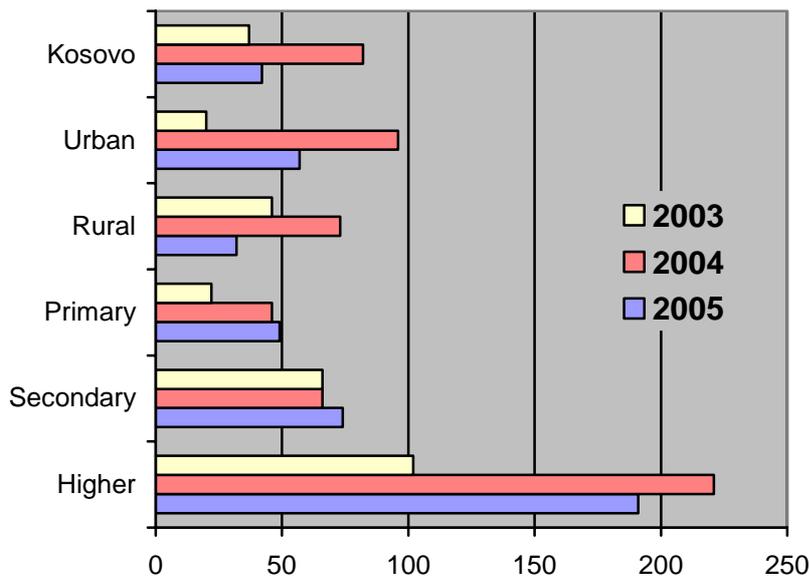
Graph 12: Expenditure for recreation by locality and education level 2003-2005, €



1.12. Education

Education expenditures had also a peak in 2004 and the households with higher education spent more than double compared to other groups.

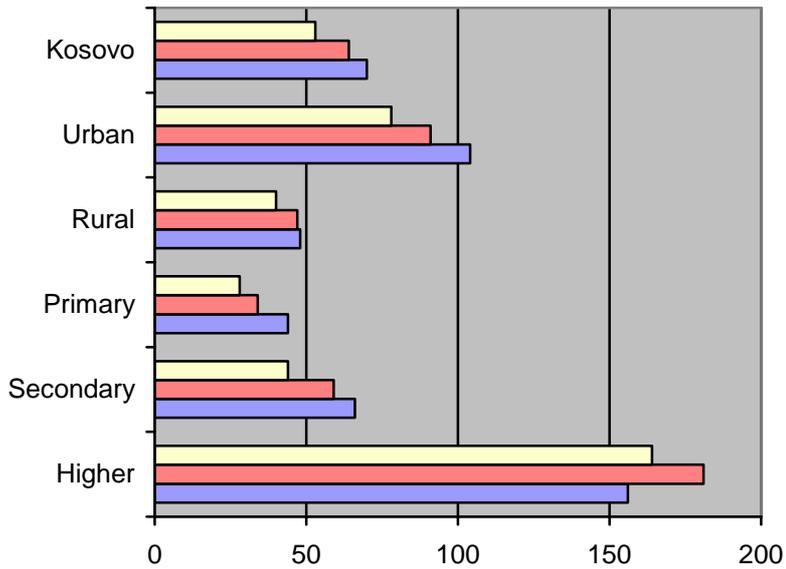
Graph 13: Education costs by locality and education level 2003-2005, €



1.13. Hotels and restaurants

Expenditure for hotel and restaurants has a similar pattern as those for recreation both over time and between groups.

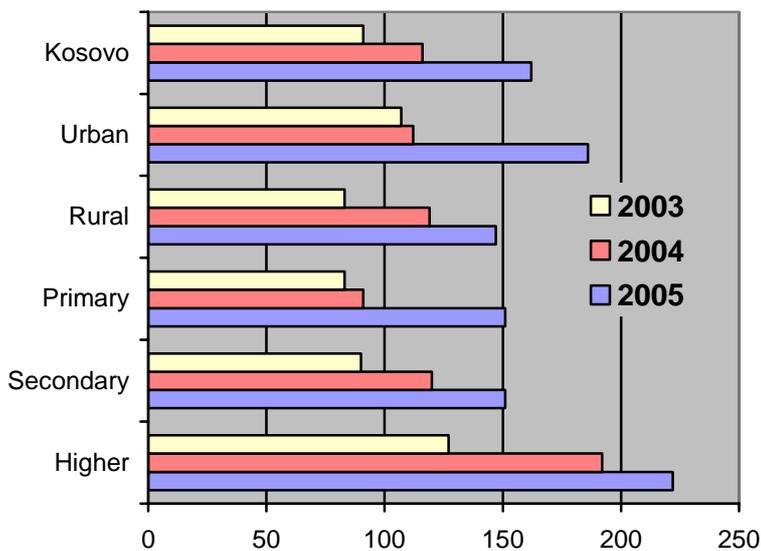
Graph 14: Expenditure for hotel and restaurants by locality and education level 2003-2005, €



1.14. Miscellaneous

This group is a mixture of hair dressing, goods for personal care and expenditures for insurances and other financial costs. They have increased rather much for all household groups.

Graph 15: Other expenditure by locality and education level 2003-2005, €



1.15. Conclusion

The Kosovo household economy is slowly transforming from food dominance to housing, clothing and transports. The urban and higher educated households are ahead and are increasing the budget share for communication, education, recreation and hotel and restaurants.

Table 2: Annual household consumption in Kosovo 2003-2005 by consumption main groups, locality and education of head of household, € and % of total consumption

Kosovo	Households	Food	Alc & tobacco	Clothing	Housing	Furnishing	Health	Transp	Com	Recreat	Educ	Hotel & rest	Misc	Total
2003	278 397	2 484 €	178	257	1 536 €	211	79	223	69	62	37	53	91	5 281 €
2004	274 371	2 320 €	176	307	1 806 €	128	122	274	91	77	82	64	116	5 563 €
2005	261 877	2 274 €	229	337	1 834 €	237	133	353	123	70	42	70	162	5 863 €
Urban														
2003	94 332	2 249 €	189	233	2 060 €	219	77	189	122	78	20	78	107	5 621 €
2004	105 308	2 246 €	174	285	2 254 €	123	107	235	134	89	96	91	112	5 946 €
2005	105 120	2 121 €	216	354	2 384 €	225	128	341	162	120	57	104	186	6 399 €
Rural														
2003	184 065	2 605 €	173	270	1 268 €	207	79	241	42	54	46	40	83	5 107 €
2004	168 964	2 366 €	177	320	1 528 €	131	132	298	65	70	73	47	119	5 326 €
2005	156 546	2 378 €	237	325	1 463 €	245	136	361	96	36	32	48	147	5 503 €
Primary education or less														
2003	131 599	2 454 €	185	235	1 323 €	198	85	207	48	49	32	28	83	4 927 €
2004	126 789	2 220 €	186	265	1 480 €	90	132	221	65	46	47	34	91	4 877 €
2005	115 943	2 274 €	243	277	1 506 €	216	134	301	99	22	33	44	151	5 300 €
Secondary education														
2003	108 976	2 451 €	168	254	1 576 €	207	74	214	71	66	38	44	90	5 252 €
2004	110 942	2 310 €	164	301	1 913 €	146	108	276	95	66	81	59	120	5 637 €
2005	104 725	2 210 €	221	328	1 858 €	235	122	335	124	74	42	66	151	5 766 €
Higher education														
2003	36 873	2 669 €	184	345	2 176 €	271	68	310	136	102	54	164	127	6 605 €
2004	36 455	2 695 €	175	469	2 621 €	208	133	454	169	221	208	181	192	7 728 €
2005	41 209	2 437 €	209	530	2 693 €	300	159	541	187	191	66	156	222	7 692 €

Kosovo	Households	Food	Alc & tobacco	Clothing	Housing	Furnishing	Health	Transp	Com	Recreat	Educ	Hotel & rest	Misc	"Big 5"
2003	278 397	47%	3%	5%	29%	4%	1%	4%	1%	1%	1%	1%	2%	89%
2004	274 371	42%	3%	6%	32%	2%	2%	5%	2%	1%	1%	1%	2%	87%
2005	261 877	39%	4%	6%	31%	4%	2%	6%	2%	1%	1%	1%	3%	86%
Urban														
2003	94 332	40%	3%	4%	37%	4%	1%	3%	2%	1%	0%	1%	2%	88%
2004	105 308	38%	3%	5%	38%	2%	2%	4%	2%	1%	2%	2%	2%	86%
2005	105 120	33%	3%	6%	37%	4%	2%	5%	3%	2%	1%	2%	3%	85%
Rural														
2003	184 065	51%	3%	5%	25%	4%	2%	5%	1%	1%	1%	1%	2%	90%
2004	168 964	44%	3%	6%	29%	2%	2%	6%	1%	1%	1%	1%	2%	87%
2005	156 546	43%	4%	6%	27%	4%	2%	7%	2%	1%	1%	1%	3%	87%
Primary education or less														
2003	131 599	50%	4%	5%	27%	4%	2%	4%	1%	1%	1%	1%	2%	90%
2004	126 789	46%	4%	5%	30%	2%	3%	5%	1%	1%	1%	1%	2%	88%
2005	115 943	43%	5%	5%	28%	4%	3%	6%	2%	0%	1%	1%	3%	86%
Secondary education														
2003	108 976	47%	3%	5%	30%	4%	1%	4%	1%	1%	1%	1%	2%	90%
2004	110 942	41%	3%	5%	34%	3%	2%	5%	2%	1%	1%	1%	2%	88%
2005	104 725	38%	4%	6%	32%	4%	2%	6%	2%	1%	1%	1%	3%	86%
Higher education														
2003	36 873	40%	3%	5%	33%	4%	1%	5%	2%	2%	1%	2%	2%	87%
2004	36 455	35%	2%	6%	34%	3%	2%	6%	2%	3%	3%	2%	2%	83%
2005	41 209	32%	3%	7%	35%	4%	2%	7%	2%	2%	1%	2%	3%	85%

2 Private consumption in Kosovo 2003-2005

This article presents macroeconomic data from the HBS 2003-2005. The results differ in some cases from the NA, as NA supplement with some other data sources and make some adjustments. The data are aggregated according to the international standard of COICOP – Classification of Individual Consumption by Purpose. With a rather small sample the results must be regarded as approximates. Without an up to date population census it is difficult to judge.

2.1. Trends of consumption

The total private consumption including own produced food increased with 2.4 % from 2003 to 2004 and with 1.3 % between 2004 and 2005 according to the survey. The private consumption per household increased with almost 4 % between 2003 and 2004 and 6 % between 2004 and 2005. The consumption per capita increased with more than 14 % from 2003 to 2005.

Applying the official projections with annual population growth of 1.7 %, the total private consumption increased with 17 % between 2003 and 2005. The total consumption varied within EU between 20 000 and 30 000 € in 1999.

Table 3: Total private consumption in Kosovo 2003-2005

Year	Million €	Consumption per household, €	Consumption per capita, €
2003	1.493	5.400	840
2004	1.529	5.600	910
2005	1.549	5.900	950

2.2. The distribution of the consumption

The biggest budget share is food with 40 % of the total consumption. Second is Housing with more than 30 % and in shared third place come clothing and transport with 6 %. The food share has decreased over the years which can be seen as a sign of higher economic standard. The food consumption in 2003 can be somewhat over estimated, because of a different way of measuring own produced food compared to later years. About 10 % of the total consumption is own produced food and 20 % of all food is own produced.

Table 4: Distribution of consumption in Kosovo 2003-2005

Consumption	(%)		
	2003	2004	2005
Food	48	43	40
Alcohol & tobacco	3	3	4
Clothing	5	5	6
Housing	29	31	31
Furnishing	4	3	4
Health	1	2	2
Transport	4	5	6
Communication	1	2	2
Recreation	1	1	1
Education	1	1	1
Hotels & restaurants	1	1	1
Misc	2	2	3
Gjithsej	100	100	100
<i>Where of own producef food</i>	<i>13</i>	<i>9</i>	<i>9</i>

Table 5: Distribution of consumption in EU in 1999

Consumption	Min	Max
Food	10	19
Alcohol & tobacco	2	7
Clothing	5	9
Housing	20	31
Furnishing	5	8
Health	1	6
Transport	10	17
Communication	2	3
Recreation	5	15
Education	0	2
Hotels & restaurants	4	10
Misc	5	15

Source: HBS 1999, Eurostat

2.3. Food consumption

The diet in Kosovo is dominated by bread, cereals, dairy products and eggs contributing to almost half of the food consumption (in value). This is followed by equal shares for meat and vegetables (12 % each).

Table 6: Distribution of food consumption in Kosovo 2003-2005

Consumption	2003	2004	2005
Bread and cereals	22	21	23
Meat	12	13	12
Fish	1	1	1
Dairy products, eggs	23	22	21
Oils and fats	4	5	4
Fruits	6	7	7
Vegetables	13	13	12
Sugar and sweets	6	5	6
Food products	5	5	5
Non - alc beverages	8	9	9
Total food	100	100	100

2.4. Consumption and expenditure

Most consumption is achieved by using money. Paid consumption (consumption expenditure) increased by 8 % between 2003 and 2004 but then remained unchanged in 2005. The welfare value of own houses is steadily growing by 3 % annually. Other non-expenditure consumption (own-produced and received food, firewood and clothing) decreased somewhat. Nonconsumption expenditure increased mainly through the introduction of wage taxes and increased collection of car tax.

Table 7: Total private consumption in Kosovo 2003-2005, miliona €

Year	Million €	Consumption per household, €	Consumption per capita, €
2003	1.493	5.400	840
2004	1.529	5.600	910
2005	1.549	5.900	950

3 Private income in Kosovo 2003-2005

3.1. Main household income

Wages from the public sector is the most important income source in Kosovo and is the main source for almost one third of the households. The next most important source is wages from the private sector.

Almost one out of ten households is mainly living on remittances from abroad.

Most households have a mix of income sources, so actual incomes give different picture.

Table 8: Main source of income for the households in Kosovo, % of households

Income source	2005	2002/2003
Public wages	30	35
Privat wages	16	18
Farming	10	11
Business	9	3
Temporary employment	9	9
Remittances from abroad	9	8 ¹
Pensions	7	7
Social assistance	7	- ²
Othere	1	9
Total	100	100

¹ Remittances from abroad were not separated in the first survey round

² Social assistance was not separated in the first survey round but is the major part of other

3.2. Individual income sources

Income is earned by 316 000 men and 114 000 women. Only 1 % of the incomes are in kind, i.e. paid or given in the form of goods or services.

The biggest source is salaries from regular employment with about half of total income (51%). Another 6 % are earned from temporary work. Net income from small scale businesses makes 9 % of total incomes and from farming 6 %.

The second biggest source is remittances in cash from household members abroad (10%) with additional 3 % from others abroad. Pensions from Kosovo count for 5 % and pensions from abroad 3 %.

Women are earning only 18 % of the total incomes. Wages from regular employment is more important for women than for men. Pension from Kosovo is the second most important source for women with 15 % compared to only 3 % for men.

Education has a major impact on income sources. More education leads to more income from regular employment. Those with primary school or less have to a large extent to live on pensions, agriculture and support from abroad. There is of course a close correlation between education and age.

People with secondary education get 15 % of their incomes from businesses. The Serb population is very little engaged in businesses, but more in farming. One fourth of the Serbian incomes comes from pensions with 15 % from Kosovo and 10 % from abroad. Albanians get more private support from abroad.

Table 9: Income sources in Kosovo, % of income

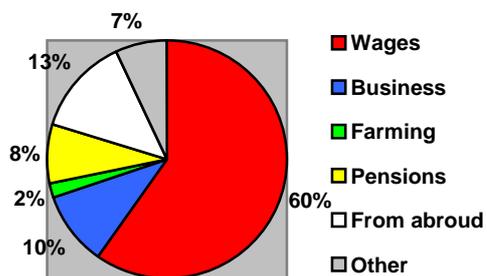
Income source	(%)		
	Men	Women	All
Regular wages	51	58	53
Temporary wages	7	1	6
Business net	11	1	10
Agriculture net	3	1	3
From members abroad	10	12	10
From others abroad	3	3	3
Kosovo pensions	4	15	5
Pensions from abroad	3	2	2
Remittances from Kosovo	1	1	1
Property income	2	1	2
Social welfare	2	3	2
Lotteries	0	0	0
Other	2	1	2
Wages in kind	1	1	1
Total %	100	100	100
Total in million €	765 M€	170 M€	935 M€

Table 10: Income sources by highest education level

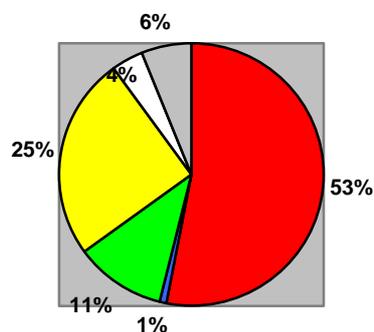
Income source	(%)		
	Primary	Secondary	Higher
Regular wages	21	60	83
Temporary wages	9	6	1
Business net	4	15	6
Agriculture net	8	0	0
Kosovo pensions	14	1	2
Pensions from abroad	7	1	1
Social welfare	5	2	0
Remittances from abroad	25	8	3
Other	6	6	4

Graph 16: Income sources by ethnicity

Albanians



Serbs



3.3. Income levels

The average income earner got 2 032 € in 2005. Men got 2 200 compared to women with only 1 500 €. Serbs earns only 1 400 € compared to 2 100 for the Albanians. Education is well coordinated with income. Academics earns three times more than people without education.

Employers have the highest income with 4 700 € and retired and unemployed the lowest.

3.4. Gender inequality

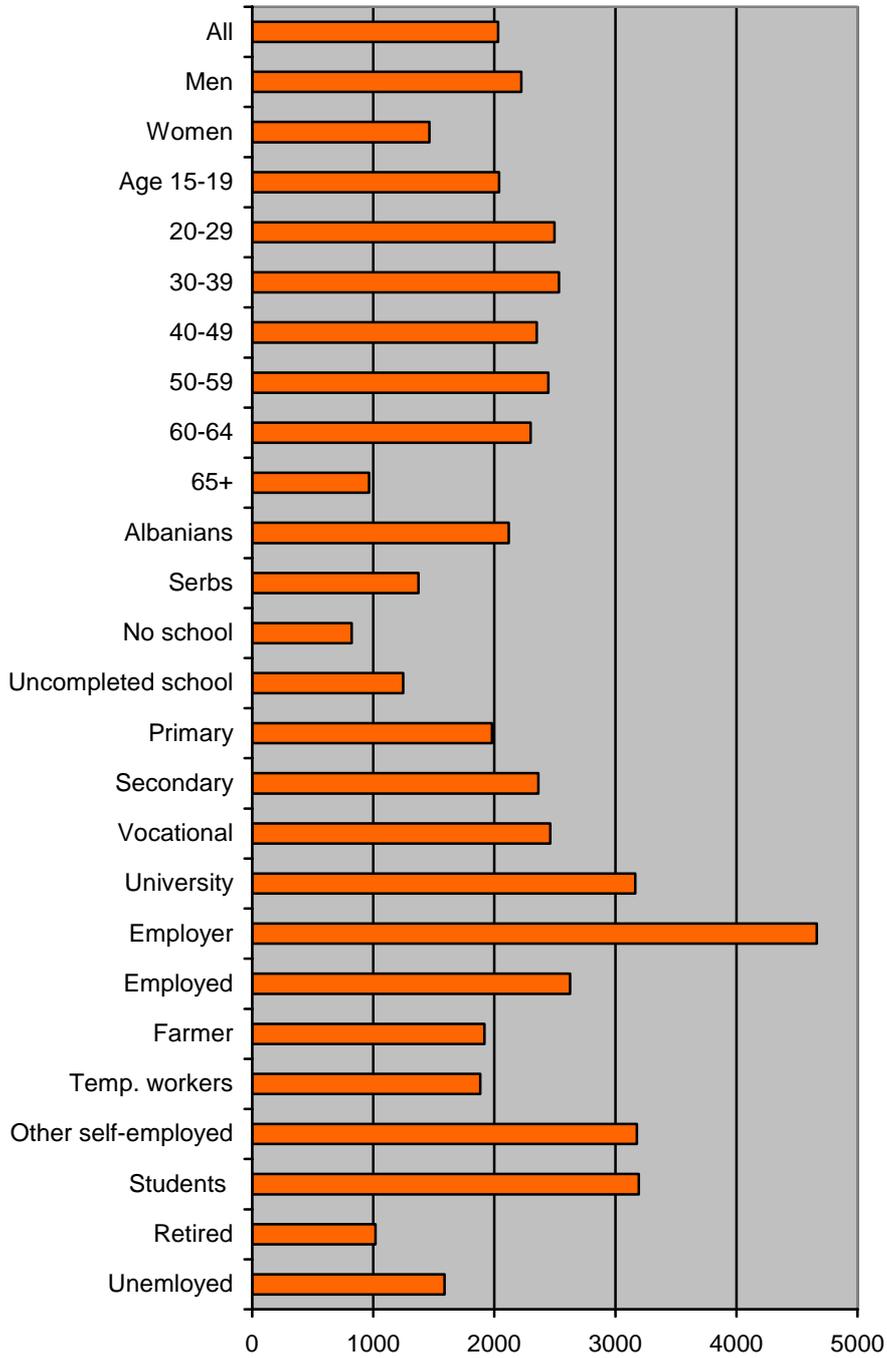
Women have significant lower incomes than men, as a group as well as individual averages. An explanation can be different work volumes rather than unfair wages.

Table 11: Average Income from 12 months employment by sex, €

Income	Men	Women	All
Wages for 12 month employment	2.850 €	2.400 €	51%

Men earn almost 20 % more than women for 12 months employment.

Graph 17: Average annual personal income, by sex, age, ethnicity, education and economic activity

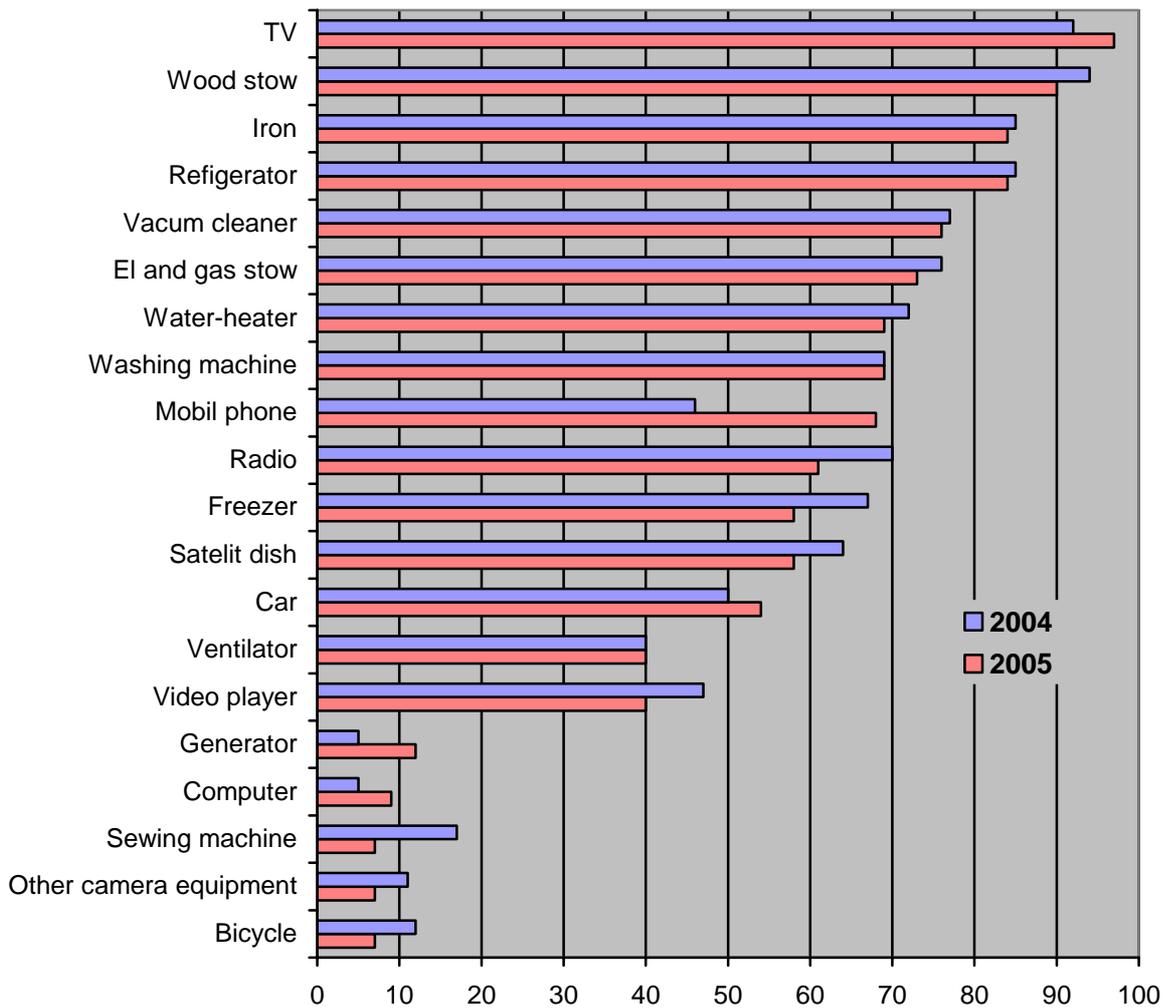


4 Durable goods in Kosovo 2003-2005

Consumption is mainly measured in HBS as the goods bought and services paid for during a reference period. For daily consumption, a one month period is used and for durables a 12 months period is applied.

Almost all (97%) of the households have at least one TV, an increase with five percentages since 2003. Cell phones have gone up most, from 46 % to 68 %.

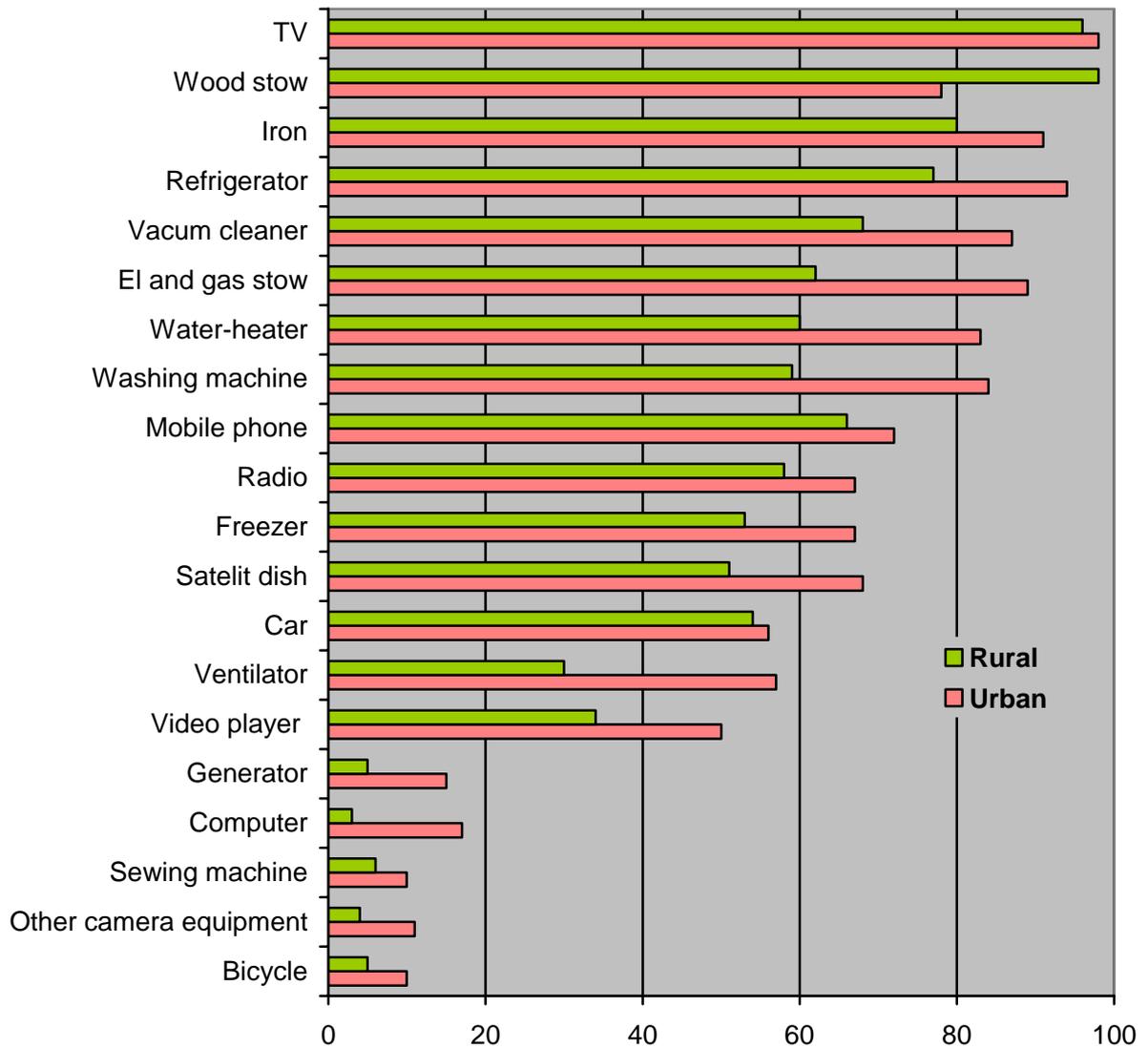
Graph 18: The twenty most popular durable goods in Kosovo, percentage of households having the item



4.1. Urban and rural differences

The urban households have more of everything except wood stoves. The difference in car and TV possession is, however, marginal.

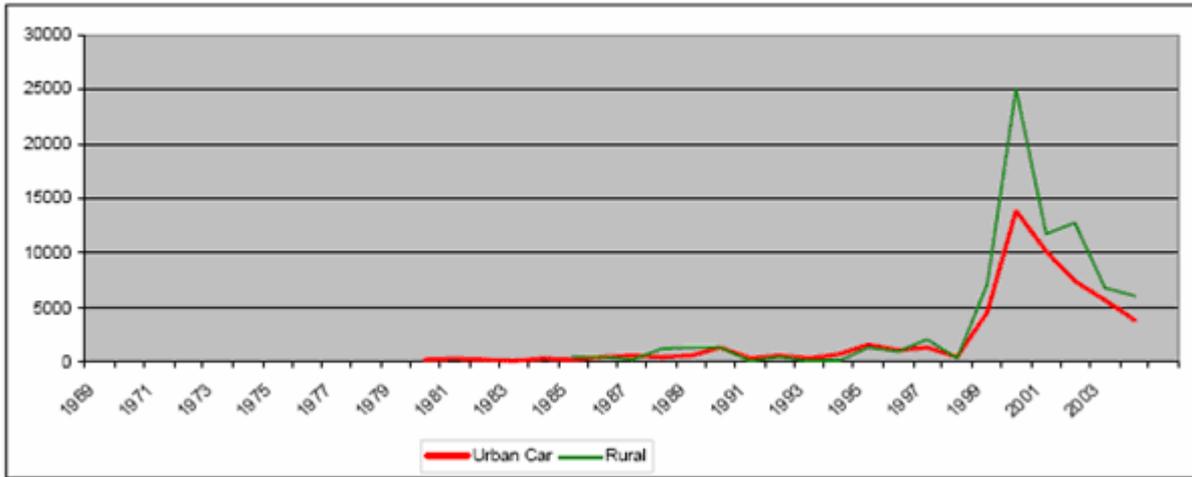
Graph 19: The twenty most popular durable goods by location, percentage of households having the item



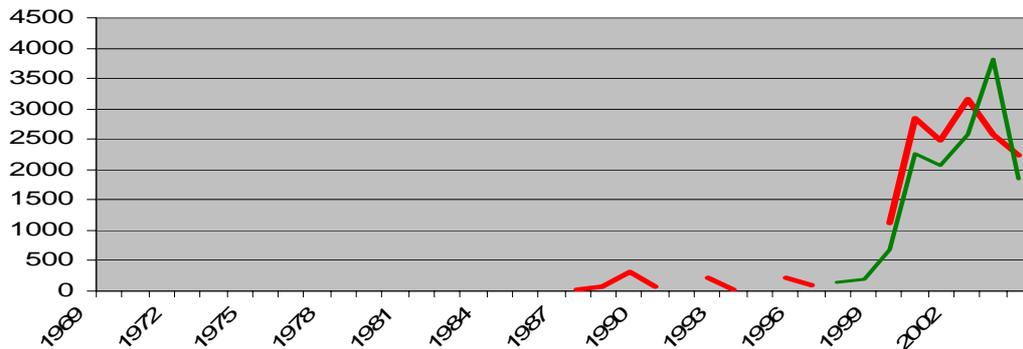
4.2. The age of goods

Most cars are bought after 1999 with the top year of 2000.

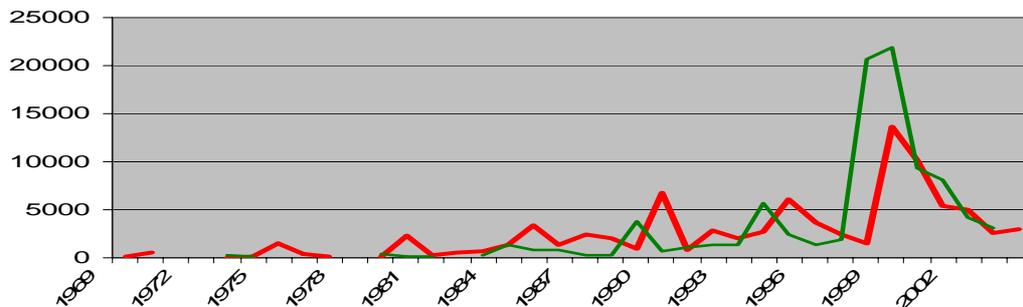
Graph 20 Number of households possessing cars by locality and year of purchase



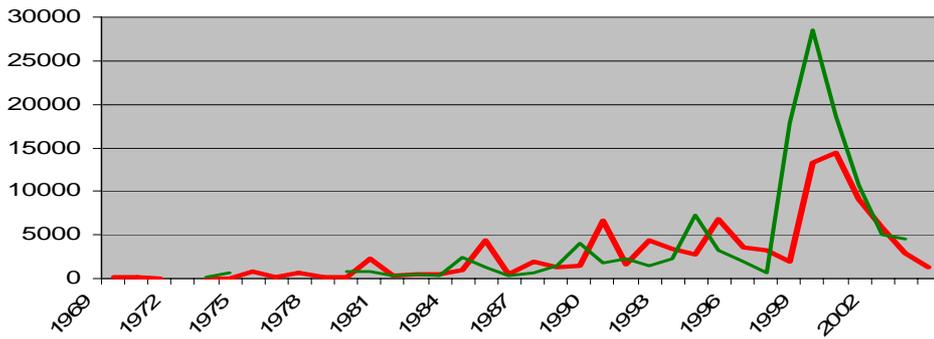
Graph 20: Possession of generators by locality and year of purchase, households



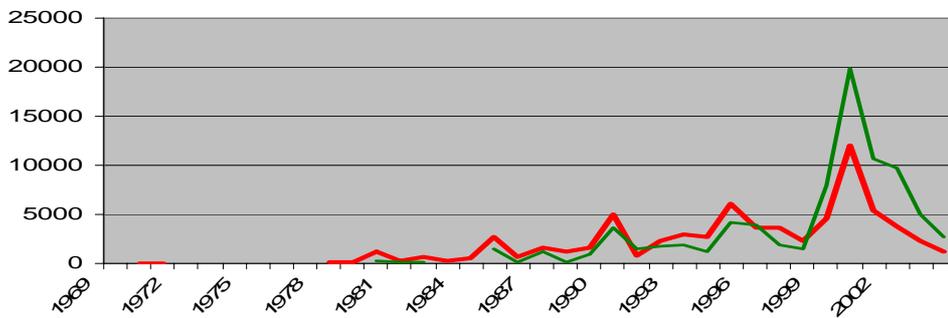
Graph 22: Possession of water heaters by locality and year of purchase, households



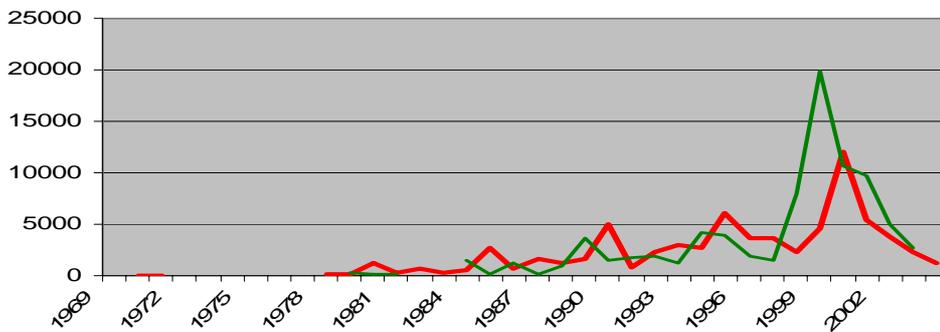
Graph 213: Possesion of refrigeratores by locality and year of purchase, households



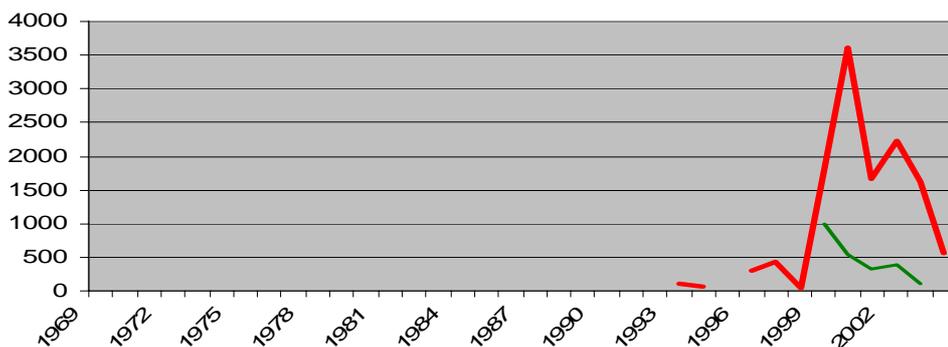
Graph 224: Possesion of freezers by locality and year of purchase, households



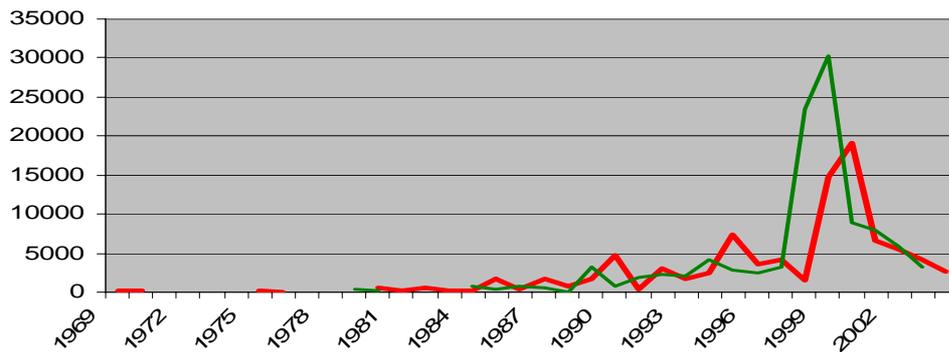
Graph 235: Possesion of washing machine by locality and year of purchase, households



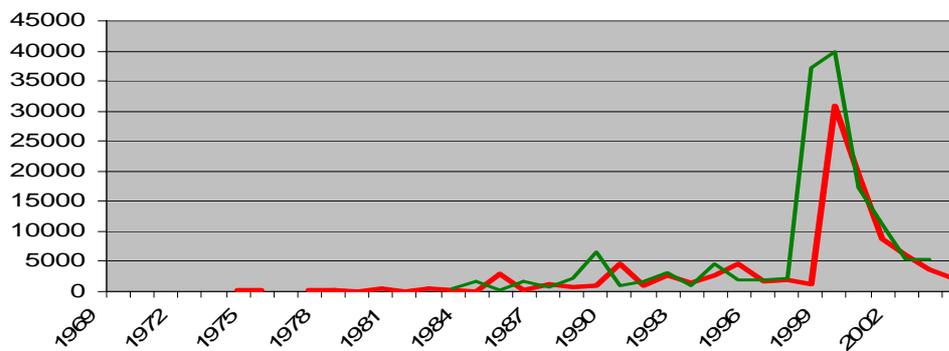
Graph 246: Possesion of dishwasher by locality and year of purchase, households



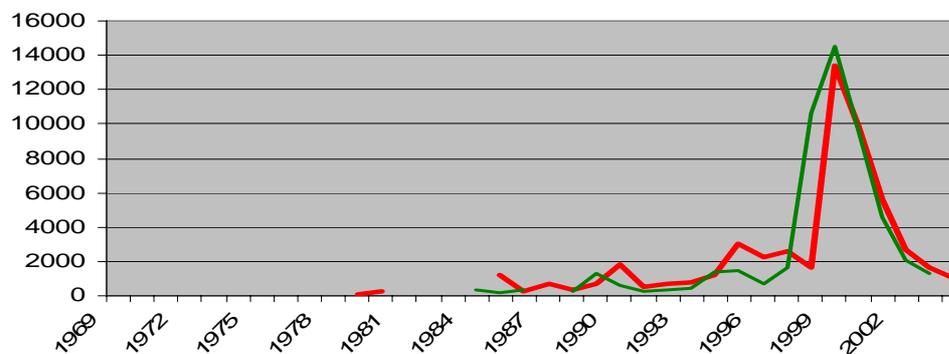
Graph 257: Possession of vacuum cleaner by locality and year of purchase, households



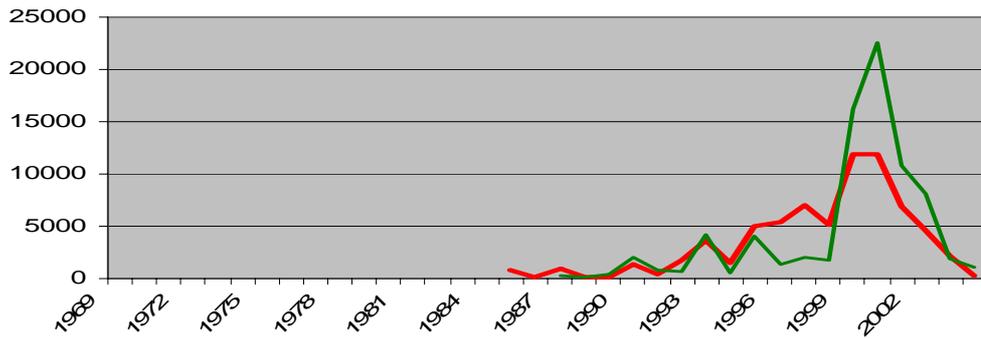
Graph 268: Possession of TV by locality and year of purchase, households



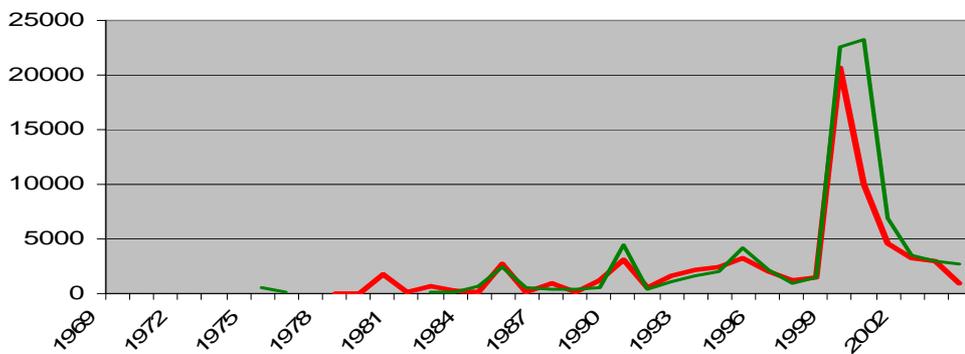
Graph 279: Possession of video players by locality and year of purchase, households



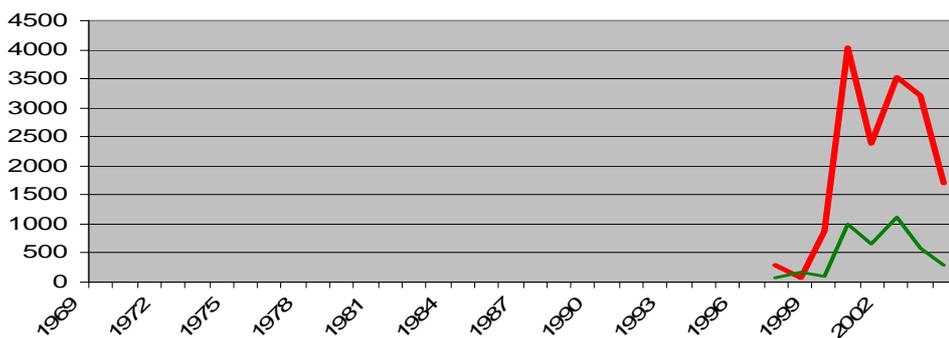
Graph 30: Possesion of satelite dish by locality and year of purchase, households



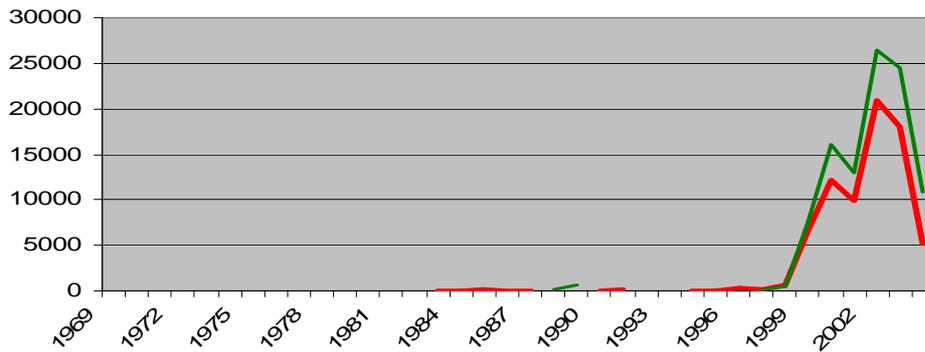
Graph 31: Possesion of radio, etc. by locality and year of purchase, households



Graph 32: Possesion of computers by locality and year of purchase, households



Graph 33: Possession of mobile phone by locality and year of purchase, households



The patterns are rather similar in urban and rural Kosovo, with a peak around 2000. Only for PC and dishwashers the urban areas are ahead. The vast majority of goods are not more than five years old.

Table 12: Possesion of household appliances 2003 and 2005 by locality, % of the household

Appliance	2005 Kosovo	Urban	Rural	2003 Kosovo	Urban	Rural
TV	97	98	96	92	96	90
Wood stow	90	78	98	94	87	97
Iron	84	91	80	85	91	82
Refrigerator	84	94	77	85	93	81
Vacuum cleaner	76	87	68	77	86	73
El or gas stow	73	89	62	76	89	70
Watre heater	69	83	60	72	83	66
Washing mashine	69	84	59	69	83	62
Mobile phone	68	72	66	46	48	45
Radio, audio, equip.	61	67	58	70	75	68
Freezer	58	67	53	67	73	64
Satelit dish	58	68	51	64	76	59
Car	54	56	54	50	48	51
Ventilator	40	57	30	40	52	33
Video player	40	50	34	47	56	42
Generator	12	15	9	5	7	5
Computer	9	17	3	5	9	3
Sewing machine	7	10	6	17	16	17
Other photographic eq.	7	11	4	11	14	10
Bycycle	7	10	5	12	13	12
Dishwasher	6	12	2	5	9	2
Microwave	5	10	2	3	5	2
Truck	3	2	4	4	2	5
Water reservoir	2	2	2	4	5	4
Dryer	2	3	1	5	6	4
Camera	2	3	1	4	4	4
Air conditioner	1	1	0	2	2	2
MC/Scooter	0	1	0	-	-	-
Video kamera	0	1	0	1	2	1

Table 113: Possession of household appliances by year of purchase, households

Kosovo	-1989	1990-1994	1995-1998	1999	2000	2001	2002	2003	2004
El. Or gas stow	35 901	26 598	23 163	31 752	32 090	16 061	10 124	7 846	4 772
Microwave	475	19	1 559	2 192	2 784	886	2 109	1 670	1 233
Wood stow	17 046	22 845	30 221	58 973	49 264	15 573	15 250	14 027	10 580
Generator	581	328	1 139	1 819	5 121	4 538	5 723	6 406	4 101
Water heater	23 695	23 193	24 846	34 450	32 107	14 757	13 067	6 828	6 078
Water reservoir	1 423	361	330	881	1 169	568	553	695	
Refrigerator	26 279	30 434	28 634	31 153	43 029	27 731	16 574	7 982	5 810
Freezer	16 167	23 947	27 276	12 592	31 911	16 073	13 500	7 207	3 931
Washing machine	15 046	19 389	22 928	16 033	40 895	22 618	18 723	13 022	7 240
Dryer	710	475	449	519	603	1 208	131	619	73
Iron	15 997	26 594	24 673	38 779	66 225	17 648	12 703	8 815	5 268
Dishwasher	204	343	763	1 814	4 607	2 204	2 550	2 012	680
Ventilator	7 674	12 832	18 989	17 493	26 646	9 105	5 846	3 416	2 957
Air conditioner	181	67	298	47	190	221	219	313	
Vacuum machine	11 741	22 679	29 098	38 263	49 439	15 412	13 550	9 991	5 770
Sewing machine	7 458	4 129	1 436	380	1 864	1 958	1 026	656	359
TV	17 960	25 650	20 067	68 190	59 211	26 060	17 291	9 170	7 547
Video player	4 810	7 918	14 684	24 136	24 393	15 225	7 295	3 708	2 294
Satelit dish	3 367	16 683	31 859	28 133	34 437	17 629	12 734	4 021	1 349
Radio, audio eq.	18 986	19 574	16 762	43 447	33 190	11 430	6 710	5 890	3 700
Camera		55	517	167	1 823	592	657	360	377
Video kamera	99				49	156	81	50	310
Other photogr.eq.	681	938	1 808	828	5 955	3 712	1 702	1 442	926
Computer		162	1 068	966	5 046	3 028	4 640	3 801	1 981
Mobile phone	1 129	399	1 597	14 256	28 141	22 807	47 393	42 432	16 006
Car	8 334	5 616	9 479	11 743	38 900	21 938	20 286	12 570	9 965
Truck	935	358	186	490	1 776	1 501	1 424	1 468	521
MC/Scooter	422		103	160	262		15		118
Bicycle	517	1 715	2 055	1 493	3 900	2 307	2 213	1 705	1 158

Statistics of Living Standard 2003-2005

Urban	-1989	1990-1994	1995-1998	1999	2000	2001	2002	2003	2004
El. Or gas stow	22 307	16 111	11 884	13 620	13 249	5 131	4 934	3 199	2 032
Microwave	298	19	1 501	1 731	1 842	886	1 666	1 386	780
Wood stow	8 333	12 191	12 982	15 492	16 144	5 548	4 813	3 498	2 978
Generator	404	328	322	1 126	2 855	2 482	3 155	2 578	2 242
Water heater	18 631	14 960	13 541	13 644	10 179	5 413	4 967	2 576	2 907
Water reservoir	594	92	245	208	242	259	409	407	
Refrigerator	16 350	18 799	15 452	13 285	14 478	9 126	5 811	2 981	1 270
Freezer	11 275	13 880	15 847	4 578	12 092	5 370	3 827	2 269	1 250
Washing machine	10 978	12 785	14 452	6 533	17 934	9 382	7 560	5 307	2 365
Dryer	324	388	449	232	303	394	131	326	73
Iron	11 831	14 893	12 243	13 822	21 724	7 350	5 553	3 983	2 194
Dishwasher	204	299	763	1 814	3 610	1 661	2 236	1 631	569
Ventilator	6 387	8 446	11 473	8 952	12 343	4 470	3 343	1 847	1 584
Air conditioner	181	67	170	47	190	198	219	269	
Vacuum machine	8 545	12 502	16 405	14 714	19 106	6 566	5 562	4 155	2 566
Sewing machine	4 391	2 636	884	47	609	466	655	343	
TV	8 662	12 494	9 451	30 939	19 358	8 724	6 167	3 727	2 216
Video player	3 524	4 968	9 480	13 438	9 893	5 597	2 694	1 605	1 018
Satelit dish	2 270	8 501	22 711	11 896	11 891	6 841	4 619	2 193	263
Radio, audio eq.	9 254	9 972	7 923	20 725	9 986	4 530	3 198	2 938	974
Camera		55	212	167	1 376	495	586	360	197
Video kamera	99				49	156	81	50	129
Other fotogr.eq.	563	685	1 118	670	3 976	1 966	1 280	810	439
Computer		162	678	879	4 049	2 374	3 531	3 211	1 692
Mobile phone	285	258	1 079	6 683	12 140	9 893	20 860	18 010	5 209
Car	3 869	3 412	4 570	4 570	13 868	10 159	7 440	5 731	3 886
Truck	103	31	51	26	698	104	705	110	115
MC/Scooter			103	160	262		15		118
Bicycle	460	1 298	1 839	1 114	1 510	924	1 519	581	805
Rural	-1989	1990-1994	1995-1998	1999	2000	2001	2002	2003	2004
El. Or gas stow	13 594	10 465	11 279	18 043	18 841	10 930	5 190	4 646	2 740
Microwave	177		58	461	942		444	283	453
Wood stow	8 713	10 654	17 140	43 391	33 119	10 003	10 437	10 529	7 602
Generator	177		817	693	2 266	2 055	2 568	3 829	1 860
Water heater	5 063	8 234	11 305	20 715	21 928	9 344	8 100	4 253	3 171
Water reservoir	829	269	85	673	927	310	144	289	
Refrigerator	9 929	11 613	13 182	17 868	28 461	18 605	10 763	5 002	4 540
Freezer	4 892	10 067	11 428	7 992	19 819	10 703	9 672	4 937	2 681
Washing machine	4 068	6 603	8 476	9 499	22 871	13 214	11 163	7 715	4 874
Dryer	387	87		286	300	814		293	
Iron	4 166	11 700	12 430	24 868	44 501	10 298	7 150	4 809	3 074
Dishwasher		44			997	543	314	381	111
Ventilator	1 287	4 386	7 516	8 541	14 190	4 635	2 503	1 569	1 374
Air conditioner			128					44	
Vacuum machine	3 195	10 177	12 671	23 550	30 243	8 846	7 987	5 836	3 204
Sewing machine	3 067	1 493	552	332	1 255	1 491	372	313	359
TV	9 299	13 156	10 595	37 161	39 852	17 336	11 124	5 344	5 331
Video player	1 286	2 950	5 204	10 608	14 499	9 628	4 601	2 103	1 276
Satelit dish	1 097	8 182	9 148	16 237	22 546	10 788	8 115	1 828	1 086
Radio, audio eq.	9 732	9 602	8 817	22 632	23 204	6 899	3 512	2 951	2 726
Camera			305		447	97	72		180
Video kamera									180
Other fotogr.eq.	118	253	690	158	1 979	1 745	422	632	486
Computer			390	87	996	654	1 109	590	289
Mobile phone	844	142	517	7 573	16 001	12 914	26 443	24 421	10 797
Car	4 465	2 205	4 909	7 173	25 032	11 778	12 755	6 839	6 079
Truck	832	327	135	463	1 077	1 397	719	1 358	405
MC/Scooter	422								
Bicycle	58	417	216	379	2 389	1 383	694	1 124	353

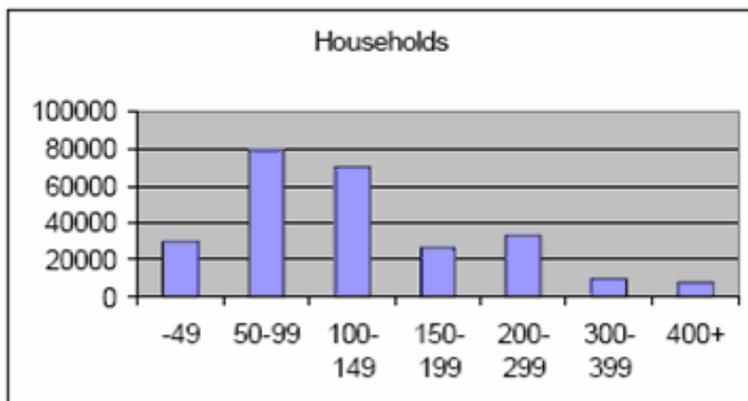
5 Housing and construction in Kosovo 2003-2005

Housing is the next biggest budget post in Kosovo with 31 % of total household consumption. Only one percentage of the households is renters.

5.1. Welfare value of own houses

A majority (58 %) of the households has an estimated welfare value of own houses about 100 € per month. Only 3 % have 400 € or more. The average annual value is 1 420 € compared to 1 260 € in 2003, an increase with 13 %.

Graph 34 Monthly value of owner occupied houses 2005, €



5.2. Construction

About 4 % of the households made investments on their houses in 2005 compared to 5 % in 2003. The average investment in 2005 was 72 € compared to 315 € in 2003. Most money (69 %) are used for buying materials. Own work is valued to 10 % of the total investment and 21 % is contracted. The biggest source for financing construction is remittances from abroad. The next biggest is use of savings. Only 14 % are bank loans.

Table 12: Construction of permanent houses per household 2003 and 2005, €

	2005	2002/2003
Contracted	15	51
Bought materials	50	206
Used own materials	1	10
Value of own work	6	48
Total	72	315

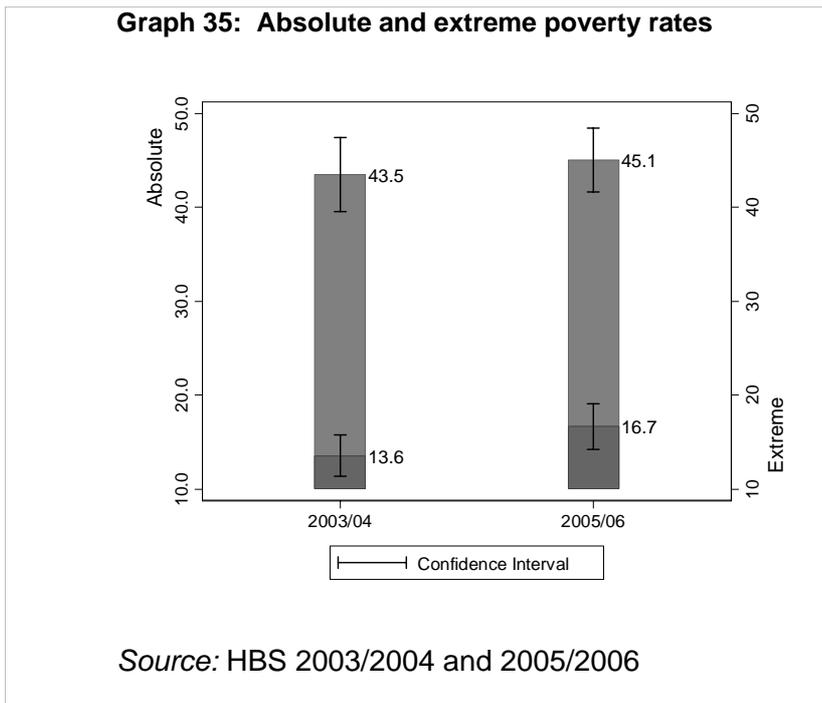
Table 13: Sources for financing construction 2005, %

	%
Government subsidies	2
Bank loans	14
Remittances from abroad	46
Savings or other own resources	37
Other	1

6 Poverty trends 2003/04 and 2005/06 in Kosovo

6.1. Poverty in Kosovo

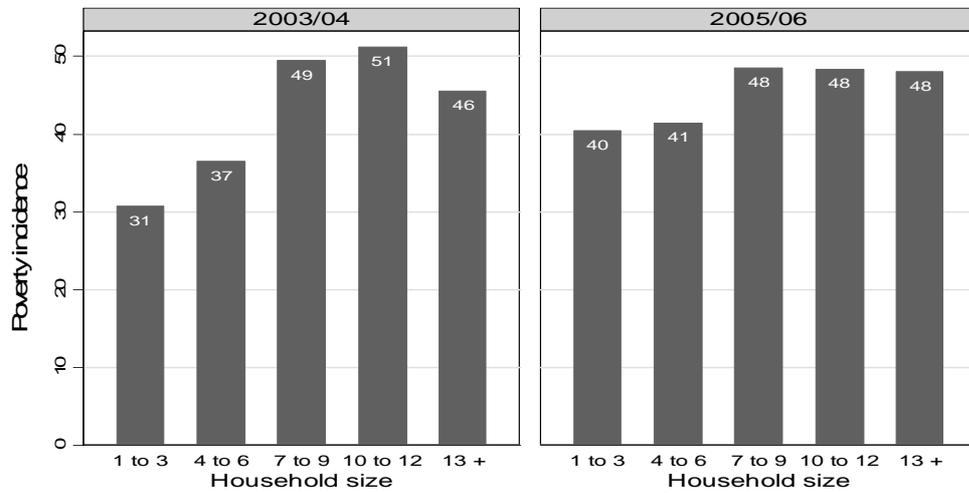
About 45 percent of the population in Kosovo is poor³. About 15 percent of the population is estimated to be extremely poor. About 18 percent of the population is in danger to fall under the poverty line or in the extremely poor section. This poverty level is not surprising when considering the slow economic growth. Without the help provided from the population in migration, this condition would have been even worse.



Households with a larger number of members are poorer. This can be seen from the graph. Thus, households with more than 7 members are poorer.

³ Results of the analysis of the poverty were compiled by the experts of the World Bank. These results have been obtained by the Household Budget Survey (HBS), realized by the SOK.

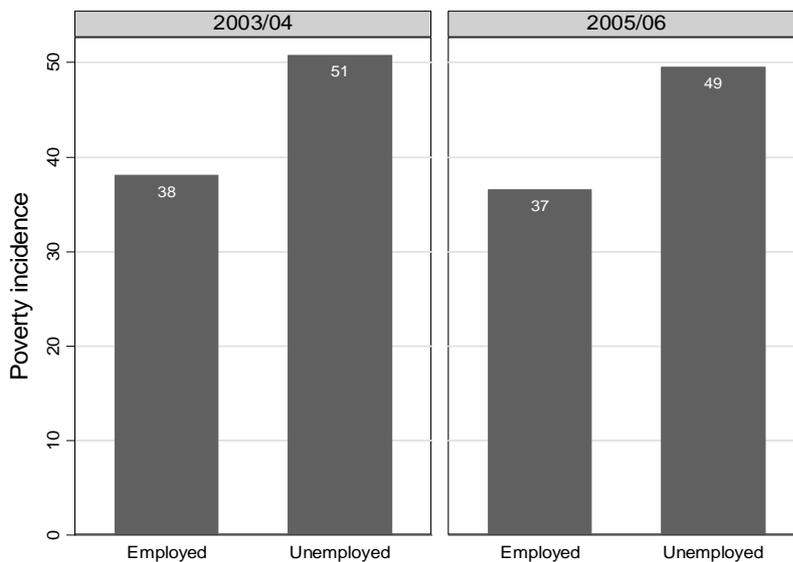
Graph 36: Poverty rates by household size



Source: HBS 2003/2004 and 2005/2006

Households with female heads have higher poverty incidence. High unemployment presents a danger of increasing poverty. The poverty risk is also higher for the unemployed. As presented in the figure 37, most of the poor are unemployed, but those that are employed are not in a good condition and live in poverty.

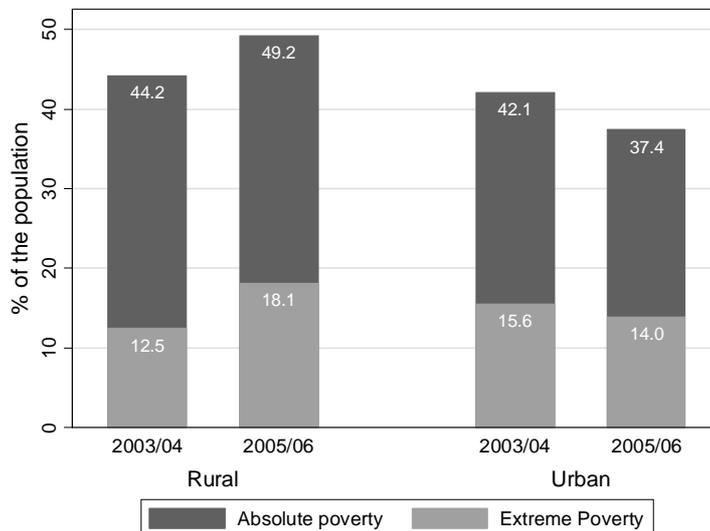
Graph 37: Poverty rate by labor force status



Source: HBS 2003/2004 and 2005/2006

The poor are concentrated in rural areas. In 2005, urban poverty had declined by about 5 percentage points and rural poverty had increased by a similar magnitude. Poverty in rural areas is highly correlated with lack of land, livestock or agricultural equipment. Poverty incidence varies widely across regions. In 2003, Mitrovica, Ferizaji, Gjakove and Prizreni had higher incidence of poverty. By 2005, only Mitrovica and Ferizaji maintained that distinction.

Graph 38: Rural and urban poverty trends



Source: HBS 2003/2004 and 2005/2006

Table 14: Poverty rate by region

	<i>Poverty headcount rate</i>	
	<u>2003-04</u>	<u>2005-06</u>
Gjakova	50.6	45.5
Gjilani	32.9	23.4
Mitrovica	60.1	68.8
Peja	36.8	40
Prizreni	46.3	40.5
Prishtina	35.1	40.6
Ferizaji	48.6	54.3
Total	43.7	45

Source: HBS 2003/04 and 2005/06

Statistical Office of Kosovo a brief description

The Statistical Office of Kosovo, Is a professional office operating since 1948, which passed through some of the historic phases; it has been structured by the state rule of that time. The Statistical Office of Kosovo restarted its work on August 2, 1999, as an independent and professional office in the frames of the Ministry of Public Services. The SOK is financed by the Kosovo Consolidated Budget and donors for various projects.

The Statistical Office of Kosovo acts pursuant the Regulation 2001/14, which entered into force on July 2, 2001. A medium-term Master Plan is being developed for the statistical system of Kosovo compatible with the European Statistics.

SOK Organization Structure; Composes of: four productive departments (Department of Economic Statistics and National Accounts, Department of Population Statistics, Department of Social Statistics and Department of Agricultural and Environment Statistics), seven Regional Offices (located in Gjakova, Gjilan, Mitrovica, Peja, Prizren, Pristina and Ferizaj), two support departments (Department of Methodology and Information Technology and Department of Administration), as well as the Office of the Registration of Population.

Total employees are 134, of them 96 (71.6%) within the SOK offices whilst 38 (28.4%) in regional offices.

There is also a support and cooperation with the international institutions.

Statistics Office of Kosovo covers Kosovo entirely. For implementation of the surveys in the field, the SOK uses appropriate sampling and methodology. During the collection of the reports from the reporting units, the SOK engages professionals, technicians, administrators and civilians form the local offices, and regional field registrations.

Recently, a team of national and international experts are working in the project of registration of the population.

SOK Mission; To fulfill the needs of the users with the reliable statistical data and with regular analyses in order to support government departments and to provide them with proper information for decision-making process; as well as for other users in Kosovo.

- **Address: Statistical Office of Kosovo, Zenel Salihu Str. No. 4, Pristina**
- **Telephones:**
Head-quarters: +381 (0) 38 235 111
Director: +381 (0) 38 235 545 or +381 (0) 38 504 604 ext. 6572
- **Fax: +381 (0) 38 235 033**
- **E-mail: social@ks-gov.net**
- **Web-site: www.ks-gov.net/esk**