

# Household Budget Survey

## 2016

**Tirana, 30 October 2017:** In 2016, the average monthly consumption expenditures<sup>1</sup> of households composed of 3.7 persons on average are 73.143 ALL. The total consumption expenditure is 56.1 billion ALL per month for 768,311 households. The average consumption expenditures per capita for an individual is estimated to be 19,591 ALL per month of which: 8,861 ALL for food consumption and 10,730 ALL for non-food consumption.

The estimation of the monthly average consumption expenditure of the household, in 2016 is 4.2 percent higher than in 2015. The growth of the consumer prices recorded in 2016 compared to 2015 is 1.3 percent.

The monthly average consumption expenditures in 2016, compared to 2015, record a decrease in expenditures that are dedicated to the group "Food and non-alcoholic beverages" by 3.5 point percent while the largest increase is recorded in the budget part of the households which goes for "Education" by 2.3 point percent.

**Tab.1 Monthly consumption expenditures of the households**

Main groups	HBS 2015		HBS 2016	
	Value in ALL	%	Value in ALL	%
Food and non-alcoholic beverages	34,489	48.7	33,083	45.2
Alcoholic beverages, tobacco	2,507	3.5	2,507	3.4
Clothing and footwear	3,449	4.9	3,532	4.8
Housing, water, electricity, gas and other fuels	7,318	10.3	7,477	10.2
Furnishing, household equipment and routine maintenance of the dwelling	3,378	4.8	3,662	5.0
Health	2,533	3.6	2,519	3.4
Transport	4,796	6.8	4,609	6.3
Communication	2,095	3.0	2,392	3.3
Recreation and culture	2,082	2.9	2,173	3.0
Education	1,505	2.1	3,207	4.4
Restaurants and hotels	2,537	3.6	3,253	4.4
Miscellaneous goods and services	4,076	5.8	4,729	6.5
<b>Average total consumption expenditures</b>	<b>70,766</b>	<b>100.0</b>	<b>73,143</b>	<b>100.0</b>

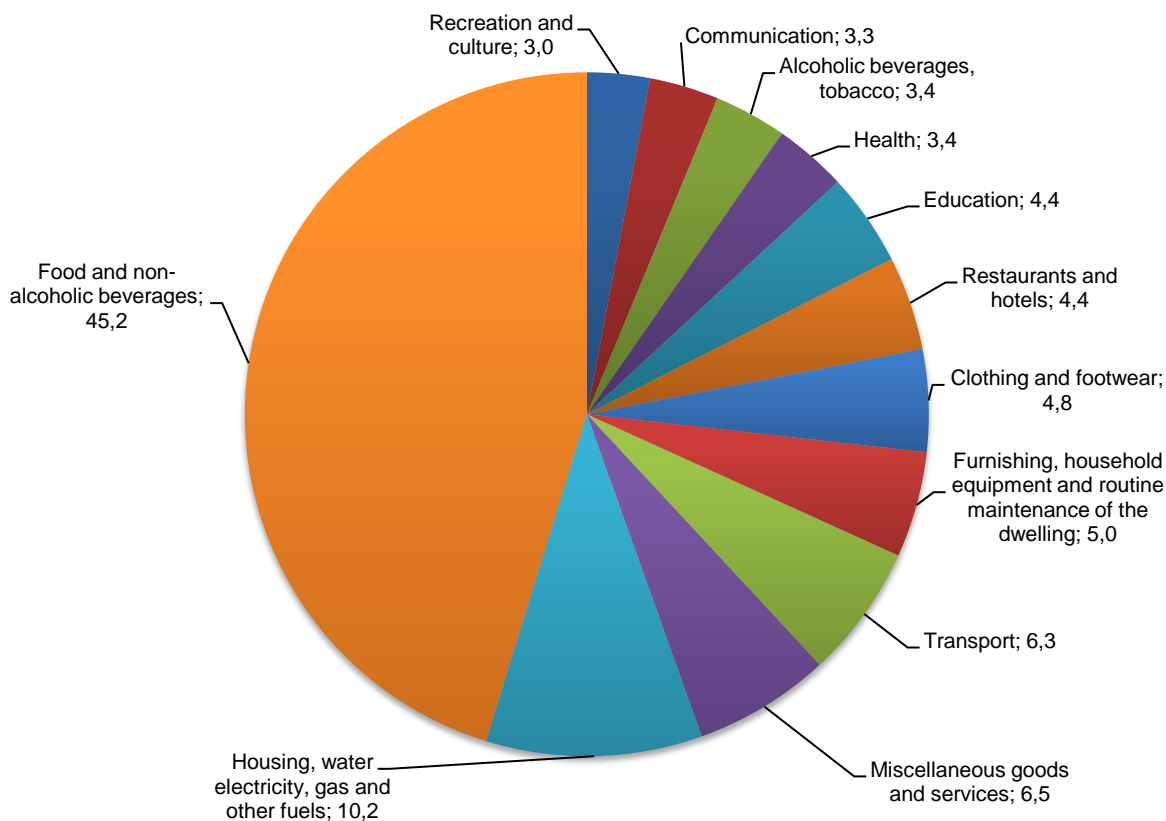
<sup>1</sup> Monthly average consumption expenditures of households are the total average expenditures of one household in Albania, which are collected on a monthly basis after being collected from the survey throughout the year. In the following we will briefly refer to the "average monthly consumption expenditures" with the term "consumption expenditures".

The structure of the monthly expenditures of households by the 12 main groups of consumption<sup>2</sup> shows that the group “Food and non-alcoholic beverages” remains an important element in the household’s budget, estimated at 45.2 percent, results with a decrease of 3.5 point percent compared with the previous year. The subgroups with the largest share of the food expenditures, are “milk and milk products/derives and eggs”, 18.1 percent “bread and cereals” and “meat and its products” 17.5 percent, followed by “vegetables”, 13.9 percent and “fruits” 8.0 percent.

The expenditures for the “Alcoholic beverages, tobacco” group, represent 3.4 percent of the total budget, decreased with 0.1 point percent compared with the 2015. The subgroup “tobacco” takes largest share with 62.6 percent.

The “Restaurants and hotels” group that represents the consumption out of home takes 4.4 percent of the total budget with an increase of 0.8 point percent compared with the previous year. Within this group, the percentage of the expenditures for restaurants have the largest share, 88.5 percent while the expenditures for hotels only 11.5 percent.

**Fig.1 The structure of consumption expenditures, 2016**



<sup>2</sup> For further information regarding the main groups, see Annex 1 in the section “Methodology and Definitions”.

Expenditures related to "Clothing and footwear" group, take 4.8 percent of the overall household budget which record a decrease by 0.1 point percent compared with 2015. The subgroup "clothing" takes a share of 68.6 percent.

The group of expenditures for the housing, with expenditures for electricity, water, fuel, rent and small repairs take 10.2 percent of the overall household budget, compared with the 2015 this group shows a decrease of 0.1 point percent . About 50.3 percent of these expenditures go for the payment of the electricity bills and 17.3 percent for other substances like gas, diesel, fire wood etc. The expenditures for the subgroup "paid rent" have a share of 14.1 percent, where the percentage of the households who declared "paid rent" is only 6.3 percent.

The expenditures for the group "Furniture, household appliances and their maintenance" take 5.0 percent in the structure of average monthly expenditures, which recorded a growth of 0.2 point percent compared to the previous year. The short term equipments take a considerable part, about 70.6 percent.

The percentage of the households' budget for the group "Health", takes about 3.4 percent, which records a decrease by 0.2 point percent compared with 2015. The largest share of it goes for medicines, about 75.4 percent while the rest goes for medical care.

Expenditures related to education takes 4.4 percent of the overall budget which records an increase of 2.3 point percent compared with the previous year. The expenditures for post-university studies take the largest share of 68.3 % within the group.

The group "Communication" takes a share of 3.3 percent, which compared with 2015 records an increase by 0.3 point percent. Almost all the expenditures made by the households are dedicated to the subgroup "telephone services", taking 98.4 percent within the group and the remaining part for "postal services".

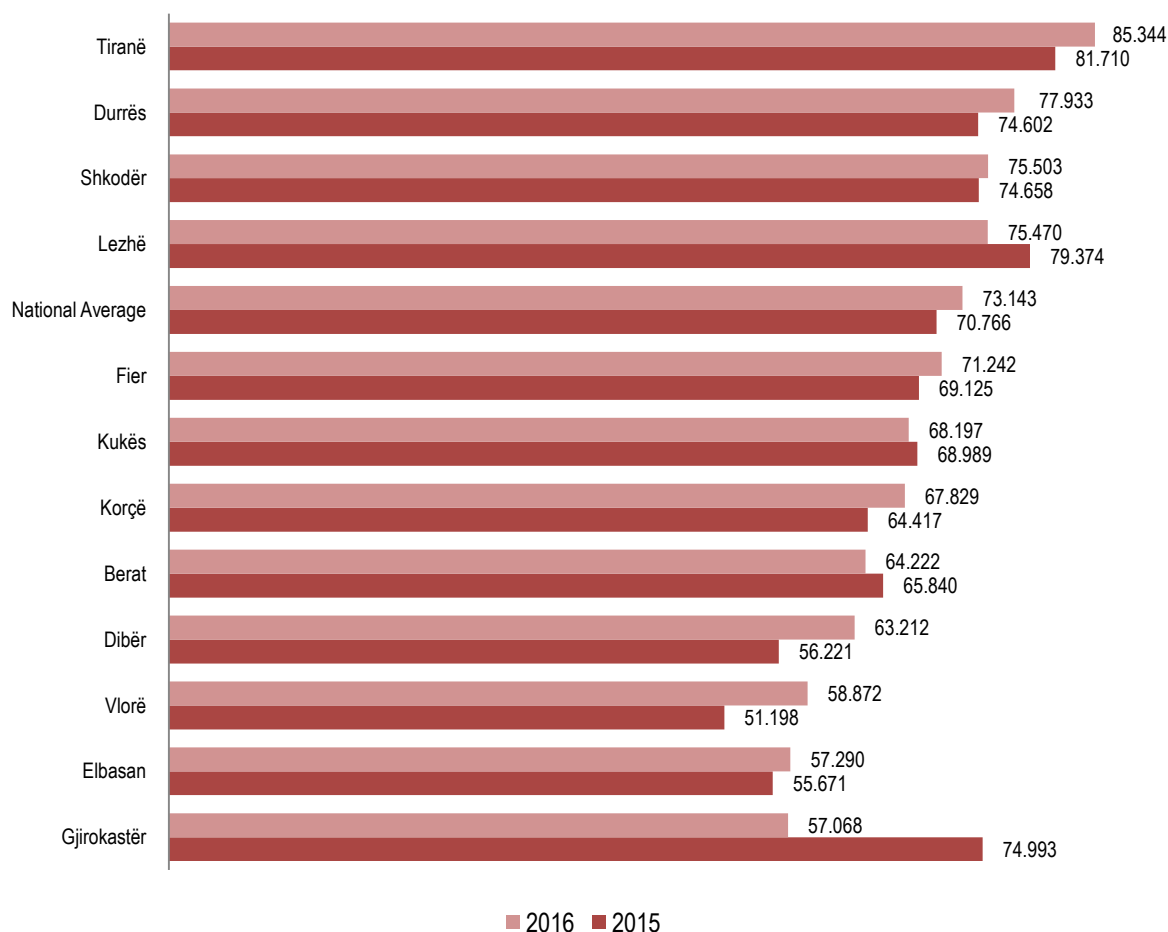
The expenditures made for the group "Transport" in 2016 takes 6.3 percent of the total budget, a group which records a decreased by 0.5 point percent compared to the previous year. The largest share within this group goes for the sub-group "expenditures on fuel and lubricants", 58.1 percent followed by the expenditures for "transportation services" 22.1 percent. In the subgroup "transportation services" that include transportation by road, plane, sea and river, the largest share goes for transportation by road, about 76.0 percent of the subgroup.

The expenditures for the group "Miscellaneous goods and services" takes about 6.5 percent of the total budget, which records an increase by 0.7 point percent compared with 2015. The largest share of it goes for the subgroup "articles and products for personal care", about 47.1 percent. The rest of the expenditures of this group go for the subgroups "exceptional expenditure" made by households in cases of ceremonies, special families' events, "payments related to different financial services" and "assurances".

### The monthly average consumption expenditures by prefectures, 2015-2016

In 2016 the prefecture of Tiranë shows the highest monthly average consumption expenditures, 85,344 ALL. The prefectures that shows the highest monthly average consumption expenditures after Tirana prefecture, are the prefecture of Durrës and Shkodër, with respectively 77,933 ALL and 75,503 ALL monthly per household. The prefectures with the lowest level of monthly average consumption expenditures are the prefectures of Gjirokastër and Elbasan with respectively 57,068 ALL and 57,290 ALL monthly per household. The average consumption expenditures on prefectures level has changed over the period 2015 - 2016. The largest increase of expenditures is recorded in the prefecture of Vlorë with 15.0 percent followed by the prefecture of Dibër with 12.4 percent. The prefecture which has recorded the highest decrease of consumption expenditures is Gjirokastër with 23.9 percent.

**Fig.2 The monthly average consumption expenditures by prefectures.**



In 2016, the mean household size in Albania is 3.7 from 3.8 in 2015. The highest number of household members is recorded in the prefecture of Kukës 5.2, while in Vlora and Gjirokastra are recorded the smallest number of household members with 3.4.

**Tab.2 Mean household size by prefectures, 2016**

Prefecture	Berat	Dibër	Durrës	Elbasan	Fier	Gjirokastrë	Korçë	Kukës	Lezhë	Shkodër	Tiranë	Vlorë	Total Albania
Mean household size	3.5	4.9	3.8	3.9	3.6	3.4	3.5	5.2	4.0	3.9	3.6	3.4	3.7

### The distribution of consumption expenditure by deciles and the ratio 10/90, 2016

The distribution of the household consumption expenditures by deciles, show that about 90<sup>th</sup> percent of the households spend monthly 78.3 percent of the total consumption expenditures, with a monthly average consumption expenditures per household of 63,609 ALL, while the other 10 percent of households spend monthly 21.7 percent of the total consumption with average consumption expenditures per household of 158,946 ALL. Expressed in terms of 10/90 deciles ratio indicator, the monthly expenditures of the 10<sup>th</sup> percent of the households, with the highest consumption expenditure, is 2.5 times higher than the 90<sup>th</sup> percent of the rest of households.

Per capita consumption expenditure, results that the population which corresponds to 90 percent of the households with the lowest expenditures spends on average 18,119 ALL monthly per capita, while the remaining 10 percent of the households spend on average 62,562 ALL monthly per capita or 3.5 times more, measured by the 10/90 deciles ratio.

The average consumption expenditures by deciles show that in 2016, compared with year 2015, the average consumption expenditures for the 10 percent with the highest expenditures recorded a higher increase (14.6 percent) compared with the increase of 90 percent of the households (0.6 percent). As a result, the ratio of the deciles in 2016, for this indicator, shows an increase in inequality from 2.2 to 2.5, compared to 2015.

**Tab. 3 Monthly average consumption expenditures and the deciles ratio 10/90**

	2015		2016	
	Monthly average consumption expenditures of households	Mean household size	Monthly average consumption expenditures of households	Mean household size
10% of Households (with the highest expenditures)	138,711	2.4	158,946	2.6
90% of the rest of the Households	63,221	3.9	63,609	3.9
Average consumption expenditure	70,766	3.8	73,143	3.7
The ratio10/90	2.2		2.5	

The average consumption expenditures per capita, maintain the same tendency of the increasing of the average consumption expenditures for both population strata referring to the 10 and 90 percent of households. Also in the case of per capita consumption expenditures, in 2016, the decile ratio of 10/90, shows an increase of inequality from 3.3 to 3.5, compared to 2015.

**Tab. 4 Monthly average consumption expenditures per capita and the deciles ratio 10/90,**

	2015	Mean household size	2016	Mean household size
	Monthly average consumption expenditures per capita		Monthly average consumption expenditures per capita	
10% of Households (with the highest expenditures)	58,582	2.4	62,562	2.6
90% of the rest of the Households	17,687	3.9	18,119	3.9
Average consumption expenditure	21,775	3.8	22,563	3.7
The ratio10/90	3.3		3.5	

### The distribution of the average consumption expenditures by the type of households

In Albania, the households composed by an adult with children spend more on food consumption 52.2 percent, compared to other types. In 2016, the highest expenditures on transport are recorded in the households composed by two adults with children and three or more adults without children with 7.0 percent. The highest expenditures on education are recorded in the households composed by three or more adults with children with 6.9 percent.

**Tab.5 The distribution of consumption expenditures by the type of households in percentage, 2016**

Main groups	Type of Household						Total
	One person	Adult with children	Two adults without children	Two adults with children	Three or more adults without children	Three or more adults with children	
Food and non-alcoholic beverages	51.3	52.2	49.5	45.4	41.5	45.3	45.2
Alcoholic beverages, tobacco	2.2	1.9	3.5	3.0	3.9	3.4	3.4
Clothing and footwear	2.9	5.1	4.1	4.8	5.1	5.1	4.8
Housing, water electricity, gas and other fuels	14.4	12.8	12.2	11.4	9.5	8.8	10.2
Furnishing, household equipment and routine maintenance of the dwelling	5.2	4.4	5.9	4.8	4.9	4.9	5.0
Health	5.7	1.9	5.2	2.6	2.9	3.4	3.4
Transport	2.5	4.2	4.3	7.0	7.0	6.8	6.3
Communication	3.6	3.4	3.6	3.2	3.4	3.0	3.3
Recreation and culture	2.5	3.7	2.6	3.4	3.1	2.9	3.0
Education	-	3.3	0.2	3.0	6.9	5.5	4.4
Restaurants and hotels	3.7	1.8	3.4	4.3	5.6	4.2	4.4
Miscellaneous goods and services	5.9	5.3	5.7	7.1	6.3	6.7	6.5
<b>Total consumption expenditures</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

# Methodology

The Household Budget Survey is a statistical survey which is carried out at the household level and gives an overview of the socio-economic situation of the Albanian households. The results of this survey are also used to update the Consumer Price Index and Final Consumption calculation households as an important aggregate of GDP by the expenditure method.

The Household Budget Survey was conducted for the first time in 1999-2000 and was representative only for urban areas, continuing later on in 2006-2007, 2008-2009<sup>3</sup> and since 2014 is continuously. From 2006-2007 the survey is spread in the whole Albanian territory including urban and rural areas and also representative in prefecture level.

The Household Budget Survey in 2016 was conducted by INSTAT throughout the whole year, with a sample of 9,024 households. At the end of the survey there were around 7.353 interviewed households distributed uniformly in the whole Albanian territory. The households' response rate, calculated as the ratio of the number of interviewed households with the number of selected households, expressed as a percentage is 81.5 percent.

The sample selection follows a two-step procedure. The first step units (PSUs) are the Census homogeneous areas<sup>4</sup>, with a proportional probability to the size of the Census area. In the second step, within each selected area in the first step, is selected by the method of systematic selection with equal probability a fixed number of 12 households. The selection in both steps is done in a random way by providing a representation also at the prefecture level. The total households sample was divided into 4 sub-samples of three months which were geographically spread homogeneously throughout the year, to reflect the seasonal changes. Consequently, each month were interviewed about 752 households spread evenly in all selected areas so to ensure representativeness for each area each month of the year.

Data collection was based in two different ways of collection:

- Filling a diary from the households for a period of 14 days, where are recorded expenditures for purchasing products/services of consumption and when it was necessary filling a daily self-consumption diary for 14 days, where are recorded only the products produced and consumed by the household itself during the same period, which values are estimated with the price that would be paid in the nearest shop/market.
- Direct interview from the interviewer with a questionnaire where are included different questions about big expenditures and with a rare frequency, grouped and sorted according to specific topics. In

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<sup>3</sup> The period of the survey field work was: October 2006- September 2007 and November 2008- October 2009.

<sup>4</sup> Homogeneous means that each Census area has the same characteristics of households' consumption expenditures and the size of each PSU has almost the same number of households or individuals.

the same questionnaire are included questions about socio-demographic data of household composition that will help in the analysis of household budget survey by household type.

**Definitions:**

**Consumption expenditures of households** includes any kind of purchases made for goods and services made by households, It excludes purchases of durable goods, investments, money given to the others and imputed rent,

**Main groups of consumption expenditure** are defined by Classification of Individual Consumption by Purpose (COICOP).

**Reference period** is the duration of a certain subject that the information is collected on. The survey uses different reference periods depending on the type of information that must be taken and objectives of each matter to be analysed.

**Household** is referred to a group of people, a related person or not, who live together in the same apartment or in a part of the house and share a partial or common economy.

**Head of household** is a person who is defined as the head for the purposes of the survey, (person who is the owner of the house or the person identified by other members of the family). If family members do not determine by themselves the person, he will normally be the person who contributes more to the income of the household.

**Child** is considered every person under 18 years old.



**Annex 1 - Classification of Individual Consumption by Purpose (COICOP)**

<b>The Individual Consumption According to Purpose (COICOP)</b>	
<b>GROUPS</b>	The description of products and services classified as household consumption.
<b>1 - FOOD AND NON-ALCOHOLIC BEVERAGES</b>	The food products classified here are those generally purchased and produced for home consumption. Wheat, corn, rice, flour and its sub-products, bread and other bakery products, meat, fish, other seafood, oil, fresh and canned fruits, fresh and canned vegetables, milk, cheese, butter, cottage cheese, eggs, mineral and sparkling water, fruit juices, coffee, tea, honey, sweet products, and also all products of this category produced and consumed by the household etc.
<b>2 - ALCOHOLIC BEVERAGES, TOBACCO</b>	The alcoholic beverages classified here are those generally purchased for home consumption. Wine, beer, raki, whisky, all kinds of liqueurs, ouzo and other spirits beverages. Tobacco, cigarettes, cigars, cigarette paper, and other tobacco products like cigar paper, filter etc.
<b>3 - CLOTHING AND FOOTWEAR</b>	In this group are included: Garments, footwear, new or used, materials for garments, and the repair of garments etc. Garments for men, women, children (3 to 13 years old) and infants (0 to 2 years old), either ready-made or custom made, in all materials (including leather, fur, plastic and rubber), daily using, for sports or work: slicker, rain robes, t-shirts, coat, jackets, vests, pants, suits, dresses, skirts, etc. Shirts, blouses, sweaters, slim fit T-shirts, shorts, swimsuit, tracksuit, jogging suits, pantyhose, etc. Vest, lingerie, socks, tights, bra, skirts, lingerie with lace, night dresses, belts, corset, knitted socks, etc. Pyjamas, nightshirts, bathing suits, jackets for home, etc. Children's garments and knitted socks for children.
<b>4 - HOUSING, WATER ELECTRICITY, GAS AND OTHER FUELS</b>	This group includes: Paid rent, maintenance and repair of the dwelling: like painting and repair, carpenters' services, materials for repair, payment for electricity bill, water bill, gas, garbage removal, and all payments related to the household home etc.
<b>5 - FURNISHING, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE DWELLING</b>	This group includes: All kinds of home textiles such as fabric textiles, curtains, sheets, blankets, towels, etc. Small electric appliances for home, equipment for food, machinery for coffee, kettle and other similar equipment, repair of household appliances. Glass, crystal, ceramic and porcelain sets, spoon sets, knives and fork sets, silver sets. Equipment and tools for the garden and house. Payment for the gardener, cooker, babysitter, etc.
<b>6 - HEALTH</b>	This group includes: Medicaments such as medicines for heart and blood pressure (adalat, propanolol), Antibiotics (penicillin, streptomycin, ampicillin), Analgesics (with calming effect) (algin, analgine, aspirin, etc.), Sedatives (for calming the nervous system), Rheumatics (brufen, voltaren, indometacin etc.), Medicines based on hormones (insulin, danyl, tiroidine etc.), Vitamins (B1, B6, B12, C, E, A+D, PP, K, A etj.) and medicaments for asthma. Medicaments for stomach and entrails. General Doctors, specialized doctors or interns. Dentists (adjustments, oral hygien, etc.) Laboratory (blood, urine, etc.), Other diagnostic controls (X-ray). Thermal baths, correction therapeutically gymnastics, taking nurses and paramedic (physiotherapy treatments). Services in general hospitals or specialized services of medical and rehabilitation centres in the country and abroad.
<b>7 - TRANSPORT</b>	This group includes: Spare parts and accessories for personal transport such as tires for cars, bicycles and motorcycles, and other accessories for personal transport (plugs, batteries, etc.). Fuel such as (gasoline, diesel, benzene, gas, etc.). Oils, lubricants, anti-freezer, etc. Maintenance and repair of vehicles used for personal transportation. Renting the garage and parking spaces, car rental (without driver). Taxes for (bridges, parking in the city). Lessons for driver's licenses, tests, obtaining driver licenses, separate tickets, monthly (pass) on trains, special tickets, monthly (pass) to tram and metro, special tickets, monthly (pass) for interurban transport. Daily tickets, monthly or seasonal for individual transport etc.
<b>8 - COMMUNICATION</b>	This group includes: Postal services (letters, postcards, telegrams, stamps). Private postal services and package delivery. Repair of communication equipment (telephone, fax, etc.). Fixed telephones bill public telephones (including prepaid cards, mobile phones and subscription bills). Internet services at home, internet café services costs, services grouped into packages, other information transmission services.

<b>9 – RECREATION AND CULTURE</b>	<p>This group includes: Equipment for reception, recording and reproduction of sounds and picture. Mobile audio and visual equipment, other equipment for reception, recording and reproduction of sounds and picture. Photographic and cinematographic equipment and optical instruments, information processing equipment, recording equipment for media. Equipment for sports and games and other items for Recreation, gardens and pets, games, toys and entertainment facilities. Equipment for sport, camping and outdoor recreation, repair and maintenance fees. Plants and garden flower, pets, veterinary services and products related to pets. Participation, follow and entertainment in sport. Hire of equipment and accessories for sport and recreation. Television and radio license fees, subscriptions, newspapers, books and stationery. Binding services and E-book downloads, various printed material, stationery and drawing materials, package holidays within the country and abroad.</p>
<b>10 - EDUCATION</b>	<p>This group covers educational services only. Classification of educational services is based on categories according to the level the International Standard Classification of Education (ISCED) of the United Nations Educational, Scientific and Cultural Organization (UNESCO). Includes: Pre-primary and primary education Elementary and primary education, 8/9 years of school and secondary education, Post-secondary education, University, Education not definable by levels.</p>
<b>11 - RESTAURANTS AND HOTELS</b>	<p>This group includes: Restaurants, bars and dancing halls, fast food and take away food services, canteens, accommodation services such as (Hotels, motels, inns and similar accommodation services. Holiday center, camping sites, hostels for young people and services alike, accommodation services to other institutions etc.</p>
<b>12 – MISCELLANEOUS GOODS AND SERVICES</b>	<p>This group includes: Personal care treatments in beauty salons and personal care institutions for men and children, household electrical appliances for personal care, repair of electrical appliances for personal care. Appliances, articles and other products for personal care such as shaving razors and machines for cutting hair, scissors, nail-file, styling combs, shaving brush, hair brush, toothbrush, nail brush, pins for hair, curling tongs, personal scales, scales for children, etc. Articles for personal hygiene and well-being, specific products and beauty products such as soap, medical soap, cleansing oil and milk, shaving soap, shaving cream and shaving foam, toothpaste, shampoo and bathing products, toilet paper, tissues, cotton, baby wipes, toilet paper, sanitary towels, shower sponges, etc. Wellness and esoteric products (natural remedy, herbs, healing stones etc) beauty products: lipstick, nail varnish, make-up and make-up removal products (including powder compacts, brushes and powder puffs), hair lacquers and lotions, pre-shave and after-shave products, sunbathing products, hair removers, perfumes and toilet waters, personal deodorants, bath products, etc. Jewels, clocks, watches, and their repair etc. Social protection, insurance, specified financial services, other unspecified services etc.</p>