TWINNING CONTRACT

Support to Statistics

Kosovo

MISSION REPORT

on

Improved structural business statistics I

Component no 3.2.1 **Business Statistics**

Mission carried out by
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Statistics Lithuania
5 – 9 May, 2014

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List of Abbreviations

KAS	Kosovo Agency for Statistics
ToR	Terms of Reference
SL	Statistics Lithuania
SBS	Structural Business Statistics
BR	Business Register
NA	Notional Accounts

1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics". It was the first mission devoted to Business statistics within Component 3.2.1 of the project. The mission was aimed at defining a strategic plan forming the base of the further implementation of the project in this statistical area.

The concrete objectives of the mission were:
To consult and work with KAS professionals giving general support to improve Structural Business Statistics in Kosovo

Consultants (experts from Statistics Lithuania) would like to express their thanks to all officials and individuals met for the kind support and valuable information received during the stay in Kosovo, which highly facilitated the work of the consultants.

This views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, KAS or Statistics Lithuania.

2. Assessment and results

1. Workshops and discussions with KAS participants on SBS production time
The representatives of KAS told about the organization of the SBS survey.
KAS has started to produce structural business statistics from the 2006. The first reference year was 2005. The sample frame is based on BR where TAX inspectorate data for reference year are used. The sampling method isn't stable.
They collect almost all primary indicators needed for SBS and provide aggregated data to NA but only number of enterprises, number of employees and structure of turnover are publish for users. The collected business data are very useful for government and business and it was suggested publishing more SBS indicators. Moreover, the breakdown by NACE is at section level and it was suggested passing to 2 digit level at least.
Presently the new version of statistical questionnaire for reference year 2013 is under discussion (the new version was suggested by expert of NA). Consultants suggest keeping the last version of questionnaire modifying chapters II, III, TIV, V, VI, VII and VII by chapters II, III, IV, V, VIII, IX and X from new version. Also the questionnaire has to be designed more similar to accounting and annual financial report requirements (indicators, terms, positions). The suggestions for some modifications will be provided for KAS till the end of May. The new version of questionnaire mostly focuses on NA needs and is very detailed. The current recourses do not ensure produce good quality data in terms of timeliness, accuracy and comparability. Moreover, the chapter VII "Intermediary consumptions" from the annual data collection has to be pasted to multiannual (once per 5 year) as it is very burdensome for respondents. The particular data are not collected in the accounting systems and has to be prepared manually. The indicators under the chapter VI "Breakdown of main indicators" also are not collected in most companies' accounts. This chapter has to be focused on the largest companies which perform few activities. The complete version of the questionnaire for reference year 2014 has to be discussed with users and tested with 3-5 respondents before approval.

The SBS data production time in KAS can be distributed more effectively as NA needs data earlier – the preliminary data may be prepared for their needs or SBS survey should be organized according to suggested SBS realization plan.

2. Overview of present production steps
The representatives of KAS told about organization of the SBS survey. Taking in to account that production steps are not clearly documented. It was recommend to prepare survey realization plan using the proposed draft version. During the next meeting the detailed plan according GSBPM has to be finalized and must be realized from next year.

3. Identification of production bottle neck.
The team for realization of SBS survey in terms of SBS regulation requirements and quality is not fully completed in KAS. The data collection is realized using the subcontracted company, which does not carry out the primary visual editing. This job is performed by KAS specialist, but to ensure better timelines data collectors must perform that job.
The data entering in to data basis has to be started as soon as the questionnaires are received but not after the all questionnaires are completed/ collected. It is necessary to use more automatic procedures for data checking, editing and imputation.

4. Suggestions regarding how the duration of each production step in the timeline can be reduced without loss of quality.

The optimal survey realization plan helps to ensure the punctuality of results for every sub-process. The automated procedures for editing ensure better timeliness without loses of data accuracy. The implementation of more additional editing rules will ensure better data comparability and accuracy.
During the next mission the imputation methods will be discussed

5. Suggestions for improvements to present IT support and for improvements to IT system
KAS uses Access software for data entering and storage.
The program of data entering has to be modified – the control has to be realized when questionnaire's data are entered in to data base, where the protocol of unconformities has to be prepared.

3. Conclusions and recommendations

1. Consultants suggest using the last version of the questionnaire modifying only part of chapters and after testing it to implement a new one for the next reference year;

2. The current recourses do not ensure production of good quality data in terms of timeliness, accuracy and comparability.

3. NA needs data earlier – the preliminary data may be prepared for their needs or SBS survey has to be organized according to the suggested SBS realization plan.

4. Specialists of KAS have to prepare instructions for visual data checking and data collectors have to be trained.

5. The data entering in to data basis has to be started as soon as the questionnaires are received but not after the all questionnaires are completed/ collected. It is necessary to use more automatic procedures for data checking, editing and imputation.

6. The optimal survey realization plan helps to ensure the punctuality of results for every sub-process. The automated procedures for editing ensure better timeliness without loses of

data accuracy. The implementation of more additional editing rules will ensure better data comparability and accuracy.

7. During the next mission the editing and imputation methods will be discussed

Actions needed for preparing the next mission

Action	Deadline	Responsible person
Plan of SBS survey used in KAS	14 May	KAS
Editing rules used in KAS	end of May	KAS
Extended SBS survey plan	by the next mission	SL
Description of editing rules	by the next mission	SL
Next mission	15-19 September	KAS and SL

Annex 1. Terms of Reference

Component 3:   Business Statistics
Activity 3.2.1:   Improved structural business statistics I

Scheduling:
ToR –ready date: **21 April 2014**
Start / end of activity: **5 – 9 May 2014**
Reporting time: **16 May 2014**

Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
Mandatory Result 3.2	Structural Business Statistics (SBS) Reducing of production time and improving quality of SBS	• Mission report describing work done and work further to be completed by KAS before next activities related to Structural Business Statistics uploaded on project homepage	• Twinning Quarterly reports • Mission reports	• Sufficient absorption capacity • Access to administrative and survey data • Low turn-over of staff involved in implementation • Staff works on project related tasks in between missions

Subject / purpose of activity 3.2.1:
To consult and work with KAS professionals giving general support to improving Structural Business Statistics in Kosovo

Expected output of activity 3.2.1:
Mission report with recommendations on how to reduce Structural Business Statistics Survey from 150 days to 113 days in 2017. Report should also propose action to be taken at KAS before next mission on this issue. Suggestions for Terms of Reference for further activities in Component 3.2.

KAS resources:
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Mr. Hysni Elshani, Head of sector, hysni.elshani@rks-gov.net
Mr. Muhamet Kastrati, Manager of database, muhamet.kastrati@rks-gov.net
Ms. ValdeteNavakazi, Senior Officer for STS, valdete.navakazi@rks-gov.net
Ms. Luljeta Krasniqi, Senior Officer for SBS, luljeta.krasniqi@rks-gov.net
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KAS Twinning team:
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Member state resources:
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Twinning ressources:
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Description of the background for the activity

In the first Twinning mission on Business Statistics, "Overall Assessment of Business Statistics and Prioritization of Actions (3.1.1)" the two Danish experts Peter Ottosen and Søren Netterstrøm state the following about SBS:

The most important issue is to have data ready for National Account at a much earlier stage.

The methods for sampling, imputation and estimation may need to be revised.

A major reason for the late availability of data is that the sample from SBR was delayed. This issue has to be addressed by SBR and some improvement should be obtained for 2013. After collection is completed, data are verified; missing data are obtained from larger units (+200 employees) or imputed. This takes 2 months. The project should look into these matters in order to find ways to further improve the timeliness.

The questionnaire and the methods for estimation should be examined and revised if needed.

A long term development plan for future improvements must be developed.

The procedures for validation and imputation are mostly manual. It should be considered to automate these processes. However this will require IT resources that presently is a very scarce resource.

Further Ottosen and Netterstrøm recommend:

The development of SBS should focus on exhaustiveness and statistical methodology as well as mapping gaps between the current situation and EU-legislation in order to produce a long term development plan that will bring KAS to full compliance with EU-regulations

Activities to be undertaken in preparation for the mission:
List of attached documents
  - Adapted Global Assessment report (AGA)
  - Program of official statistics 2013 -2017
  - Strategic Development Plan 2009- 2013
  - SBS methodology
  - Mission Report on Overall Assessment of Business Statistics and Prioritization of Actions Component no 3.1.1
  - Mission Report Clementina Ivan-Ungureanu 2.1.1 Assessment and update of action plan (with remarks on SBS)

The expected activities are:

- Workshops and discussions with KAS participants on SBS production time
- Overview of present production steps
- Create time line for the different steps of SBS production (Preferably according to GSBPM)
- **Identification of production bottle necks**
- **Suggestions regarding how the duration of each production step in the timeline can be reduced without loss of quality**
- **Suggestions for potential trade off's between quality and production time**
- **Suggestions for improved imputation methods**
- **Suggestions for improvements to present IT support and for improvements to IT system**

Expected output:

- Mission report – according to template
- Detailed plan for further activities to be completed in component 3.2 by the twinning program

Annex 1. Program, May 2014

Day	Place	Time	Event
1	KAS	09.00	Introductory remarks to this part of component 3
		09:15	KAS: Overview of the work with SBS in Kosovo with focus on those parts of the system where improvements are asked for
		10:30	Coffee break
		11:00	The statistical processes in SL: organization, metadata, monitoring, measurement and al.
		12:00	Lunch break
		13:15	Description of statistical process: production steps, metadata for production steps, singularity of SBS in SL
		14:30	Coffee break
		15:00	Workshop: starting new survey/ new cycle, plan of survey – management of time used, responsibility
		16:30	Preliminary conclusions. Program for day 2 and 3 to be agreed upon
2	KAS	09:00-16:00	Workshop: methodological preparation, data sources, questionnaire, testing and improvement – reducing response burden, improving timeliness
3	KAS	09:00-16:00	Workshop: data collection, preparation of basis of primary data, editing, processing, monitoring and evaluation, quality of process and results, documentation, improvement
4	KAS	09:00	Ad-hoc and hands-on meetings: Wrapping up
		10:30	Coffee break
		10:45	Workshop: Agreement on recommendations and time plan
		12:00	Lunch
		15:00	Debriefing with BC Project Leader: Recommendations, time

			plan and implied work program for BC
5	KAS	09:00	Report writing
		10:30	Coffee break
		10:00	Report writing
		12:00	Lunch break
		13:15	Debriefing: Experts, Component Leader and RTA

Annex 2. Persons met

KAS:

Mr. Ismajl Sahiti, Head of Division, ismail.sahiti@rks-gov.net (Component Leader)
Mr. Hysni Elshani, Head of sector, hysni.elshani@rks-gov.net
Mr. Muhamet Kastrati, Manager of database, muhamet.kastrati@rks-gov.net
Ms. ValdeteNavakazi, Senior Officer for STS, valdete.navakazi@rks-gov.net
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RTA Team:
Per Knudsen, RTA
Nora Zogaj, RTA Assistant
Interpreter (some missions)