TWINNING CONTRACT

Support to the State and Entity Statistical Institutions, phase V

Bosnia-Herzegovina

MISSION REPORT

on

Statistical Business Register

Component no 1.1, Activity 1.1.3

Mission carried out by   Søren Netterstrøm, Statistics Denmark

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		STATISTICS DENMARK

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List of Abbreviations

BH	Bosnia-Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
DB	District of Brčko
DST	Statistics Denmark
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
FBiH	Federation of Bosnia and Herzegovina
ITA	Indirect Tax Authority
KAU	Kind of Federation of Bosnia and HerzegovinaActivity Unit
LKAU	Local Kind of Activity Unit
RS	Republica Srpska
RSIS	Institute for Statistics of Republika Srpska
SBR	Statistical Business Register
ToR	Terms of Reference
VAT	Value Added Tax

Executive Summary

The purpose of this mission was to finalize plans for a special survey on the Business Register in order to improve SBR (local units and activity codes) to be conducted in the 3rd project quarter.

It was from the beginning noted, that very limited resources would be available both in FIS and RSIS in order to carry out such a survey. It was for that reason decided that only a small survey addressing the most important quality issues would be planned for. It was further agreed, that the survey should be seen as the beginning of a series of surveys to be conducted every year, where each survey would address one or more specific quality issues in SBR. It should be noted, that SBS, like any other survey, should provide feedback to SBR when SBS is conducted every year.

Among a number of potential issues, it was decided that the survey this year would concentrate on units, where the conversion of activity code from NACE rev. 1.1 to NACE rev. 2 needed to be verified. This is the case, where the activity code of NACE rev. 1.1 is corresponding to several codes in NACE rev. 2. Automatic conversion is not possible in these cases and only possible to complete using a questionnaire.

It was noted, that the Structural Business Survey 2011 (SBS) to be carried out in April 2012 did contain a request on the enterprises to list their main activity and that this information would be encoded into NACE rev. 2.It was decided to use this information to obtain the correct activity code for these enterprises. During the mission a session was held with the head of SBS, and it was agreed to make a small change in the way the question was asked by adding a footnote in the SBS questionnaire explaining the kind of answer that should be given to the question. Furthermore, SBS would instruct the regional offices to put emphasis on checking, that the question was answered in an appropriate way.

It was further decided, that the sample frame used by SBS could be reused for the special survey, as the units in this frame are considered the most important units from a statistical point of view. The population of the special survey would then be any unit in the frame not surveyed by SBS where the activity code could not be finally determined during automatic conversion.
The special survey will be carried out in June 2012 in order to meet the benchmark regarding this issue.

It is noted, that the survey does not cover all of SBR. This would require a significantly larger survey and the quality improvement obtained may not justify the resources to be spent. Rather, the remaining units will be dealt with either if they at a later state becomes part of any survey sample or information otherwise is obtained.

Regarding local units it was agreed, that the coverage of local units in SBR is considered to be quite good, as they are a vital part of the administrative registration. The activity codes for local units may pose a problem, but as local units are not surveyed by SBS, it was decided to seek to solve this issue at a later stage, potentially in 2013.

Data from SBS will further be used to correct activity codes and contact information in SBR where errors are found for the full SBS sample, if these are found to be wrong. SBS will forward information of such units to SBR who is responsible for the final decision of changing activity code, as SBR may consult alternative sources if applicable.

The data from SBS on activity code and number of local units will also be utilized to perform an analysis of the quality of activity codes in SBR and coverage of local units. As SBS only contains the number of local units without any further information, it may be difficult to examine the last question in detail.

It has been proposed that BHAS may be responsible to carry out this activity, based on an extract of data from SBS containing the ID number, activity code of SBS and number of local units from each of the entities to be compared with SBR.

It has finally been decided to seek a close cooperation with SBS about upcoming surveys, as these surveys could potentially be very useful for further improvements of the quality of SBR.
This issue will be further discussed with SBS in mission 1.1.5, cooperation between SBR and SBS.

FIS and RSIS did report on the progress with ELMO. Data on employment has been received from ELMO by both entities but still needs to be verified before being using in SBR. This is a major step forward for SBR, as this will provide SBR with much more timely data on this important variable.

Actions needed for preparing and conducting the next mission or future missions

The necessary preparation for mission 1.1.2, 5-year development plan has been discussed to some detail in the previous mission. It was underlined, that it is very important that the major goals of this plan should come from BHAS-FIS-RSIS, in order to ensure that they do meet the requirements of the statistical system in BiH. It was also discussed and agreed, that key users of SBR (statisticians) need to be invited to participate in this mission, as there requirement should be important input to the process. It should be decided soon who to invite and also to ask these persons to prepare for the mission by reflection on their demands and wishes for the strategy.

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1. General comments

This mission report was prepared within the Twinning Project „Support to the State and Entity Statistical Institutions, phase V". It was the second mission within subcomponent 1.1 on Statistical Business Register (SBR) of the project. This mission was aimed at preparing a special survey to improve quality in SBR.

The concrete objectives of the mission were:

- To select and define more specific goals for the special survey
- To specify the survey frame and the survey population
- To specify the questionnaire to be used
- To specify how the survey would be processed

Both consultants would like to express their thanks to all officials and individuals met for the kind support and valuable information which we received during the stay in BH, and which highly facilitated the work of the consultants.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of EU, BHAS / FIS / RSIS, Statistics Denmark and Statistics Lithuania.

2. Results

2.1 Introduction

The purpose of this mission was to setup a special survey to improve the quality of SBR with special attention to activity codes and local units.

In the previous mission (1.1.1) preparations for this mission was made, including initial discussions on the subject and a list of questions to be considered by the statistical institutes. The list included a set of questions that was used during this mission a basic agenda.

2.2 Resources available

In order to make a realistic plan, the resources available must be considered. BHAS indicated that they were willing to deliver any resources that may be needed to plan the survey. Both FIS and RSIS, that will be responsible for the carrying out the survey and process the data collected through the survey however responded, that they had not any resources set aside for the project and that those resources needed for the survey was already having many responsibilities with day to day operations of running SBR. They did however recognize the need to carry out the survey and that they needed to find the resources needed.

The conclusion was to concentrate on meeting the most pressing demands in terms of quality with as small a survey as possible.

2.3 Specific goal of the survey

During the previous mission the question on what to achieve with the survey was raised. It was discussed that either the survey could be used to improve the quality of selected indicators and for specific parts of SBR or it may be used to measure the overall quality of SBR. Even if the latter option would not directly improve the quality, this would indirectly improve the value of SBR as a frame for statistical surveys.

SBR has recently introduced NACE rev 2 as activity code. All units have been assigned a new activity code using conversion tables (automatic update). However, in those cases where the old activity code could lead to one of several new codes, there is an urgent need to check what should be the actual code. This is seen as the most important quality issue presently.

After discussion of the options, it was concluded that the main purpose of the survey should be to deal with those units described about to assign more correct activity codes according to NACE rev 2.

2.4 SBS

The structural business survey will be conducted in April 2012. SBS does include a question, where the enterprise has to describe its main activity code. This will be used to establish activities code for SBS.

SBS has a frame of 24.000 units. It consists of all enterprises in Mining, Industry and Trade that has submitted financial reports for 2010 or in other ways are known to be active. It should be noted, that Agriculture and Financial Services are not included. Also Craft / Entrepreneurs are not included. For a full list of included activities refer to Annex 3.

From the frame a sample of 10.000 units are taken. This sample includes all units having more than 20 employees.

It was decided to reuse the data collected by SBS to check activity code for all units covered by the SBS sample to avoid sending another questionnaire with the same question on activity once more during the special survey, both in order to save resources in the Statistical Institutes, but also not to put any unnecessary burden on enterprises.

A special session was held with the responsible for SBS. To better meet the need of SBR, a footnote was added to the open question related to main activity in order to give an example of the level of detail that should be used in the response. It was further agreed, that SBS would emphasize in their instructions to the regional office, that the answer to this question should be given special attention. The consultants were very pleased with this very helpful cooperation from SBS, as this is expected to lead to a significant increase the value of the data collected by SBS from the point of view of SBR.

2.5 Survey population.

It was then decided to use the same frame as SBS as the frame for the special survey, as this frame seems to hold the most important units of SBR. From this frame, all units not sampled by SBS and where the activity code assigned by automatic encoding could be problematic will be surveyed with the purpose of establishing the correct activity code.

2.6 Expected results
By combining this with what will be achieved through SBS, for all Enterprises in the SBS frame, the activity code will be verified or corrected for the units where it could not be finally determined by the automated conversion.

Apart from that, all units in the SBS sample where the activity code from SBS (based on the question of activity) would differ from the activity code in SBR, will be examined by SBR and updated if needed.

Address and contact information may also be improved where this information is corrected in the SBS survey.

2.7 Creating indicators of quality

Finally it was decided to perform an analysis of the SBS data on activity codes and addresses and number of local units to obtain a general picture of the quality of SBR, or rather the part of SBR that is used as a frame for SBS.
This analysis will be performed by comparing the activity codes used by SBS with the activity codes in SBR as they are by April 1st 2012, that is before SBS data are used to update the codes. The analysis should make a distinction between those codes that may be corrected because the activity code was not the correct from the automated conversion to NACE rev 2 and other errors.

To perform this analysis, an extract from the final SBS data file containing ID and activity code should be produced. It may also contain the number of local units reported to SBS in order to examine, if this number corresponds to the number of local units in SBR.

In order to not further burden the entities with this analysis, it was suggested to examine the possibility that such a file could be forwarded to BHAS who would then be responsible for performing this analysis. This would also ensure that the analysis would be done in exactly the same way regarding both entities. The result of this analysis is shared between all the institutes.

2.8 Elmo project

FIS and RSIS report about the progress with the ELMO project. Both FIS and RSIS have received the first set of data from ELMO regarding employment. Data is being analysed in order to assess the quality of the data. There seems to be some problems with quality, at least in the FIS. The Tax authorities, who are the producers of these figures, seem to have a number of variables about employment and it may not be the relevant figures that are being delivered. FIS is looking into the matter and expect it to be resolved soon.

When these data are finally verified and ready to be entered into SBR they will give much more timely data on employment and this is major improvement of the quality of SBR as a frame for business surveys.

2.9 Further Cooperation with SBS

It was agreed that SBR should seek for a closer cooperation with the SBS survey. If the SBS survey and a yearly quality survey are linked, then for all or a specified subset of the SBS sample, the questionnaire of SBS could contain a few question of specific interest for SBR.

Population for SBS and SBR may be defined differently, so that there will be units selected by both surveys, units only select for SBS and units only selected for SBR. For the latter group, a simpler questionnaire should be produced similar to what is done in June 2012.

This issue will be handled in more detail during mission 1.1.5

2.10 Upcoming missions

Mission 1.1.2, 5-year development plan is now finally decided to take place in Banja Luka from 21-25 May 2012.

The necessary preparation for mission 1.1.2, 5-year development plan has been discussed to some detail in the previous mission. It was underlined, that it is very important that the major goals of this plan should come from BHAS-FIS-RSIS, in order to ensure that they do meet the requirements of the statistical system in BiH. It was also discussed and agreed, that key users of SBR (statisticians) may be invited to participate in this mission, as there requirement should be important input to the process. It should be decided soon who to invite and also to ask these persons to prepare for the mission by reflection on their demands and wishes for the strategy.

According to the original project plan, the next set of actions would coincide with the holiday season, so it has been decided to postpone those. There was further a proposal to move the study visit into next

year, as this year would be very busy for the SBR staff. This proposal needs further consultations for clarification.

For mission 1.1.4 is tentatively scheduled for September 2012. It will be split into two parts: the first part is a 2 day training session in Banja Luka, the next 2 day will be used for a similar training session in Sarajevo. The last day will be used for signing of. Representatives from BHAS-FIS-RSIS (the coordinators) are invited to take part in both training sessions. The audience for the training is all statisticians that is or may become user of SBR. After the training the participants should have a good understanding of the Structure of SBR, the unit types of SBR. They should also have a good knowledge of the services offered by SBR. Part of the training should be given by local SBR staff. During mission 1.1.2 a plan for the training should be discussed in further detail in order to assign different task to the experts and the local trainers in order to prepare for the training.

Annex1.Terms of Reference

Statistical Business Register
26th to 30th of March 2012
Terms of Reference - Activity 1.1.3
EU Twinning Project BA 08-IB-FI-03

Component 1   1.   Business Statistics

1.1. Statistical Business Register

1.2. Structural Business Statistics

1.3. Construction Statistics

1.4. Retail Trade Statistics

1.5. Tourism Statistics

Component 2   2.   Extended Household Budget Survey

Component 3   3.   Institutional Capacity

3.1. Long term strategy

3.2. Metadata and classification system development

3.3. Promotion of dissemination

Benchmarks

A) Special survey for improvement of SBR (local units & activity code) conducted by 3rd project quarter

B) SBR 5-years development plan prepared by 4th project quarter

C) Plan for regular annual submission of VAT data from tax authorities according to agreement – in force by 4th project quarter

D) Plan for harmonization of activities between SBR and business statistics (incl sampling methodology) by 8th project quarter

E) SBR used in regular surveys on state level by 8th project quarter

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1.1.3. Activity
Survey for updating quality in the Statistical Business Register

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The expected activities are:

➢ Preparation of the special survey in order to improve quality of the SBR database concerning data on enterprises and local units.

➢ Discuss and agree by all partners (BHAS-BD/ FIS/RSIS participants and experts) specific goals for the survey, such as:

- Resources available,

- One time or start series,

- Measuring the quality and/or improving the quality in selected areas,

- Sample (criteria, size…),

- Design of the questionnaire,

- Method of sending questionnaires …

➢ ELMO Project:

- First received data from tax authorities

- Using this data as administrative source for updating SBR

- Recoding entrepreneurs/crafts

➢ Preparation of the list of activities to be completed before the next mission (1.1.2.)

➢ Discussion about the frame for an SBR 5-year implementation and development plan

➢ Preparation of the list of topics for the next mission

Expected output

➢ Final plan for the survey, including the sample and questionnaire

➢ Defining coverage of the survey

➢ Time frame for conducting survey

➢ Mission report – summarized and detailed version completed

➢ General and detailed activity plans and draft ToR for the next mission prepared and agreed by all partners (BHAS-BD/ FIS/RSIS participants, experts and RTA)

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List of Participants

Agency for Statistics of BiH

DubravkaHusić

MevlijaOdobašić

IvanaTavra
DženitaMustafić
BranislavaCvijetić
SenijaFačić

Institute for Statistics of Federation of BiH

EnisaRastić
EmiraBeširević
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Institute for Statistics odRepublikaSrpska

DarkoMarinković

Experts

SorenNetterstrom, Statistics Denmark
Dalia Mačiuitienė, ISTAT

Twinning Project Administration:

Bente Dyrberg, RTA

Djemka Sahinpasic, RTA Assistant

HarisImamovic, Interpreter

	Agenda	

26 March (Monday) – 30 March (Friday)

Time	Event	Purpose / detail
Monday	Welcome	Introduction by experts on the EU Twinning Project about 2th Mission, Component 1. Business Statistics; Subcomponent 1.1. Statistical Business Register. Agreement about the program of the week. (BiH participants and Experts)
	ELMO Project	Giving information about firs receiving data from Tax Authority through the ELMO Project. (Participants from RZZS RS and FZS FBiH)
	Discussion	
	Survey for updating quality in the SBR	Analysis of the prepared suggestions on the conduct special survey in the SBR (answers on the questions about special survey in the SBR from previous Mission) (BiH participants and Experts)
	Discussion	
	Survey for updating quality in the SBR	Best practice, suggestions, methodology and solve issues from experts experience to help in our case. Support from experts. (Experts)
	Discussion	
	Questionnaire	Agreementon the design, questions and methodsof sendingquestionnaires. (Experts and BiH participants)
	Discussions	
	Sample	Methodology and sampling. Agreement on selection of sample for the special survey in the SBR. (Experts and BiH participants)
	Discussion	
	Next mission-Which topics? What to do for the next mission?	Agreement on next mission details. Possible suggestions. (BiH Participants and Experts)
	Mission report	Summarized and detailed version completed (Experts)

Annex 2. Persons met

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BHAS:

TimaKaracic, SBS

Dubravka Husić
Mevlija Odobašić
Ivana Tavra
Dženita Mustafić
Branislava Cvijetić
Senija Fačić

FIS:

Munira Zahiragic, deputy
Enisa Rastić
Emira Beširević
Razija Bićakčić
Envera Huric

RSIS:

Darko Marinković

RTA Team:

Bente Dyrberg
Djemka Sahinpasic

Annex 3. NACE codes included in frame for SBS

B Mining and quarrying
C Manufacturing
D Electricity, gas, steam and air conditioning supply
E Water supply; sewerage, waste management and remediation activities
F Construction
G Wholesale and retail trade; repair of motor vehicles and motorcycles
H Transportation and storage
I Accommodation and food service activities
L Real estate activities

Within J Information and communication
58.1 Publishing of books, periodicals and other publishing activities
59 Motion picture, video and television programme production, sound recording ..
60 Programming and broadcasting activities
61 Telecommunications
63.1 Data processing, hosting and related activities; web portals

Within M Professional, scientific and technical activities
72 Scientific research and development
74 Other professional, scientific and technical activities
75 Veterinary activities

Within N Administrative and support service activities
77 Rental and leasing activities
79 Travel agency, tour operator reservation service and related activities
80 Security and investigation activities
81 Services to buildings and landscape activities
82 Office administrative, office support and other business support activities

Within S Other service activities
95 Repair of computers and personal and household goods
96 Other personal service activities

Annex 4. Presentation about special survey in Lithuania

STATISTIKOS DEPARTAMENTAS
STATISTICS LITHUANIA

Implementation NACE Rev.2 into Business register, dual coding

Calculation of population (based on Business register data) for interviewing for implementation NACE Rev. 2 classification into Business register

Population of local units for 2007	*178165*
Of which without natural persons	*94702*
Of which enterprise	*76516*
Local kind of activity units without rights of legal unit	*18186*
Natural persons	*83463*
New registrations (number of new registrations in 2006)	*7542*
Recoded cases 1:1; 1:5; industry activities by PRODCOM – 69%	*53236*
Population for interviewing plus new registrations (76516-53236)+7542	*30822*

prezentacijos data
PREZENTACIJOS PAVADINIMAS   www.stat.gov.lt

STATISTIKOS DEPARTAMENTAS
STATISTICS LITHUANIA

Implementation NACE Rev.2 into Business register, dual coding

◆ **Preparation of questionnaire and explanatory notes for interviewers**

◆ **Trainings of statisticians**

◆ **Starting recoding:**

Dates

Checking of recoded data: corespondence old and new classifications codes, 2,3 digit level of code cases, finding not recoded units

Main mistakes: units recoded not using corespondence tables

Questioning not recoded units (2169 units)

prezentacijos data
PREZENTACIJOS PAVADINIMAS   www.stat.gov.lt

STATISTIKOS DEPARTAMENTAS
STATISTICS LITHUANIA

Implementation NACE Rev.2 into Business register, dual coding

◆ **Follow up:**

Meeting with main users of Business register data

Preparation of tables units "went out" ("came") from one activity sector to another

code	old activity name	code	new activity name	number of units
22	Publishing, printing and reproduction of recorded media	17	Manufacture of paper and paper products	14
22	Publishing, printing and reproduction of recorded media	18	Printing and reproduction of recorded media	254
22	Publishing, printing and reproduction of recorded media	58	Publishing activities	617
22	Publishing, printing and reproduction of recorded media	59	Motion picture, video and television programme production, sound recording and music publishing activities	22
70	Real estate activities	41	Construction of buildings	553

prezentacijos data
PREZENTACIJOS PAVADINIMAS   www.stat.gov.lt

STATISTIKOS DEPARTAMENTAS
STATISTICS LITHUANIA

Implementation NACE Rev.2 into Business register, dual coding

◆ Conclusions:

1. Good idea to use interviewers and RSO specialists

2. Required rezults achieved:

2.1. Frosen list of units for surveys 2008 with dual coding prepared;

2.2. Frosen list of local kind of activity units with 2 codes prepared;

2.3. Natural persons carring out economic activity have 2 activity codes;

2.4. Business register has about 150 000 legal units with dual coding;

2.5. Business register data got better quality, other variables updated as well.

Problems:

Quality of recoding work (explanatory notes delayed and was changed very often)

prezentacijos data
PREZENTACIJOS PAVADINIMAS   www.stat.gov.lt