

# **TWINNING CONTRACT**

## **Support to the State and Entity Statistical Institutions, phase V**

### **Bosnia-Herzegovina**



## **MISSION REPORT**

**on**

**Statistical Business Register**

**Component no 1.1.2**

Mission carried out by  
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Peter Ottosen, Statistics Denmark

21– 25 May 2012

Version: Final

		 <b>STATISTICS DENMARK</b>
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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 Herzegovina Activity 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

## Preface

The purpose with the mission was to have a training course in the European Standards and Maintenance procedures and to develop a five-year development plan for the SBR.

In order to facilitate the development of a plan, the three statistical institutes had produced and agreed on a draft beforehand and a workshop with internal users of the SBR was held.

A meeting with users of SBR was held in order to get further input for the discussion of the five-year plan.

Discussion of five-year plan involved a discussion of the use of the plan where the SBR working group has a role in setting up specific goal in a yearly work plan based on the strategic goals in the five-year plan. In doing so, considerations regarding resources, opportunities and the value of the improvement should be taken into account.

Before next mission, BHAS, FIS and RSIS will, based on the outcome of the discussion in this mission prepare a second version of the five-year plan.

## Training in European Standards

The training course was given for the SBS staff from all three institutes present at the meeting. Special attention was given to the issues of activity codes, when and how to change and the continuation of units over time (administrative versus statistical units).

The presentation given can be found in annex 3.

## Meeting with users of SBR

A workshop with users of SBR from RSIS was held. After a short introduction to SBR by the consultants, with focus on the need for cooperation between SBR and the users of SBR, the five year plan was introduced by Jelena .. (RSIS). Then each of the user was given the floor for a short introduction of their use of SBR and what they saw as the main improvements needed.

The main requests from them to the SBR was

- Inclusion of entrepreneurs
- Supporting FATS (lower priority)
- Cooperation between SBR and SBS and other surveys
- Common methodology and rules (primarily for assigning and changing activity codes) and involvement of SBR users in the process
- Improve data and timeliness on e.g. activity codes and active/inactive as well as stratification data (turnover and employment )
- Updating frequency

It was agreed to hold a similar workshop with the users of FIS and BHAS during the next mission to take place in Sarajevo, both in order to get further input to the 5-year plan as well as using the opportunity to once more introduce SBR to the users. If this will be a common workshop for FIS and BHAS users, or if it should be two workshops, should be considered by the counterparts in BHAS and FIS.

**Discussion and revision of the draft 5-year plan**

Taken the input from the users into account, the draft 5-year plan was then discussed in detail

Discussion of five-year plan involved a discussion of the use of the plan where the SBR working group has a role in setting up specific goal in a yearly work plan based on the strategic goals in the five-year plan. In doing so, considerations regarding resources, opportunities and the value of the improvement should be taken into account

At the end, the consultants presented the following revised version of the structure.

**Revised version of the five-year development plan in headlines:**

*Introduction on scope and use of the plan, SBR working group as responsible for overseeing the implementation*

*Five-year goals:*

- 1. Defining and creation of indicators of quality for SBR**
  - 1.1. Measuring of SBR data quality – to establish quality standards, to define methods of measurement and frequency of quality reports*
- 2. Improved SBR data quality through SBS, other statistical surveys and special SBR surveys**
  - 2.1. Clear identification of future needs of the internal SBR users and regular (annual) meetings between SBR and internal users*
  - 2.2. Improving the quality of SBR using data from SBS, other surveys and special SBR surveys (enterprises and local units)*
  - 2.3. Plan for the introduction of all surveys into SBR and using survey side of SBR (response and observation units)*
- 3. Improved quality of data on entrepreneurs/crafts**

*Introduction on ELMO and NACE rev 2 transitions in progress*

  - 3.1. Improvement of data quality, especially activity codes and status of activity*
  - 3.2. Defining of stratification variable sources*
  - 3.3. Introduction of entrepreneurs into surveys*
- 4. Regular procedures of updating of the SBR data from administrative sources**
  - 4.1. Main administrative data sources*
  - 4.2. Other administrative data sources*
  - 4.3. Regular annual meetings between the SBR Working Group and the administrative sources representatives*
- 5. Improved methodology and introduction of new SBR features in order to meet the needs of users and harmonization with the EU regulations**
  - 5.1. Aligned and prepared Rulebook on assigning and updating of SBR Activity Codes in line with NACE rev 2 manual*

*Includes establishing Group for discussion of border cases and conflicts*
  - 5.2. Aligned and prepared Manual for the Statistical Business Registry in BiH in line with the EU SBR Manual 2010*

*5.3. Institutional sector (IPA 2012-2013)*

*5.4. Enterprise Groups and profiling of large enterprises (IPA 2012-2013)*

*5.5. Business demography (IPA 2012-2013)*

## **6. Extension of SBR system (IT)**

Before the next mission (1.1.4) BHAS, FIS and RSIS should write and agree on a revised version of the 5-year plan based on the outcome of the discussions of this meeting and the original draft. This will then be presented for the users of BHAS and FIS before being finalised during the next mission.

### **Content of next mission**

The purpose of the next mission is to train the users of SBR. The project document states that “Trainers should include SBR staff from BiH (Banja Luka and Sarajevo)”.

To restrict the number of persons who would need to travel (from Banja Luka and Sarajevo or vice versa) there should actually be at least one training session in each place.

In order to include SBR staff as trainers, there will be a need to coordinate the training material between the consultants and SBR staff

To squeeze all this into one week, including some work on the 5-year plan as well, does not seem advisable. The consultants have proposed, and the group agreed, that the actual training of the users will be carried out by the three institutes after the mission. The mission will then be devoted to look at the training material and training the trainers.

### **Work to be done before next mission**

BHAS in cooperation with RSIS and FIS rewrites the draft and circulates it to reach common agreement

Prepare training materials for training of users of SBR to be discussed during next mission

### **Next mission**

Discuss draft with users in FIS and BHAS

Agreement on final plan

Discussion and finalisation of prepared training material

Suggested date for next mission: 3-7 September 2012.

**Annex 1. Terms of Reference**

**Statistical Business Register**  
**21<sup>th</sup> to 25<sup>th</sup> of May 2012**  
**Terms of Reference - Activity 1.1.2**  
**EU Twinning Project BA 08-IB-FI-03**  
**RSIS - Veljka Mladjenovica 12d, Banja Luka**

- |             |   |
|-------------|---|
| Component 1 | 1. Business Statistics<br><b>1.1. Statistical Business Register</b><br>1.2. Structural Business Statistics<br>1.3. Construction Statistics<br>1.4. Retail Trade Statistics<br>1.5. Tourism Statistics |
| Component 2 | 2. Extended Household Budget Survey   |
| Component 3 | 3. Institutional Capacity<br>3.1. Long term strategy<br>3.2. Metadata and classification system development<br>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

**1.1.2. Activity**

Five year SBR development plan

**Subject:**

Five year SBR implementation and development plan – initial comments and proposals.  
 Training in European standards and maintenance procedures

The expected activities are:

- Training course in European standards and maintenance procedures by experts
  - Updating activity codes and status of activity / inactivity of the enterprises in different developing countries (best practice)
- Analysis of the proposals for the five-year plan prepared by SBR partners (BHAS-BD/ FIS/RSIS participants) to prepare for workshop with internal SBR stakeholders
- Workshop with internal SBR stakeholders on the SBR plans
- Discuss and agree by SBR and BS staff (BHAS-BD/ FIS/RSIS participants) with assistance of experts, specific goals for the five year SBR development plan

- Preparation of the list of activities to be completed before the next mission (1.1.4.)
- Preparation detail list of topics for the next mission

<b>Expected output</b>
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- Understanding among all audience of principles for updating activity codes and status of activity / inactivity in different developing countries with similar issues
- Five year SBR plan developed and approved by all participants of the mission
- Mission report – summarized

<b>List of Participants</b>
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**Agency for Statistics of BiH (BHAS)**

Tima Karačić, Senior Advisor for Structural Business Statistics

Mevlija Odošević, Senior advisor

Ivana Tavra, Senior officer

Dženita Mustafić, Officer

**Institute for Statistics of Federation of BiH (FIS)**

Enisa Rastić, Head of Business Register and Economic Classification Unit

Emira Beširević, Officer for Business Register

Razija Bićakčić, IT

Aida Ljuca, Senior Official for Structural Business Statistics

**Institute for Statistics of Republika Srpska (RSIS)**

Darko Marinković, Senior officer for statistical sample and analysis

**Experts**

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Haris Imamovic, Interpreter



<b>Agenda</b>
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**21 May (Monday) – 25 May (Friday)**

<b>Time</b>	<b>Event</b>	<b>Purpose / detail</b>
Monday 12:00	Welcome	Introduction by experts on the EU Twinning Project about 3 <sup>th</sup> Mission, Component 1. Business Statistics; Subcomponent 1.1. Statistical Business Register Agreement about the program of the week  (BiH participants and Experts)
	Training course in European standards and maintenance procedures	Best practice, suggestions, methodology and advices - Updating activity codes and status of activity / inactivity in different developing countries  (Experts)
	Discussion	
		Preparation for the workshop with SBR stakeholders  (BiH participants and Experts)
	Discussion	
	Workshop with SBR stakeholders	Agreement with Business Statistics users on mutual cooperation  (BiH participants and Experts)
	Discussion	
	Five year development plan	Final agreement between SBR and BS staff about five year development plan.  (BiH participants and Experts)
	Discussions	
Friday till 12:00	Next mission	Agreement on next mission details What to do for the next mission?  (Experts and BiH participants)

**Annex 2. Persons met****BHAS:**

Tima Karačić, SBS  
Mevlija Odošević  
Ivana Tavra  
Marko Zekić

**FIS:**

Emira Beširević  
Razija Bičakčić  
Aida Ljuca, SBS

**RSIS:**

Dr Radmila Čičković, Direktor  
Jelena Đokić, Assistant Director  
Darko Marinković

**Users from RSIS**

Lazendić Radmila  
Biljana Đukić  
Mirjana Bandur  
Danica Babić  
Jelena Glamočika  
Sanela Vasiljević  
Slađana Nikić

**RTA Team:**

Bente Dyrberg  
Đemka Šahinpašić

### Annex 3. Training in European Standards

#### Statistical Business Register

European Standards and maintenance procedures

#### Purpose of a SBR

“ ... as a tool for the *preparation and coordination of surveys*, as a source of information for the *statistical analysis of the business population and its demography*, for the *use of administrative data*, and for the *identification and construction of statistical units*”

#### Topics

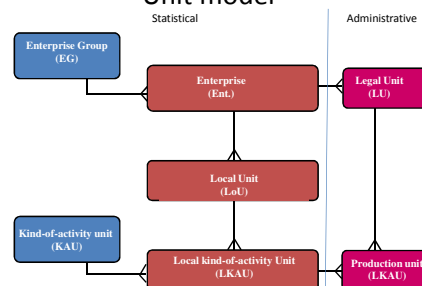
- SBR in general
- Maintenance procedures
- Example Denmark
- Quality

#### The units in SBR

- All *enterprises* carrying on *economic activities* contributing to the gross domestic product (GDP), and their *local units*;
- The *legal units* of which those enterprises consists;
- Truncated enterprise groups and multinational enterprise groups; and
- All-resident enterprise groups

#### SBR in general

#### Unit model



#### Statistical Business Register

“Member States shall set up *one or more harmonised* registers for *statistical* purposes...”

#### Maintenance procedures

### Update when and what

- At least once a year – more often necessary due to e.g. short term statistics
- When a **significant** change occurs
  - Birth, dead, change in structure and ownership, change in activity, size, address, etc.

### Statistical data

- Data on
  - Basic information (name, address, telephone number, etc.)
  - Kind of activity
  - Legal form
  - Ownership (a LoU changes enterprise)
  - Size
- Frequency
  - when it occurs (or comes to the attention of statisticians)
- Benefits to statistics
  - Always most updated units; less work with frame populations; ...

### Sources for updates

- Enquete/surveys/questionnaire
- Administrative data
- Statistical data
- Automatic rules

### Automatic rules

- Most common problems
  - identify the dead of enterprises
    - Use information on non-response for statistical surveys
  - Updated addresses
    - Information from statistical surveys
- Conflicting information
  - Priority rules based on the value of the source and the information in question
  - Manuel decision in case of doubt
  - In the end taken to a common forum for discussion

### Surveys

- Special surveys to update the business register
  - Can cover all or a subsection
  - Can be questions added to other surveys, like SBS
- Costly for both NSI and enterprise
- Efficient way of updating activity codes; local units; and activeness

### Example Denmark

### Administrative data

- Administrative business register
  - Frequent updates
- Best source of birth of enterprises
  - Some times other information like local units, addresses, change in ownership, etc
- Other administrative sources
  - Tax authorities; chamber of commerce; pension funds
  - Source for activity/inactivity, size; birth
- Low-cost; requires cooperation between agencies

### Data sources

