

TWINNING CONTRACT

BA 15 IPA SR 01 17

Support to the reform of the statistics system in Bosnia and Herzegovina



MISSION REPORT

**Activity 1.1: Assessment of the current situation of National Accounts.
Presentation of methodology of Regional Accounts**

Component 1: National Accounts

Mission carried out by
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16-19 January 2018

Final version

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List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
ToR	Terms of Reference

1. General comments

This mission report was prepared within the EU Twinning Project "Support to the reform of the statistics system in Bosnia and Herzegovina". It was the first mission to be devoted to assessment of the current situation of National Accounts and presentation of methodology of regional accounts within Component 1 of the project.

The purposes of the mission were:

- Assessment of current situation, challenges and development since the last Twinning project
- Presentation of National Accounts and production of macro-economic statistics in BiH
- Presentation of methodology of regional accounts according to ESA2010
- Presentation of European NSI experience with regional accounts
- Discussion on the way forward in the project

The MS experts would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Bosnia-Herzegovina and which highly facilitated the work of the MS experts.

This views and observations stated in this report are those of the MS experts and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, INSEE, Statistics Finland and Croatian Bureau of Statistics.

2. Assessment and results

- 2.1 Discuss the project with the RTA and preparation of activity
- 2.2 Meeting with BC experts and introduction
- 2.3 BC experience with national accounts and production of macro-economic statistics presented
- 2.4 BC presentation of experience from last Twinning project
- 2.5 Overview of EU methodology of regional accounts presented according to ESA2010 and relevant legal act
- 2.6 MS NSI experience with producing regional accounts presented
- 2.7 Discussion of possible data suppliers and sources and discussion of possible changes
- 2.8 Discussion and agreement on implementation plan/way forward in the component
- 2.9 Other topics
- 2.10 Presentation of MS experts' findings and agreement on the reached conclusion
- 2.11 Agreement on final mission report
- 2.12 Identification of work to be done until next activity. Input to ToR of next activity
- 2.13 Conclusions and next steps

2.1

MS experts met with the RTA and discussed the agenda and afterwards the activity was prepared

2.2

The mission was attended by the experts from all the statistical offices BHAS, RSIS and FIS and a translator. The agenda was discussed and everybody agreed. All the members of the meeting presented themselves and gave a short description of their working field and responsibilities.

The territorial organisation of the country was described. The MS experts were informed about the status of the NUTS classification.

2.3

The BC experts gave a presentation of the current status of the national accounts in BiH. National accounts are produced at entity level and transmitted to the BHAS at aggregated level. BHAS calculate production accounts covering the whole country. The regional accounts are not yet implemented. The development of the regional accounts for BiH according to NUTS 2 level is the main aim of the project. The goal of the project is to develop methodology for the following variables at NUTS 2 level:

- Gross value added
- Gross domestic product
- Gross fixed capital formation
- Employment data
- Compensation of employees

2.4

MS expert were introduced to the results made since last Twinning project. Last project had two components:

- ESA 2010 implementation
- Implementation of sector classification

2.5

The MS experts presented the EU methodology according to ESA2010. The regulation of NUTS levels was presented. Main focus was on defining the NUTS 2 and NUTS 3 regions. The criteria were presented. An example from Denmark was mentioned. The island Bornholm has been accepted as a NUTS 3 region even though the size of the population is too small to be classified as a NUTS 3 region. The general methods in the manual were described. Recommended methods for specific types of activities were presented. The content of table 10 was presented.

2.6

The MS experience with regional accounts was presented. The sources and methods for Denmark and Croatia were presented. The presentations will be sent to BC.

2.7

Possible data sources and suppliers were discussed. BC experts informed the MS experts about an additional part of the existing survey, which will be analysed. The additional part is created by SBS for manufacturing and construction industries and it covers enterprises with more than 20 employees. Both entities and Brcko District are collecting data using the same survey. Data is supplied to BHAS at individual level. This additional data is not used. The quality is not yet checked.

2.8

All experts agreed that before the next mission this data source should be checked and compared to the SBS and national accounts data. Available data from additional part of the survey will be compared with the financial reports of the companies. BC experts will deliver the result of analyses at least one week before next mission. The same survey is available for trade and service industries, but additional part of the questionnaire is not yet created. After the data has been checked for manufacturing and construction, it could be created and used for trade and service as well.

2.9

In addition to the agenda, a presentation about treatment and problems with multi-regional enterprises from the task force for regional accounts experts was presented. Domestic and national concept was discussed. Data for regional household accounts was briefly presented. Numerical examples of calculation of GVA in construction industry were presented by Croatian expert. The Danish expert presented the calculation of GVA in manufacturing and construction industries.

2.10

Main findings and conclusions presented to the BC. Agreement on the reached conclusions with all experts.

2.11

Mission report presented to BC and signed.

2.12

Inform the RTA about the agreements made.

3. Conclusions and recommendations

Actions needed for moving forward as well as for preparing the next mission –add rows as needed.

Action	Deadline	Responsible institution
Analysis of the additional part of the survey from SBS for construction and manufacturing and comparing with data from the national accounts. Deliver the results to MS experts	1 week before next mission	BHAS, FIS and RSIS
Collecting and preparation of available data for the BiH level institutions relevant for the regional allocation.	At the time of next mission	BHAS
Collecting and preparation of available data for financial sector relevant for the regional allocation.	At the time of next mission	BHAS, FIS and RSIS

Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project BA 15 IPA ST 01 17

Component 1: National Accounts

16-19 January 2018

Activity 1.1: Assessment of the current situation of National Accounts. Presentation of methodology of Regional Accounts

1. Mandatory results and benchmarks for the component

Mandatory result:

- Regional accounts, as a subsystem of national accounts, introduced and regional indicators at NUTS 2 level produced in line with EU standards by 8th project quarter

Benchmarks:

- Data sources identified and adjusted for regional accounts by 5th project quarter
- First test version of regional accounts at NUTS 2 level produced by 8th project quarter
- First version of basic regional indicators produced by 8th project quarter (Gross value added, Gross domestic product, Gross fixed capital formation, Employment data, Compensation of employees data)
- Quality report for regional accounts developed by 8th project quarter

2. Purpose of the activity

- Assessment of current situation, challenges and development since the last Twinning project
- Presentation of beneficiary institutions experience with producing National Accounts and production of macro-economic statistics in BiH
- Presentation of MS experts on methodology of Regional Accounts according to ESA10
- Presentation of European NSI experience with producing Regional Accounts
- Discussion on the way forward in the project

3. Expected output of the activity

- Current status of National Accounts and Regional Accounts assessed
- EU methodology for Regional Accounts presented
- Overview of relevant data sources and quality for producing regional accounts identified
- Plan for introducing Regional Accounts in BiH
- Input provided to the ToR of next activity (1.2)

Annex 2. Persons met

Agency for Statistics of BiH (BHAS)

- Dijana Mlikota, Assistant Director for Macroeconomic Statistics
- Edina Kozić, Head of National Accounts Department
- Azur Đapo, Senior Associate for Statistical Surveys
- Brana Taraba, Senior Adviser for Regional Accounts

Institute for Statistics of Federation of BiH (FIS)

- Nermina Ibrišević- Ademović, Head of Department
- Sanjin Cengic, Associate Expert for National Accounts
- Šejla Šehović-Karšić, Senior Adviser for Investment of fixed assets
- Belma Karadža, Senior Associate for National Accounts
- Almira Muraspahić, Senior Associate for National Accounts

Institute for Statistics of Republika Srpska (RSIS)

- Rada Radanović, Head of National Accounts Department
- Dragana Kunovac, Senior Associate for State and Financial Sector - Project Component Coordinator for Regional Accounts
- Dijana Maleš, Senior Advisor for Investments, National Assets and Fixed Capital Consumption
- Žana Alagić, Senior Associate for the Nonfinancial Sector

MS Experts

- Ulla Ryder Jørgensen, Statistics Denmark
- Natalija Krunić, Croatian Bureau of Statistics

Twinning Project Administration

- Katja Møller Hjelvang, RTA
- Djemka Šahinpašić, RTA Assistant

Translator

- Haris Imamovic

Signatures

For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as MS experts and the RTA sign here:

Date: 19th of January 2018



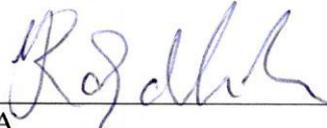
Component leader, BHAS



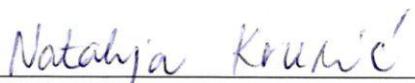
Component leader, FIS



Component leader, RSIS



RTA



MS Expert



MS Expert