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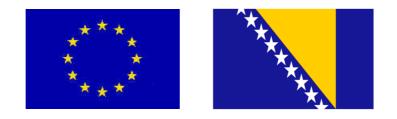
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Support to the reform of the statistics system in Bosnia and Herzegovina

MISSION REPORT

Activity 2.B.7:

Analysis of VAT data and their potential use in STS production process

Component 2: Business Statistics

Mission carried out by
Jasna Pugar, Croatian Bureau of Statistics

03 - 06 December 2019

Version: Final

STATISTICS DENMARK

Institut national de la statistique et des études économiques
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CROATIAN BUREAU OF STATISTICS

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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

Executive Summary

The purpose of the second mission was to follow up the work from first mission on analysis of available VAT data and their potential use in STS production process in Bosnia and Herzegovina.

Beside the analysis of administrative data on VAT the purpose of the mission was also to come to agreement between the three institutions on how to proceed using the administrative data sources for STS production according to current EU STS Regulation taking into account future FRIBS requirements.

The specific objectives of the second mission were to discuss on the preconditions for use of admin (VAT) data for statistical production of STS in BiH, how data can be shared between the three institutions and the way forward. Work on this issue will be continued in following period.

Main goal of the mission was the presentation of key findings of performed analysis of aggregated VAT data for BiH at the different levels of NACE Rev.2 for enterprises and entrepreneurs as well as agreement on further steps on VAT data analysis between three statistical institutions in BiH. Also, presentation of the good international practices on different methodological aspects of STS production process based on administrative data sources was one of important mission objective.

Results and outputs from the second mission were expected to discuss on the main steps on integration of VAT data into statistical production process in BiH and to provide plan for the work between the mission and the TOR of next activity.

Main findings

During the mission the results obtained from the VAT data base for the years 2017 and 2018 on monthly periodicity were compared with the results of the results from STS related surveys on turnover for all three statistical institutions (ITI, IPC, Retail Trade and Other Services).

As first step comparison has been made between annual admin VAT data and available annual SBS survey data. In general, annual data from both data sources (VAT and SBS) shows similar figures on the higher level of aggregation (2-digits NACE). In this exercise BC expert provided detailed analysis on micro level for Brčko District. Some discrepancies appear on figures for specific enterprises between above mentioned two sources which need to be further investigating. Furthermore, the comparisons were made on monthly figures from VAT database and STS related surveys.

First findings show promising coherence on the monthly growth rates levels. However, the data referring to the period from January to March shows deferent patterns in comparison with data for other month of the same year. This should be further investigated to find reasons behind these discrepancies before next mission.

During the mission the discussion was also dedicated to the KAU issues in relation to future FRIBS STS requirements. We have to determine the list of KAU that are currently collected for STS surveys in all three statistical institution for the purpose of selecting the most important ones to be keep in surveys in future mixt mode data collection which will include admin data source. Also, the threshold should be defined for selection of the large and in some cases medium size enterprises with the biggest share of turnover on the activity level. For this purpose the SBS data represent solid base for the purpose of selecting large size enterprises with KAU for STS.

Conclusions and recommendations

During the mission, a number of important topics were discussed. BC participants made deep analysis of turnover data on micro level a) for Brčko District. Additionally, the same analysis was provided on aggregated level (3-digits NACE) for all entities and Brcko District.

It was concluded that figures shows good correlation on micro and macro level between two sources. However, in some cases (e.g. for specific enterprises and for the first several month of the year) discrepancies were found.

Expert recommended that these discrepancies in figures between different sources need to be further investigated on entities level. Furthermore, the most important KAUs should be identified from available data in all three institutions (SBS/STS data). Finally, procedures for introducing VAT data into the production process of STS indicators in BiH should be defined.

What to do before the next mission for the BC Counterpart

Action	Deadline	Responsible person
Initial work on analysis of discrepancies /inconsistences found in the results from both sources (VAT and STS surveys)	Up to III mission	BHAS, FIS, RSIS, MS Expert
Identification of influential KAU in order to meet future requirements of FRIBS regulation in STS area by analysis of available SBS/STS data	Up to III mission	BHAS, FIS, RSIS, MS Expert
Defining the procedure for introducing administrative data into the production process of STS indicators in BiH	Up to III mission	MS Expert

Topics for the next mission

- Presentation of main findings of performed on initial analysis of discrepancies /inconsistences found in the results from both sources (VAT and STS surveys) in all three institutions.

- Discussion on solution to be found on how to treat discrepancies /inconsistences in the results from both sources.

- Presentation of influential KAU found after analysis of available SBS/STS data in order to meet future requirements of FRIBS.

- Discussion on delineation of influential KAU found to be used for STS data collection when FRIBS come on force.

- Presentation of methodology used by EU members' states when combining admin VAT data with data from statistical surveys (mixt-mode).

- Discussion on procedure defined concerning introduction of administrative data into the production process of STS indicators in BiH.

- Agreement on further steps to be taken for introducing VAT data into the production process of STS indicators in three statistical institutions in BiH

Signatures

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

Date: 06 of December 2019

_____   _____
Component leader, BHAS   Component leader, FIS

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Component leader, RSIS   RTA

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MS Expert