

TWINNING CONTRACT
Support to the Statistics

Kosovo



MISSION REPORT

on

3.4.8: Continued support to improving quality of SBS and STS

Component no 3 Business Statistics

Mission carried out by Virginia Balea, Statistics Denmark

23 to 27 November 2015

IPA 2012

Author's name, address, e-mail

*Virginia Balea
Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Denmark
Tel: +40723649647
Email: virginia.balea@insse.ro*

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List of Abbreviations

KAS	Kosovo Agency for Statistics
ToR	Terms of Reference
NACE rev.2	Nomenclature statistique des activités économiques dans la Communauté européenne, revision 2
SBS	Structural Business Survey
STS	Short term statistics
BR	Business Register
SUTs	Supply and Use Tables

Executive Summary

The aim of the mission was to analyse the data collected through Structural Business Survey 2014 and to review this data in order to be published at more detailed level than the ones already published in the first quarter of 2015.

During the previous meetings a set of checks has been applied to main indicators. These main indicators (number of enterprises, employment and personnel cost) have been disseminated already in absolute figures while turnover was published as structure by NACE sections. There were discussions related to the quality of SBS data and to quality indicators.

KAS prepared sets of data based on administrative sources, Statistical Business Register and SBS data. The indicator analysed is turnover. Employment variable has been analysed by comparing SBS and SBR information at division level.

Concerning Short Term Statistics the mission focused on pilot survey for Industrial Production Index. There was available only a limited number of records therefore the simulation has been performed on dummy data.

The main obstacle for further development of the structural business statistics is the limited human resources. The SBS data processing is done by one person and the process is performed mostly manually.

1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics“. The mission was to work on improving the availability of SBS data and improving STS data. Quality data from SBS and STS are important for National Accounts Division who is planning to use Supply and Use Tables for the National Accounts. This mission was a continuation of activity 3.2.1.5.

The specific objective of the mission was:

- to consult and work with KAS professionals on SBS and STS on improving SBS and STS data.

The consultant would like to express their thanks to all officials and individuals met for their kind support and valuable information which were received during the stay in Kosovo, and which highly facilitated the work of the consultant.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of EU, KAS or Statistics Denmark.

2. Assessment and results

The expert has given recommendations on the work progress within the duration of the Twinning project taking into account their perception of the capability of absorption within KAS. Primarily due to a small number of staff, the expert recommends a strong coordination of development of the business statistics.

The tasks to be prioritized should be the ones with the largest benefit. The SBS data collection was redesigned in order to meet the requirements of the EU SBS regulations.

The discussion in the first day focused on the methods to compute the final grossing up weights by taking into account the non-response rate and changes in activity. The grossing up weights were recalculated taking into account the non-response rate. It is recommended to apply calibration if the BR provides the necessary information. One of the products developed and already used in some EU countries can be tested and utilized if suitable.

Based on the data provided by KAS an analysis has been carried out. The indicator considered for this analysis is turnover at NACE division level (2 digits). There were three sets of data that have been analysed at division level:

- turnover data from the statistical business register (source of data being SBS and administrative data),
- turnover data based on administrative sources (tax data)
- SBS turnover data for 2014 and 2013

At aggregated level the data was quite consistent, the discrepancy is due to several reasons (non-responses, misclassification, sampling errors etc). In order to reduce the impact of sampling errors the final weights might be adjusted using calibration methods (taking into account also the changes in codification of enterprise activity).

The data were sorted by size of turnover and the importance of the sectors in the Kosovo economy.

There were some divisions where large differences between the 2 years and between the two different sources have been identified. Few of the differences were resolved by correcting data of enterprises. The main source of discrepancies is changes of activity from one year to another (e.g. shifting from retail to wholesale) or different activity code in SBR and SBS. There were also some cases of large enterprises which were not included in the sample.

In some cases KAS re-contacted the company to determine which code should be assigned.

The file containing the above analysis was provided to KAS staff for further analysis and investigation.

A similar analysis for the indicator number of employees has been performed.

The number of employees was calculated by grossing up but there was not very large differences comparing to SBR data.

As regards to the SBS data to be published, due to the fact that the publication should be released in about two weeks it has been decided that for the time being the same structure of the publication should be kept.

The variables that can be calculated and included in the future publications are:

- Turnover
- Production value (method of calculation provided in previous mission is presented in the Annex)
- Value added at factor cost (method of calculation in Annex)
- Gross operating surplus (method of calculation in Annex)
- Total purchases of goods and services
- Personnel Costs
- Wages and Salaries

Short discussions were allocated to confidentiality, revision and quality issues.

Data was aggregated at division level. At total level the data was quite consistent, the discrepancy being caused by various reasons as mentioned above.

Regarding the variables requested by EU SBS regulation the current situation is presented below:

- Production value – it can be computed using the variables included in the questionnaire but at least two years data should be available to decide about the quality
- Value added at factor cost – main elements to compute the variable are included in the questionnaire but additional checks have to be applied to collected data
- Gross operating surplus – similar to value added
- Total purchases of goods and services – data are collected but a further analysis of un-weighted and weighted data for two consecutive years should be carried out
- Purchases of goods and services for resale in the same condition as received – similar to total purchases
- Gross investment in tangible goods – the quality of data is poor due to large item non-response
- Number of persons employed – needs further improvement
- Number of hours worked by employees – further analysis needs to be carried out

It can be concluded that the actual data need further improvement in order to be published in the coming years.

A short discussion was dedicated to the revision of the SBS questionnaire. It is proposed that in the questionnaires with the tables regarding the breakdown of main indicators by activities, the breakdown of intermediate consumption to be sent only to large enterprises. In order to keep consistency of the data collection the above mentioned tables might be included in the end of the questionnaire.

Concerning short term statistics the mission focused on the questionnaire used to collect data to produce industrial production index.

So far, KAS collected turnover quarterly. In order to calculate industrial production index (IPI) data can be based on turnover or production but the figures need to be deflated. The index recommended to be used for deflating industry output is industrial production price index.

The questionnaire designed and used for testing contains both variables turnover and production. The data for production were collected in value and in quantity by CPA products. However, in order to compute the index similar levels of prices and production output are requested.

A simulation of computing the industrial production index has been carried out on dummy data. When the data collected for the exercise will be edited a simulation based on real data must be carried out.

3. Conclusions and recommendations

In general, the consultant finds that KAS has a relatively good foundation for business statistics namely good administrative registers covering the business community and good relationship and cooperation with the relevant authorities.

The weights for grossing up should be re-calculated after the BR data base is frozen. It is recommended that an IT tool for data imputation should be developed.

In order to improve the timelines of SBS, the process of data collection and processing has to be revised.

Additional variables, such as turnover might be disseminated. Further analysis should be carried out in order to extend the collected variables to be disseminated.

Insufficient number of staff to deal with SBS is the main obstacle for further development of the structural business statistics. It is recommended to allocate one additional person to work on SBS validation of data.

It is recommended that the tables regarding the breakdown of main indicators by activities, the breakdown of intermediate consumption and transport to be sent only to large enterprises, 50 and more employees. In order to keep consistency of the data collection the above mentioned tables should be included in the end of the questionnaire.

Concerning STS, a methodology for computing volume index in trade has to be developed.

Regarding the quality report it is recommended to start drafting the main headlines.

Annex 3. Persons met

KAS:

Mr. Hysni Elshani, Head of sector
Mr. Muhamet Kastrati, Manager of database
Ms. Luljeta Krasniqi, Senior Officer for SBS
Mr. Ismajl Sahiti, Head of Division
Ms. Valdete Navakazi, Senior Officer for STS

RTA Team:

Per Knudsen, RTA
Nora Zogaj, RTA Assistant



EU Twinning Project
KS12 IB ST 01
Support to Statistics

Terms of Reference:

Component 3: Business Statistics

Activity 3.4.8: Continued support to improving quality of STS and SBS

Scheduling:

ToR –ready date: 9 November 2015

Start / end of activity: 23-27 November 2015

Reporting time: 4 December 2015

Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
Mandatory Result 3.2 and 3.3	Structural Business Statistics (SBS) Reducing of production time and improving quality of SBS Preparing short-term statistic according to NACE Rev. 2	<ul style="list-style-type: none"> Mission report describing work done and work further to be completed on questionnaire and sample design 	<ul style="list-style-type: none"> Twinning Quarterly reports Mission reports 	<ul style="list-style-type: none"> 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 3.4.8:

To consult and work with KAS professionals on SBS and STS. In cooperation with KAS the expert will work on improving SBS and STS data. Quality data from SBS and STS are important for National Accounts

This mission is a continuation of activity 3.2.1.5 on SBS and STS

Expected output of activity 3.4.8:

KAS people after this mission have greater understanding of how improve SBS and STS.

KAS resources:

Mr. Ismajl Sahiti, Head of Division, ismail.sahiti@rks-gov.net (Component Leader)

Ms. ValdeteNavakazi, Senior Officer for STS, valdete.navakazi@rks-gov.net
Ms. LuljetaKrasniqi, Senior Officer for SBS, luljeta.krasniqi@rks-gov.net

Mr. HysniElshani, Head of sector, hysni.elshani@rks-gov.net
Mr. MuhametKastrati, Manager of database, muhamet.kastrati@rks-gov.net
Mr. BekimBojku, Senior Officer for energy statistics, bekim.bojku@rks-gov.net

KAS Twinning team:

Project Leader Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts, Ilir.T.Berisha@rks-gov.net
RTA Counterpart Ms. Teuta Zyberi, International Relations Officer, teuta.zyberi@rks-gov.net

Member state resources:

Ms. Virginia Balea, Senior Consultant, Statistics Denmark, Virginia.balea@insse.ro

Twinning resources:

Mr Per Knudsen, RTA, pkn@dst.dk
Ms Nora Zogaj, RTA Assistant, nzogaj@yahoo.com

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 states the following about SBS and STS:

SBS:

The most important issue for SBS 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.

STS

The development of the three main STS indicators should first of all focus on publication based on existing data and then exhaustiveness and statistical methodology as well as mapping gaps between the current situation and EU-legislation

Activities to be undertaken in preparation for the mission:

All previous mission reports on SBS and STS can be found at www.dst.dk/kosovo

The expected activities are:

- Workshop with KAS participants on SBS and STS data. Working with tasks from the work plan. Updating the work plan.
- Revision of questionnaire, sample, data collection, data quality, imputation, index calculation and publication.

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, November 2015

Day	Place	Time	Event
1	KAS	10:00	Introductory remarks to this part of component 3
		10:00 – 16:00	Workshop: Reviewing SBS data
2	KAS	09:00-	Workshop: Reviewing SBS data
3	KAS	09:00- 16:00	Workshop: Reviewing SBS
4	KAS	09:00- 16:00	Workshop: Reviewing STS data
5	KAS	09:00- 12:00	Workshop: Reviewing STS data Discussing recommendations
		13:00- 16:00	Report writing Debriefing: Experts, Component Leader and RTA