

**TWINNING CONTRACT**

**Support to the Statistics**

**Kosovo**



**MISSION REPORT**

**on**

**3.2.1.5: Continued support to improving quality of SBS and STS**

**Component no 3 Business Statistics**

Mission carried out by Virginia Balea, Statistics Denmark

17 to 21 August 2015


*IPA 2012*

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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 2013 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 under both NACE classifications.

During the previous meetings a set of checks has been applied to main indicators. The main indicators (number of enterprises, employment and personnel cost) that have been disseminated already in absolute figures while turnover was published as structure by NACE sections.

KAS prepared sets of data based on administrative source and SBS data. The indicator analysed is turnover.

Concerning Short Term Statistics the mission focused on the revision of questionnaire, sample, data collection, data quality for Industrial Production Index.

The main obstacle for faster development of the structural business statistics is the limited human resources. The analysis of the SBS data is done by one person and the process is performed 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 next coming versions of the National Accounts. This mission was a continuation of activity 3.2.1.4.

The specific objective of the mission was:

- Further analyse the SBS data and revise the STS-Industry questionnaire.

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.

Based on the data collected for 2013 reference year KAS published a first set of data according to NACE Rev.2 and NACE Rev.1 at section level: number of enterprises, number of employees and personnel cost in absolute values while turnover is presented as structure. Turnover value needs further analysis. During the mission turnover data have been checked.

Two sets of turnover variable data have been calculated. One contains SBS aggregated grossed up value of turnover. The second is based on administrative turnover data existing in the statistical business register. Data was aggregated at division level. At total level the data was quite consistent, the discrepancy is due to sampling errors and other errors. In order to reduce the impact of sampling errors the final weights might be adjusted using calibration methods.

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 needed to be carried out

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

Concerning short term statistics the mission focused on the questionnaire used to collect data to produce industry 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 current questionnaire was discussed and redesigned in order to collect data at needed level to calculate industrial production index. There are two main options: either to collect data in quantity or in value.

Regardless the option chose it is recommended using the CPA list of products. However, in order to compute the index similar levels of prices and production output are requested.

During the mission a meeting between price department and short term statistics staff took place in order to decide which variables at which level of detail should be collected. Discussions revealed that the level of available prices data is too aggregated and the representative categories cannot be fully matched to CPA products.

The redesigned questionnaire is presented in the Annex 2. This questionnaire will be tested on a number of enterprises in order to adjust it to the Kosovo situation. One enterprise was already visited during the mission.

### **3. Conclusions and recommendations**

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

Administrative data should be used in the future to verify the consistency of the SBS data collected and to complement the surveyed enterprises data. The weights for grossing up need to be re-calculated after the BR data base are 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.

Concerning STS, a methodology for computing industrial production index has to be developed.

## Annex 1



### EU Twinning Project KS12 IB ST 01 Support to Statistics

#### Terms of Reference:

#### Component 3: Business Statistics

#### Activity 3.2.1.5: Continued support to improving quality of SBS and STS

#### Scheduling:

ToR –ready date: 23 June 2015  
Start / end of activity: 17-21 August 2015  
Reporting time: 28 August 2015

#### Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
<b>Mandatory Result 3.2 and 3.3</b>	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"> <li>Mission report describing work done and work further to be completed on questionnaire and sample design</li> </ul>	<ul style="list-style-type: none"> <li>Twinning Quarterly reports</li> <li>Mission reports</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient absorption capacity</li> <li>Access to administrative and survey data</li> <li>Low turn-over of staff involved in implementation</li> <li>Staff works on project related tasks in between missions</li> </ul>

#### Subject / purpose of activity 3.2.1.5:

To consult and work with KAS professionals on SBS and STS (Industrial Production Index). 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 3.2.1.4 (SBS) and activity 3.3.2 (STS)

#### Expected output of activity 3.2.1.5:

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](mailto:ismail.sahiti@rks-gov.net) (Component Leader)  
Ms. ValdeteNavakazi, Senior Officer for STS, [valdete.navakazi@rks-gov.net](mailto:valdete.navakazi@rks-gov.net)  
Ms. LuljetaKrasniqi, Senior Officer for SBS, [luljeta.krasniqi@rks-gov.net](mailto:luljeta.krasniqi@rks-gov.net)

Mr. HysniElshani, Head of sector, [hysni.elshani@rks-gov.net](mailto:hysni.elshani@rks-gov.net)  
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**KAS Twinning team:**

Project Leader Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts, [Ilir.T.Berisha@rks-gov.net](mailto:Ilir.T.Berisha@rks-gov.net)  
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**Member state resources:**

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**Twinning resources:**

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**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](http://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

**Program, August 2015**

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



## **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. ValdeteNavakazi, Senior Officer for STS  
Mr. Ibis

### RTA Team:

Per Knudsen, RTA  
Nora Zogaj, RTA Assistant