

TWINNING CONTRACT
Support to the Statistics
Kosovo



MISSION REPORT

on

**Support to improvement of Statistical Business Register (SBR) –
Development of Windows application
Component no 3.5.3**

Mission carried out by
Søren Netterstrøm, Statistics Denmark
25-29 May 2015

IPA 2012

Author's name, address, e-mail (keep the relevant information)

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List of Abbreviations

GSBPM	Generic Statistical Business Process Model
KAS	Kosovo Agency for Statistics
KBRA	Kosovo Business Registration Agency
NACE	Statistical Classification of Economic Activities, latest version revision 2
SBR	Statistical Business Register
SBS	Structural Business Statistics
SIDA	Swedish International Development Cooperation Agency
SQL	Structured Query Language
STS	Short Term Statistics
TAX	Kosovo Tax Authorities
ToR	Terms of Reference
VAT	Value Added Tax

1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics”. It was the sixth mission to be devoted to the Statistical Business Register (SBR) within Component 3 of the project.

This mission has primarily been devoted to deal with problems during update of SBR with new data from KBRA and to establish a fully updated version of SBR ready for use.

A short workshop was held with key users demonstrating the possibility to use an Excel application to create standard extracts from SBR. This approach need further fine tuning, both to the content and in order to meet requirements for data security (confidentiality).

The consultant 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 Kosovo, and which highly facilitated the work of the consultants.

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

2. Status

During this mission the loading of data from KBRA was completed. This includes loading data from KBRA obtained in January as well as updating with data received in May. During the process a number of minor problems was encountered and corrected.

The procedures for loading data from TAX (turnover and other indicators) and TRUST (employment data) was reviewed and data was loaded.

The procedures for loading activity codes from surveys were also reviewed and changed in a way, where activity codes are locked when changed or confirmed during data from a survey.

As a result, KAS now has a new SBR ready to put into production. During the meeting with the key users it was stressed that SBR is based on the statistical units, Enterprise and Local Unit instead of the administrative units that has been used in the past. The surveys as well as national account should shift to use these units as soon as possible. For surveys this is likely to be when the next sample is taken.

It is a goal to introduce a tool that will allow the key users to make extracts from SBR on their own. However, the data from KBRA and TAX are obtained under the conditions that the use is very restricted and KAS does not seem to have a general data security policy and policy of confidentiality. Consequently, there will be restrictions to what data each user or user group may extract, both in term of scope (by activity code) and on level of detail for turnover/employment. This needs to be further defined and implemented in the tool.

In the view of the consultant, the issue of data security and confidentiality in general should be address by top level management of KAS. SBR is only possible with a good relationship to the administrative sources (KBRA, TAX, TRUST), but KAS may also in other areas benefit from the use of administrative data. If there should be a misuse of these data (for non-statistical purposes), this could very well lead to a situation where deliveries of data would stop immediately with seery consequences for KAS.

3. Updating with data from KBRA

In general updating with data from KBRA is straight forward.

The data from KBRA is delivered in a set of spreadsheet and this has caused a few cases where data are not correctly transmitted. This however is captured correctly by the procedures for update. It is recommended to review the format for data delivery, but this seems not to be urgent.

Most updates pass through the update procedure automatically and the number of unfinished transactions and messages are very small.

A test for several local units in the same settlement has been skipped, as it produced too many messages and there are no resources available to handle this. It is recommended however, that when samples are made using local unit, measures to verify and correct local units will be taken. The Business register survey and SBS may also provide better information on local units. The issue should be further discussed in a future mission.

6 units changed their fiscal number between January and May. This causes an unfinished transaction, as it was not known if this could happen at all. This has to be further examined in order to determine how to handle these cases and if some (most) could be dealt with in an automated way. There is in this context also an issue related to data from TAX, as these are connected to the fiscal number. If not correctly handled some data from TAX may be lost or not allocated correctly to enterprises.

These issues will be further discussed during next mission.

Activity codes in KBRA causes a number of messages. There may not be any main activity or there may be more than one. In both cases this produces a message that need to be examined. The number is small and could be dealt with.

In a number of cases there are changes to activity codes that have been assigned from statistical sources. These are not updated automatically however they should be examined to determine if there is a need to update the activity code of the Enterprise.

4. Creating KAUs

As discussed in the previous report, each activity code added to an Enterprise in effect creates a Kind of Activity Unit (KAU). The number of enterprises that will have be assigned one or more secondary activity codes are anyway limited as these are only collected through surveys (in accordance with the EU guidelines) and the secondary activity should cover a significant part of employment and turnover.

The basic purpose of the KAU is to ensure that data on employment and financial data can be split on the level of KAU for large companies in order to obtain a more accurate picture when producing statistical data based by activity-groups. Both for short term statistics and National Account this is of high importance,

National Account will be using the data received from TAX (turnover and other indicators). These are obtained on the level of fiscal unit and turned into data for Enterprise level. It would however improve the value of these data if they could be processed on the level of KAU.

Using data from STS (and other sources?) it may be possible for each Enterprise having multiple KAUs to create a table that for each KAU gives a percentage of employment / turnover (or value added) that the KAU covers. For each Enterprise this should of course sum up to 100%.

If such a table is created, reports based on TAX data could utilize this table to improve the estimates by activity code.

The issue remains to be further investigated. The first condition is, that there are some data available and that these data can be regularly updated (yearly?). The second condition is that KAS has the resources available to undertake this task. It may not be the Business Register staff that is responsible for this, it could be allocated to either STS (the most likely source) or National Account (the primary user). The consultant recommends that the issue is discussed at KAS and then further addressed in a coming mission.

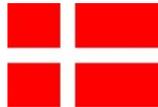
5. Next mission.

The next mission, to be carried out by Søren Netterstrøm is scheduled to take place from 24 August 2015.

Follow-up actions to be finalised before next mission

Action	Responsible person
Review unfinished transaction and messages	Muhamet Kastrati
Update with data from KBRA late june	Muhamet Kastrati
Determine user roles for Excel application	Muhamet Kastrati
Load secondary activites	Muhamet Kastrati
Initiate discussions for KAU	Muhamet Kastrati

Annex 1. Terms of Reference



EU Twinning Project KS12 IB ST 01 Support to Statistics

Terms of Reference:

Component 3: Business Statistics

Activity 3.5.3: Support to improvement of Statistical Business Register (SBR) – Development of Windows application

Scheduling:

ToR –ready date: 11 May 2015
Start / end of activity: 25-29 May 2015
Reporting time: 5 June 2015

Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
Mandatory Result 3.5.2	Support to improvement of Statistical Business Register (SBR)	<ul style="list-style-type: none"> Mission report stating the most prioritized action areas for improving the business register uploaded on project homepage Adjusted timetable and road map for improvements developed Recommendations for new procedures to ensure seamless updating of the SBR from available sources given Draft of correspondence table between NACE Rev 1.1 and NACE Rev 2. Updated Correspondence table between NACE Rev 1.1 and NACE Rev 2 finalized 	<ul style="list-style-type: none"> Twinning Quarterly reports Mission reports Roadmap Timetable 	<ul style="list-style-type: none"> Sufficient absorption capacity Low turn-over of staff involved in implementation Staff works on project related tasks in between missions A detailed Terms of Reference is developed in a timely manner detailing tasks (input), expected output, participants of the activity and agenda

Subject / purpose of activity: 3.5.3 activity

This mission is a continuation of the last mission on SBR in April 2015.

KAS has now obtained a new set of data from KBRA as well as data from the TAX authority (quarterly and yearly reports as well as monthly data regarding VAT. Data regarding employment has been obtained from the TRUST agency.

During the last mission data from TAX and TRUST was loaded to SBR. Activity codes were loaded from 3 statistical surveys. An attempt was made to update using the new data from KBRA. However, due to problems encountered and lack of time, this process has to be aborted.

It was further more noted, during the last mission, that data from KBRA did not seem to be complete, a large number of local legal units were missing. This problem should be solved before this mission, where a new attempt will be made to update SBR using data from KBRA.

During the mission a 1 day workshop with users of SBR will be held. The purpose of the workshop is to learn the users to make simple extracts from SBR. Some ideas for such extracts were presented during last mission and suggestions from the users will be welcome.

Expected output of activity 3.5.3:

Mission report – describing the progress made since last mission.

Updating time table

Suggestions for Terms of reference for other activities dealing with SBR.

KAS resources:

Mr. Muhamet Kastrati, Manager of database, muhamet.kastrati@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:

Mr. Søren Netterstrøm, Business Statistics Expert, Statistics Denmark, sne@viv.dk

Twinning resources:

Mr Per Knudsen, RTA, pkn@dst.dk

Ms Nora Zogaj, RTA Assistant, nzogaj@yahoo.com

Description of the background for the activity

This mission is based on the plan made by the MS expert and the expert from KAS during the last mission.

The expert and his KAS counterpart at the last mission concluded that now project is prolonged into beginning of March 2016, it may still be possible to reach to goal set up for this project.

During this mission the expert and KAS will continue to develop the database. It was decided during the last mission that it would be also be a goal to update SBR using data from KBRA..

Follow-up actions to be finalised before this mission

Action	Responsible person
Reload SBR with March version from KBRA	Muhamet Kastrati
Load activity code for SBRS, SBS and STS	Muhamet Kastrati
Reload tax data for Enterprises	Muhamet Kastrati

Activities to be undertaken in preparation for the mission:

- All reports from Component 3 Business Statistics are available at dst.dk/kosovo

The expected activities are:

- Following up on activities since last mission
- Further development of the database
- update SBR using data from KBRA

Expected output:

- Mission report – according to template
- Detailed plan for further activities to be completed regarding SBR in Kosovo by the twinning program

Annex 1. Program, - May 2014

Day	Place	Time	Event
1	KAS	09.00	KAS: Current status of the SBR
		10:30	Coffee break
		11:00	Planning the week. Hands on SBR
		12:00	Lunch break
		13:30-15:30	Hands on SBR
2	KAS	09:00-16:00	Hands on SBR
3	KAS	09:00-16:00	Hands on SBR
4	KAS	09:00-16:00	Workshop with users
5	KAS	09:00	Report writing
		10:00	Debriefing: Expert, Component Leader, BC Project Leader, RTA
		10:30	Coffee break
		10:00	Report writing
		12:00	Lunch break
		13:00	Report writing

Annex 2. Persons met

KAS resources:

Mr. Muhamet Kastrati, Manager of database, muhamet.kastrati@rks-gov.net

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