

**TWINNING CONTRACT**  
**Support to the Statistics**

**Kosovo**



**MISSION REPORT**

**on**

**3.2.1.2 Final reduction of production time and improving quality of SBS**

**Component no 3 Business Statistics**

Mission carried out by Virginia Balea, Statistics Denmark

10 to 14 November 2014


*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
SUTs	Supply and Use Tables

## Executive Summary

The aim of the mission was to analyse the data collected using the new Structural Business Statistics (SBS) questionnaire and to review this data in order to meet regulation's requirements and to answer National Accounts needs.

Data collection was delayed because of several reasons, of which we mention those with the greatest impact: approval of the questionnaire with KAS was delayed; translation of the questionnaire was not on time and late availability of the sampling frame. Field work took place in July-August and the data entry was done in September. The response rate is very low, about 50% which makes questionable the quality of final results.

Moreover, the IT tool for data entry was build-up with no checking and validation rule. The validation started only beginning of November. Data entry and editing started late after the paper questionnaires have been received from the enterprises.

Data editing tool was not in place and this is reflected in the low quality of data.

In order to overcome the problems mentioned above and to produce some consistent indicators the use of administrative data was suggested.

It has to be mentioned that the main obstacle for further development of the structural business statistics is the limited human resources. The analysis of the SBS data has been done by one person and the process is done manually.

## 1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics“. The mission was to advise and work with KAS professionals on SBS. The questionnaire was revised during the last mission. Furthermore, there were consultations with the mission Activity 2.3.1.1: Continued support to implementation of Action Plan.

The concrete objective of the mission was:

- examine the results from the data collection made with the help of the new SBS 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 progress of work 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 giving the largest benefit. The questionnaire for the SBS was redesigned in order to answer the requirements of the SBS regulations and it was used for collecting the data for reference year 2013. The first priority should be given to processing of SBS data.

Based on the redesigned questionnaire, data collected will meet the SBS regulation requirements in terms of available variables. The breakdowns of data by activity and size class cannot be assured.

Data collection has been delayed by a couple of months compared to initial plan and the response rate is very low. A response rate of 51% for the exhaustive part and less than 50% for the sampled part make not usable the results of the survey. Therefore additional source of data was proposed to be used. Administrative/fiscal data will be used in order to impute the missing data.

Apart from high unit non-response for some of the chapters the item non-response is very high (breakdown of intermediate consumption by categories, breakdown of transport services by type of goods transported and investments).

Due to the fact that there were not included any validity checks when the data was edited, the coherence and consistency of the data is quite low. In some cases the sum of the elements was different than the total provided, some of data were in thousand instead of units and some typing errors have been also observed.

Based on the questionnaire checks rules, cross checks formulas were applied in order to correct the existing figures.

Regarding the unit non-response, it has been discussed and recommended to use the fiscal data, data already available at KAS. The main indicators available are: turnover, employment

and expenditures. This data will be used to impute the missing values. Based on the imputed information, additional indicators will be calculated based on several algorithms. The formulas to compute additional indicators and the algorithms were provided by the expert to the KAS SBS staff.

Regarding the grossing up of the data, there has been a discussion during the meeting with the KAS staff regarding the method to be used. It was recommended that, when applying the sampling weights, additional information regarding non-response will be taken into account.

### **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.

The main issues regarding statistics are timeliness, quality and exhaustiveness of the statistics. It will be very useful if KAS would carry out a swot analysis of the whole process of SBS and then revise and reorganise some of the processes (for example field data collection and data editing).

Administrative data should be used in the future to check the consistency of the data collected and to complement the surveyed enterprises data.

It is recommended that an IT tool for data editing should be developed and should include validation and checking rules.

The whole process of data collection and processing has to be revised in order to reduce the time needed to produce SBS data.

Keeping similar variables from one year to another in the questionnaire model (employment, expenditures, income, and stocks) is a key element for having consistent yearly data. KAS was advised to use a simplified questionnaire for micro and small enterprises and to not include the table on intermediary consumption for those enterprise categories.

Insufficient number of staff to deal with SBS is the main obstacle for further development of the structural business statistics. Allocation of an additional person, even part-time, to work on SBS during the validation process would reduce the time and increase the data quality.

The work plan proposed is the following:

- Data validation

Deadline: December 2014-January 2015

- Dissemination of (provisional) data

Deadline: December 2014

- Provide National Accounts with provisional data for the reference year 2013

Deadline: January 2015

## Annex 1. Terms of Reference



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

#### Terms of Reference:

#### Component 3: Business Statistics

#### Activity 3.2.1.2: Final reduction of production time and improving quality of SBS

#### Scheduling:

ToR –ready date: 30 October 2014

Start / end of activity: 10-14 November 2014

Reporting time: 21 November 2014

#### Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
<b>Mandatory Result 3.2</b>	Structural Business Statistics (SBS)  Reducing of production time and improving quality of SBS	<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 3.2.1.2:

To consult and work with KAS professionals on SBS. In cooperation with KAS the expert will examine the results from the data collection made with the help of the new SBS questionnaire. This questionnaire was revised during the last mission. Furthermore there will be consultations with the mission Activity 2.3.1.1: Continued support to implementation of Action Plan. This mission with the NA-experts Ms Clementina Ivan-Ungureanu, Mr Timmi Roelle Gravesen and Mr Søren Larsen, will take place at the same time.

#### Expected output of activity 3.2.1.2:

KAS people after this mission have greater understanding of collecting and editing data collected with the help of the new questionnaire. In cooperation with National Accounts mission a common understanding will be ensured on SBS in Business Statistics and in National Accounts departments.

**KAS resources:**

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

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

Mr. MuhametKastrati, Manager of database, [muhamet.kastrati@rks-gov.net](mailto:muhamet.kastrati@rks-gov.net)

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. BekimBojku, Senior Officer for energy statistics, [bekim.bojku@rks-gov.net](mailto:bekim.bojku@rks-gov.net)

Employees from National Accounts will attend when required

**KAS Twinning team:**

Project Leader Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts,

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RTA Counterpart Ms.Teuta Zyberi, International Relations Officer, [teuta.zyberi@rks-gov.net](mailto:teuta.zyberi@rks-gov.net)

**Member state resources:**

Ms. Virginia Balea, Senior Consultant, Statistics Denmark, [Virginia.balea@insse.ro](mailto:Virginia.balea@insse.ro)

**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:

*The most important issue 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.*

In the previous mission, also conducted by Virginia Balea, the expert remarked: *The aim of the mission was to analyse the current Structural Business Statistics (SBS) questionnaire and revise it in order to align it to the SBS EU regulation's requirements and to answer National Accounts needs. Several chapters have been introduced to address the demand to produce SBS tables according to the Regulation 295/2008 for industry, construction, trade and services. Additional four chapters have been added in order to cope with National Accounts requests to compute the SUT table based on the data to be collected for 2013 reference year.*

*The second objective covered the issue of sampling design for the 2014 SBS survey. A document on how to design the sample based on the random approach has been provided. The quality of Business Register has to be improved so that the Business Register can be used in a proper manner as sampling frame for all business surveys.*

**Activities to be undertaken in preparation for the mission:**

All previous mission reports on SBS can be found at [www.dst.dk/kosovo](http://www.dst.dk/kosovo)

**The expected activities are:**

- Workshop with KAS participants on the new SBS data

**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 2014**

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 data
<b>2</b>	KAS	09:00- 16:00	Workshop: Reviewing SBS data Meeting experts working on mission 2.3.1.1 (NA)
<b>3</b>	KAS	09:00- 16:00	Workshop: Reviewing SBS data
<b>4</b>	KAS	09:00	Workshop: Reviewing SBS data
<b>5</b>	KAS	09:00	Report writing
		10:30	Coffee break
		10:00	Report writing
		12:00	Lunch break
		13:15	Debriefing: Experts, Component Leader and RTA



## **Annex 2. Persons met**

### KAS:

Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts

Mr. Hysni Elshani, Head of sector

Mr. Muhamet Kastrati, Manager of database

Ms. Luljeta Krasniqi, Senior Officer for SBS

### RTA Team:

Per Knudsen, RTA

Nora Zogaj, RTA Assistant