

TWINNING CONTRACT

**Support to the State and Entity Statistical Institutions,
phase V**

Bosnia-Herzegovina



MISSION REPORT

on


Statistical Business Register

Component no 1.1.8

Mission carried out by
Søren Netterstrøm, Statistics Denmark
Steen Eiberg Jørgensen, Statistics Denmark

13 – 17 May 2013

Version: Final

		 STATISTICS DENMARK

IPA 2008

Søren Netterstrøm
Statistics Denmark
Farverstræde 6,
4850 Stubbekøbing
Denmark
Tel: + 45 54440475
Email: sne@viv.dk

Steen Eiberg Jørgensen
Statistics Denmark
Sejrøgade 11,
2100 København Ø
Denmark
Tel: + 45 39173846
Email: sej@dst.dk

Table of contents

Preface	4
Survey on local units	4
Principles of Business Demography	4
Improving SBR in order to serve Business Demography	<u>Fejl! Bogmærke er ikke defineret.</u> 4
Enterprises moving between entities	5
Agreement with STS.....	<u>6</u> 5
Usage of survey side, creation and adjustments of address lists.....	<u>6</u> 5
5 year plan	6
Next Mission.....	<u>7</u> 6
Annex 2. Persons met	<u>Fejl! Bogmærke er ikke defineret.</u> 7

List of Abbreviations

BH	Bosnia-Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
DB	District of Brčko
DST	Statistics Denmark
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
FBiH	Federation of Bosnia and Herzegovina
ITA	Indirect Tax Authority
KAU	Kind of Activity Unit
LKAU	Local Kind of Activity Unit
LLeU	Local Legal Unit
LU	Local Unit
RS	Republica Srpska
RSIS	Institute for Statistics of Republika Srpska
SBR	Statistical Business Register
SBS	Structural Business Statistics
STS	Short-Term Statistics
ToR	Terms of Reference
VAT	Value Added Tax

Preface

This mission report was prepared within the Twinning Project „Support to the State and Entity Statistical Institutions, phase V”. It was the seventh mission within subcomponent 1.1 on Statistical Business Register (SBR) of the project. The purpose with the mission was to discuss and elaborate on cooperation between Statistical Business Register (SBR) and Short–Term Statistics (STS), use of the survey side of the register and to discuss the implementation of local units within the statistical business register.

Both consultants would like to express their thanks to all officials and individuals met for the kind support and valuable information which we received during the stay in BH, and which highly facilitated the work of the consultants.

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

Survey on local units

The representatives from BHAS, RS and FIS reported on the progress regarding the survey on Local Units, in order to improve the quality of the activity codes, as described in the previous report.

The survey is scheduled to take place later this month (May 2013).

Considerable efforts has been put into cleaning up as much as possible from information that already exist from either administrative or statistical sources in order to minimize the number of units that has to be surveyed. It is also commonly agreed to have a threshold of 10+ employees for this exercise.

The consultants were pleased to hear about this progress and that the general principle of having only one activity code for a local unit, with exceptions when justified was adopted.

It was also clear that it was agreed that once this exercise is carried out there is a need for ongoing process in order to keep the system cleaned.

It is still an open question what will be done with units below the 10+, as of then may eventually become part of the sample of a survey in the future. A closer cooperation with the surveys was discussed including the option to allow the surveys to handle minor revisions of activity codes. This has to be discussed further between BHAS and the entities

Principles of Business Demography and improving SBR in order to serve Business Demography

This workshop was attended by both the SBR staff (working group) and staff from the SBS section that will be responsible for developing and carrying out the Business Demography project.

The consultants gave a short introduction to Business Demography based on the rules from Eurostat in order to interpret the rules in practice

In the following discussion it was realized, that SBR already contains information relevant to the subject, but in the level of Administrative units. The idea was then put forward to create a special table to hold information about demographic events. The table should contain reference to source and target Enterprise, type of event, source of information and possible date of event. Apart from being a place to store information received from the administrative system, information received from surveys could be stored as well.

It is unclear to what extent such a table will contain all relevant demographic events, but it was the common understanding that it may reduce the manual work needed to create the data needed for Business Demography.

It was discussed and recommended, that business demography in the beginning is carried out only for Enterprises above a certain threshold, based on number of employees and/or turnover

It may be possible from the tax administration to obtain data of employees in enterprises with ID for both the enterprise (legal unit) and the employed person. Such data could be very useful in detecting takeovers, splits and mergers. This however is a long term objective that will have to be further investigated, before and conclusions can be drawn.

In order to create a qualitative good BD, it is of great importance that both Enterprises and Local Units are followed over time, that is that the same statistical unit is preserved even if the legal unit changes or the enterprise for a local unit changes. Information may come from administrative, statistical sources or securing of quality by SBR.

The following measures should be considered

- close cooperation with statistics,
- more frequently updates from administrative records,
- check when new local unit is established and there is one with same activity on the same location.

Enterprises moving between entities

There has been an unsolved problem with enterprises moving between the two entities. The reason is that these cases are handled differently in the administrative registers of each entity. As a result there may be a lack of registration of Enterprises or double registration.

The issue was discussed in detail and some preliminary conclusions was made.

To solve the issue, the following steps were identified:

- When creating transactions to update SBR by comparing the new version of an administrative register with the old version, cases of movement between entities should be captured and given a special transaction code.
- The transaction should lead to a new Enterprise seen as the successor of the previous Enterprise that is inactivated / terminated.
- It should also raise a flag for manual inspection.
- During manual inspection, it may be decided to erase the newly created enterprise and rather continue the existing, if this seems appropriate. In that case ownership of the old Enterprise is change to the receiving entity.
- The other part (from where the Enterprise moved) is informed and if appropriate changes ownership of the unit in their own version of SBR. They also inform about any changes to the enterprises not yet exchanged.

It is noted that these cases (assumed to be around 10 each year) has to be handled with high priority, as they must be concluded before the next exchange of data between the Entities and delivery to BHAS.

Furthermore the effect on the procedures for data exchanging was discussed and clarified.

Finally there was a discussion of how to handle the backlog of approx. 1000 cases now pending.

It was agreed to handle them in the same way as the procedure above, with the exception that there would only be a manual inspection for the most important (largest) unit to determine if the existing enterprises should be continued or not.

It was examined if there was an issue regarding financial statements, but this seems not to be the case.

The procedure outlined above has to be further developed and implemented by the entities within the framework of the SBR working group.

Agreement with STS

Agreements on cooperation between STS and SBR have been made. Each entity has made its own version of the agreement. The agreements are not yet signed.

The agreements are different and have to be evaluated between the entities in a year. Specially there have to be focus on having a user group to discuss difficult cases about activity code, legal number (demography), refresh rate etc.

That SBR and STS have agreements means that the survey side is in use. Updating in the survey side is send to SBR quarterly/yearly and information from SBR can be used for updating the survey side quarterly. This is not fully implemented but is a measure.

The goals from the outline from last mission are implemented in the agreements, but unfortunately not in the same way in the first place.

Use of Survey side, creation and adjustments of address lists

The consultants were pleased to know that the survey side of SBR now is in use for STS. This marks a major progress in the use of SBR as the base for statistical surveys.

It is also noted that feedback from the surveys are used to update SBR and that changes in the address lists are recorded on the survey side.

It raise however the question, if a quarterly update of SBR from administrative sources are adequate or if more frequent updates (monthly, bi-weekly) would improve the system. With the present system, the surveys are likely to be informed of changes through feedback from respondents before the changes are reflected in SBR, where ideally it would predominantly be the other way round. The should be discussed within the SBR working group.

As the use of SBR and the survey side of SBR are further developed, the consultants recommends to review the way address list are created and maintained. In the view of the consultants, SBR gives new opportunities that should be examined, included a move towards using samples rather than basing he population on a threshold.

5 year plan

The 5-year plan for the development of SBR was completed in December having been discussed at three missions. The plan is expected to be signed by the directors of the three statistical agencies shortly.

The three entities decide in the second half year the tasks to be completed in the coming year. This seems to be a good process. In the process the SBR-staff also further expands and clarifies the selected goals that are only briefly described in the 5-year plan.

As important as it is to have a long term strategy (5-year plan) it must be realised that in the course the plan may need revisions. When making the plan for the coming year, the opportunity should be taken to review the 5 year plan, adding, changing or deleting items if necessary. The adoption of these changes by the directors can hopefully be more speedy than what has been the case with the 5 year plan,

Next Mission

Mission 1.1.9, Follow-up, Søren Netterstrøm and Peter Ottosen, proposed date 9-13 September 2013 confirmed by both experts.

The consultants were informed that this may get in conflict with the upcoming census. This should be known within a month and the dates of the mission may have to be changed.