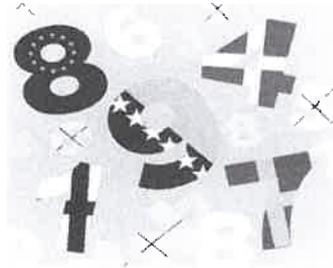


TWINNING CONTRACT

BA 17 IPA ST 01 20



Further Support to the Reform of Statistics System in Bosnia and Herzegovina



MISSION REPORT

**Activity 5.1.B The development of the Internal registry of data sources for compilation
of monthly BOP**

**Component 5: Methodology for the compilation of the Monthly Balance of Payments
Statistics developed and aligned with EU standards**

Mission carried out by
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30 November, 2 and 3 December 2021

Version: final

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List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
ToR	Terms of Reference

1. General comments

This mission report was prepared within the EU Twinning Project ” Support to the reform of the statistics system in Bosnia and Herzegovina”. It was the second mission to be devoted to CBBH within Component 5. Methodology for the compilation of the Monthly Balance of Payments of the project.

The purposes of the mission were:

- Introduction to the information system and structure of the data in the BoP section
- The development of the Internal registry of data sources for compilation of monthly BoP

The consultants would like to express thanks to all officials and individuals met for the kind support and valuable information which they received during the online meetings with CBBH officials, and which highly facilitated the work of the consultant.

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

2. Assessment and results

The information system of CBBH BoP consists of survey and administrative data sources, which are stored systematically to the production of the statistics. Most of the information system is based on excel-files and it covers all the accounts and items of Balance of Payments. Currently BoP is compiled and disseminated on quarterly basis with deadline the end of current quarter for previous quarter.

The Annual data sources: Direct investment survey (FDI), Trade credits and advance payments survey, Manufacturing services on physical inputs owned by others survey, OECD, Ministry of Finance Republika Srpska.

The quarterly data sources: Insurance and reinsurance services, Postal and telecommunication services survey, Direct investment survey, Western Union, Ministry of Foreign affairs BHAS (construction, cross boarder traffic), Entity pension funds, BHANSA – overnights, NOS – transmission of electricity

The monthly sources: International transaction reporting system (ITRS), Statistical bureaus of selected countries – tourism data, BHAS – Foreign trade data, Entity statistical institutions, ECB publications

First selections of BoP sources for monthly BoP estimates were introduced:

The Foreign trade data, provided by the BHAS on monthly basis, is based on the customs declarations The Foreign trade data is the most significant monthly based data for the goods.

The trade in services was selected to group to six categories to study monthly estimates: Manufacture services on physical inputs owned by others, Transportation services, Travel, Construction, Telecommunications, computer and information services, and Other services.

During the mission it was agreed to study overall services excluding those with huge seasonal component (travel etc.). For the secondary income ITRS looks reliably source for the estimate. The final decision on the estimation method of the monthly BoP items (Table 1.) will be made after the studies.

3. Conclusions and recommendations

The development and testing of the monthly based information are possible to accomplish in the present information system. A relational data base type of information system could be recommended for the production system.

Following the project ToR year 2019 was selected as a period to conduct testing of monthly BoP estimates/forecasts.

The monthly data should be correlated to the quarterly data if it could be used as an indicator to the BoP figures.

If there is no correlation on the indicators and the statistics, it is better to use models for the estimation of the monthly figures based on the historical quarterly and annual statistical information.

Availability of the auxiliary data sources could be studied if some promising monthly data is available. Austria had a presentation on the Eurostat BoP WG on the subject. In the example the employment statistics was successfully used to indicate monthly based BoP figures.

In the estimation of monthly figures, it should also be decided whether the estimation which will be selected for the future activities on monthly BoP estimates is focusing to the monthly or quarterly figures.

Table 1. Checklist for the reporting table required by Eurostat, Monthly b.o.p, Questionnaire T1,

1. Current account		
1.a.a.C (C) Goods		
1.a.a Goods		
1.a.b Services		
1.b Primary income		
1.b.1 Compensation of employees		
1.b.2 Investment income		
1.b.2.1 Direct investment		
1.b.2.1.1 Equity		
1.b.2.1.1.2 Of which: Reinvested earnings		
1.b.2.1.2 Debt instruments		
1.b.2.2 Portfolio investment		
1.b.2.2.1 Equity and investment fund shares		
1.b.2.2.2 Debt securities		
1.b.2.3 Other investment		

1.b.2.4 Reserve assets		
1.b.3 Other primary income		
1.c Secondary income		
2. Capital account		
4. Balancing items		
4.1 Balance on goods and services		
4.2 Current account balance		
4.3 Net lending (+) / net borrowing (-) (balance from		
4.4 Net lending (+) / net borrowing (-) (from financial		
4.5 Net errors and omissions		

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Action	Deadline	Responsible person
Conduct the studies as mentioned in the chapter 3.	July 2022	CBBH
Analyses and proposals for the final selection of sources and estimation methods	July 2022	CBBH
Drafted version on plan of GEO-distribution	July 2022	CBBH

Annex 1. Terms of Reference

Terms of Reference, Activity C.5.B

Terms of Reference

EU Twinning Project BA 17 IPA ST 01 20

**Component 5 - Monthly Balance of Payments Statistics
30 November, 02 and 03 December 2021**

Activity 5.1.B: Development of the Internal registry of data sources for compilation of monthly BOP

1. Mandatory result

Methodology for the compilation of the Monthly Balance of Payments Statistics developed and aligned with EU standards

There are two main objectives or sub results:

5.1 Preliminary monthly BOP report against rest of the world for determined time period produced,

5.2 Plan for introduction of GEO distribution in compilation and reporting of monthly BOP -- prepared

Indicator / Relevant Milestones / Internal deadlines:

- Established internal registry of data sources for compilation of monthly BOP by end of (to be decided on the first mission)
- Prepared reporting table in accordance with selected format and delivered to Eurostat by end of (to be decided on the first mission)

2. Purpose of the activity

- Introduction to the information system and structure of the data in the BoP section
- The development of the Internal registry of data sources for compilation of monthly BoP
- Preparation of ToR for next activity

3. Expected output of the activity

- The first draft of the internal registry of the data developed
- Mission report
- Input provided to the ToR of next activity

Annex 2. Terms of Reference of the Next Activity (5.1.C)

Activity 5.1.C	Development of the working document, and outline of the plan of the geo-distributions
Budget section	III. Components Mandatory Results – Component 5
Subject	Development of the working document in excel including reporting table required by Eurostat Outline of the plan of the geo-distribution
Methods	Online seminar / workshop. Subject to travel restrictions.
Resources	MS: Juha Martikainen (FIN) and Risto Sippola (FIN) and / or NN. RTA & RTAA. BC: Relevant staff expected to be involved in component 5 Venue: To be decided
Duration	Up to a total of 8 working days for MS staff
Output	Report on the analyses and proposals for the final selection of sources and estimation methods including reporting table required by Eurostat developed Drafted outline of the plan of the geo-distribution created Mission report,
Time schedule	end of July 2022

Annex 2. Persons met

Statistics Finland

Juha Martikainen

Risto Sippola

CBBH:

Vedran Milisav, Head of BoP section

Suzana Kozinović – Ličanin, BoP Expert

Aida Kalčo, BoP Senior Specialist

Maša Kamenica-Jordamović, BoP Expert

Ivana Gotovac, BoP Specialist

Dino Bojčanović, BoP Specialist

Naida Hadžimuratović, BoP Expert

Miran Ivanković, BoP Specialist

RTA Team:

Niels Madsen

Larisa Muslimovic

Signatures

For the approval of the contents of this summarized report, representative from CBBH as well as the MS experts and the RTA sign here:

Date: 07. XII. 2021.



Component leader, CBBH



RTA



Juha Martikainen
MS Expert MS Expert



Risto Sippola
MS Expert