

Twinning Project

Contract: GE 16 ENI ST 06 18

Strengthening the Capacity of the Georgian Statistical System

Component 1: “Development of External Sector Statistics”

MISSION REPORT

Activity: 1.2.B “Analysis of Data sources and questionnaire design”

Mission carried out by
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List of Abbreviations

EC	European Commission
EU	European Union
MS	EU Member State
RTA	Resident Twinning Adviser
RTAA	Resident Twinning Adviser Assistant
ToR	Terms of Reference

1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". It was the second mission in Georgia within *Component 1.2: Statistics on International Trade in Services (ITS) compiled*.

According to the work plan for the component, the main objectives to be achieved during the mission 1.2.B were:

- Review of the ongoing work related to methodology
- Data collection process (drafting of solutions for issues identified in data collection and data validation)
- Analysis of existing administrative data sources, identification of potential new data sources
- Designing the questionnaire for a new ITSS survey
- Instructions for filling in the questionnaire

The consultant would like to express his gratitude to all officials and individuals met for the kind support and valuable information which he received during the stay in Georgia and which highly facilitated the work.

The views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of the European Union, GEOSTAT, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

2. Assessment and results

Review of the ongoing work related to methodology

During mission 1.2.A in August it was decided to add a screening question on international trade in services to Geostat's business survey. This intention was, that the results from the business survey will be used as input for creating the final ITSS sample in summer 2020. During mission 1.2.B the results from the first round of data collection in the business survey (Q3) after the addition of the new screening question were analysed. Mainly, the analysis focused on the answers from units which are present both in the business survey and also in Geostat's survey on external economic activities. The analysis prepared by Geostat revealed significant inconsistencies between the answers to the business survey and the answers to the question on ITS in the survey on external economic activities. Therefore, it was concluded that improvements to the data collection and data validation remains a precondition for producing a strong ITSS sample based on a screening carried out within the framework of the business survey.

Data collection process

As stated above, the analysis of the first set of answers to the ITSS screening question in the business survey confirmed the already existing suspicion that incorrect reporting is and will be a major obstacle for producing a strong ITSS sample and strong ITSS data. Therefore, a major objective for the mission was to define measures to be taken with a view to improving the quality of the reports.

The most important measure decided upon relates to the interviewers/personnel statisticians working in Geostat's regional offices. These interviewers have phone contact to practically all reporters before the submission of each round of reports and therefore constitute an important channel for educating reporting units on how to report ITS. It was decided that interviewers will actively address the question on ITS for all units they talk to during the next round of data collection in the business survey. A suitable process for training the interviewers in talking to reporting units about ITS was also defined. Finally, it was agreed that Geostat will monitor the results from the upcoming rounds of data collection in the business survey and keep Statistics Denmark informed about the results in the period until the next mission in Georgia.

Analysis of existing administrative data sources, identification of potential new data sources

Geostat presented a complete overview of sources used in the current compilation of ITSS. As the final compilation of ITSS takes place in the National Bank of Georgia, the bank was able to supplement with important information about data manipulations which are carried out in the bank, such as CIF/FOB-corrections, estimates of purchases by foreign students etc. In general, it was concluded that the current compilation procedures are adequate, but it was underlined by the consultant that insofar as compilation steps remain in the National Bank of Georgia, documentation for these steps should be made available to Geostat. Moreover, FISIM was identified as one, where no data are currently compiled. Therefore, compilation of FISIM will be an issue for the remaining missions. Finally, potential new administrative data sources were discussed and a list of potentially useful sources was put together for further examination by Geostat before the next mission.

Designing the questionnaire for a new ITSS survey

Both the BPM6 classification of services and the EBOPS classification were discussed as potential frameworks for defining the questionnaire for Geostat's ITSS survey. Geostat considered it more feasible to start the new survey by using the BPM6 classification in combination with elements from EBOBS which are considered significant for the Georgian economy. The consultant approved of such a gradual implementation of EBOPS as being in line with the recommendation in IMTS2010. Based on this discussion, it was agreed that Geostat will prepare a final and full draft of the new questionnaire for mission 1.2.C.

Instructions for filling in the questionnaire

It was acknowledged that current instructions on the ITS questions in the survey on external economic activities are not sufficient. Therefore, a more thorough set of instructions must be produced for the new ITSS survey. The set of instructions used by Statistics Denmark to guide reporters of ITS was reviewed and it was agreed that Geostat will produce a proposal for a new set of Georgian instructions for the next mission.

Work plan

The mission finished by reviewing the work plan and making all relevant adjustments based on the decisions made during the mission.

3. Conclusions and recommendations

- The guidance of PSIs regarding their reporting of ITS should remain a main focus for Geostat during the next rounds of data collection in the business survey.
- Direct contact between Geostat's interviewers and all reporting units to the business survey will be the main instrument for ensuring better reports.
- The results from the next rounds of data collection in the business survey should be monitored and additional measures for guiding reporters should be introduced if deemed necessary.
- A number of potential new administrative sources will be examined further by Geostat.
- The future work division between Geostat and National Bank of Georgia must be clearly defined and for all compilation processes remaining in the National Bank of Georgia thorough documentation must be made available to Geostat.
- Geostat will aim at a gradual implementation of the full Ebobs classification.
- Instructions for filling in the ITSS questionnaire must be enhanced.

Actions needed for moving forward as well as for preparing the next mission:

Action	Deadline	Responsible person
Monitoring of the results of each round of data collection in the business survey	Quarterly, when data are available	Geostat
Further examination of identified potential new administrative sources	June 2020	Geostat
Prepare suggestion for future work division between Geostat and National Bank of Georgia	June 2020	Geostat, NBG
Provide overview of the current state of documentation of compilation processes in NBG	June 2020	NBG
Produce full draft of new questionnaire	June 2020	Geostat
Produce full draft of new instructions	June 2020	Geostat

Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

November 19th – November 21st 2019

Component 1: Development of External Sector Statistics

Sub-component 1.2: Statistics on International Trade in Services (ITS)

Mandatory results and benchmarks for sub-component 1.2:

- Statistics on International Trade in Services (ITS) compiled

Indicators of Achievement (baseline and targets):

- Availability of International Trade in Services as a statistical product
 - Baseline:** 2019 – ITS is not produced by Geostat.
 - Target:** March 2021 – ITS available as a statistical product
- Number of staff capable of producing ITS
 - Baseline:** 2019 n/a
 - Target:** March 2021 – At least 3 staff members trained and capable of producing ITS

Activity 1.2.B: Analysis of Data sources and questionnaire design

1. Purpose of the activity

To discuss and work on the below mentioned subjects:

- Review of the ongoing work related to methodology
- Review of the ongoing work related to the inclusion of a question on ITS into the business survey
- Analysis of existing administrative data sources and potential limitations and identification of several data sources for full coverage of all types of services
- Identification of possible providers of administrative data and other data to supplement the survey
- Define the need for information from ITSS survey
- Designing the questionnaire for a new ITSS survey
- Instructions for filling in the questionnaire
- Data collection process
- Work plan

2. Expected output of the activity

- Detailed action plan for methodology has been reviewed and updated where relevant
- Detailed plan for inclusion of question on ITS into the business survey has been prepared
- All data sources are identified
- Questionnaire has been drafted and GEOSTAT is in a position to finalize it
- Draft instructions for filling questionnaires are developed
- Data collection process has been drafted
- Possible data providers have been identified

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- Work plan is reviewed and updated where relevant
 - Mission Report written
 - ToR for next activity

Annex 2. Persons met

Ms. Lika Dzebisauri, Deputy Executive Director,
Ms. Nino Maisuradze, Acting Head of External Trade and Foreign Investments Statistics Department,
Ms. Tamar Lursmanashvili, Chief specialist Foreign Investments Statistics Division,
Mr. Aleko Zoidze, Senior specialist, Foreign Investments Statistics Division,

National Bank of Georgia

Mr. Vakhtang Pkhakadze, Head of Balance of Payments division
Ms. Manana Bakashvili, Leading Specialist Macroeconomics and Statistics Department

MS experts

Mr. Stefan Ambro, Head of Section, Statistics Denmark

RTA Twinning Team

Mr. Steen Bielefeldt Pedersen, Resident Twinning Advisor
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