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საქართველოსთვის
The European Union for Georgia



Twinning Project

Contract: GE 16 ENI ST 06 18

Strengthening the Capacity of the Georgian Statistical System

Component 3: *“Development of Business Statistics”*

Sub-component 3.1: *“Short Term Business Statistics Indicators”*

MISSION REPORT

Activity: 3.1.D (RS2) *“Continuation of preparation of indicators on turnover and volume”*

Mission carried out by
Ms. Ulla Virtanen, Statistics Finland
Mr. Mathias Bluhme, Statistics Denmark

January 15th – January 28th 2021

Version: Final



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Expert contact information

Ms. Ulla Virtanen
Statistics Finland
Helsinki, Finland
Tel: +358 29 551 3347
Email: ulla.virtanen@stat.fi

Mr. Mathias Bluhme
Statistics Denmark
Copenhagen, Denmark
Tel: +45 3917 3561
Email: mdb@dst.dk

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1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". This was the fourth mission within the sub-component 3.1: "Short Term Business Statistics Indicators". Due to COVID-19 the mission was carried out through three remote sessions and one final briefing of management in the period from January 15th to January 28th 2021. The purpose of the mission was to continue the work on indices for both turnover and volume including metadata.

The purposes of the mission were:

- To present, discuss and follow up on the below mentioned subjects concerning both turnover and volume ;
 - Calculation of indices
 - Data quality and validation
 - Metadata and documentation
 - Production process
 - Publication of the indices

The experts would like to express their gratitude to the Geostat participants, who actively participated in the mission by being constructive, actively debating and willing to share valuable information, thereby bringing the benefits of shared learning to a new level.

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

2. Assessment and results

In general, the mission met the objective set to it: all the topics of the terms of reference were covered and plans for future work were discussed. In preparation for the mission, Geostat had already finalized the calculations for turnover indices. The calculations had been done for all required NACE-groups according to the requirements of the EBS regulation assuming that Georgia would have to comply as a small country, which was determined in the earlier mission 3.1.B. So far the time series start at 2015. In general Eurostat requires the time series to start from 2000, but not all EU member states are able to fulfil this requirement either. Geostat had also in preparation looked further into issues regarding source data.

During the mission Geostat presented preliminary results for the volume indices and in earlier missions they have presented preliminary results on the non-domestic/domestic split for turnover indices. During the mission a lot of work was put into finalizing the metadata, which included updating it with information regarding the volume indices. The rest of the mission was focusing on production process, publication of data and future work.

The items covered during the mission included:

- ✓ Calculation of indices
 - Geostat presented the final calculations for turnover indices. These were discussed and the experts suggested how to validate some outliers in more detail.
 - Geostat presented preliminary calculations for the volume indices. It was then discussed how to finalize the calculations and validate the results. This can be accomplished as the required price indices are obtained from the price statistics department.
 - It was discussed how Geostat could finalize the turnover indices split between domestic/non-domestic turnover

- ✓ Data quality and validation
 - Geostat presented how data validation is done in Georgia
 - The experts presented how data validation is done in Finland
 - There was a general discussion on how data validation can be done. Both automatic and manual. And also in different steps of the calculations. Including both at company level but also at NACE-group level. It was also discussed how to deal with big shift for example due to a company changing their activity and thus moving from one NACE code to another.
- ✓ Metadata and documentation
 - During the mission Geostat updated the metadata draft including information for volume indices.
 - The metadata was then reviewed by the experts and only a few minor comments were made.
- ✓ Production process
 - The experts presented how the production process is in Denmark focusing on the manufacturing sector underlining how much time data validation takes.
 - It was then discussed how Geostat could outline a production process. And in this take into consideration that Geostat as a small country can have a longer deadline for compiling and publish the indices.
- ✓ Publication of the indices
 - The experts presented how publication of indices is done in both Denmark and Finland showing that there are many ways to this. But underlining that when publishing indices it is important to focus on the changes, that could be year to year or from previous month, rather than focusing on the index number itself.
 - The revision practices and how to communicate the impact of revisions on the results to the users was also discussed.
 - It was then discussed how, when and what Geostat should publish.

At the end of the mission it was discussed what Geostat should focus on in the near future. The result of the mission and the suggestion for future work was presented for the management. The experts would again like to express gratitude to all the staff and Geostat for their excellent work and commitment during this mission which was done remotely using Zoom during to the COVID-19 situation that made a mission to Georgia impossible.

3. Conclusions and follow up

At the end of the mission it was concluded that Geostat is very close to finish the work on both turnover and volume indices. The experts are very confident that Geostat will be able to finish the last calculations and finalize the metadata. Geostat has also solved many data quality issues but this is a never-ending work. So Geostat should continue improving the data. Geostat has a clear idea of how their production process should be especially regarding to timeliness and also they have an idea of when they first want to publish.

The experts have the following suggestions for future work:

- Geostat should finalize the metadata so it addresses the few minor comments made from the experts during the mission.
- Geostat should finalize the calculations of indices. The experts acknowledge that Geostat still need to get reliable price indices from their colleagues working with that. But when they are ready then Geostat needs to calculate the remaining indices.
- Geostat should do seasonal adjustment to data. This is a requirement in the EBS regulation but also it is very beneficial from a user perspective.
- Geostat should continue to work on data quality issue which is never-ending. In this process the experts recommend that both automatic and manual checks and validations of data are used.



- Geostat should make a clear outline of the production process and plan a publication. This should include when and what to publish.

Annex 1. Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

January 15th – 28th 2021

Component 3: Development of Business Statistics

Sub-component 3.1: Short Term Business Statistics Indicators

Mandatory results and benchmarks for sub-component 3.1

- Short-term business statistics indicators developed

Indicators of Achievement (baseline and targets):

- Availability of STS – indices as test calculations
 - **Baseline:** 2019 – 8 STS indices are available
 - **Target:** May 2021 – Indices on turnover, volume and hours worked calculated
- Number of staff trained in STS indices on turnover, volume and hours worked
 - **Baseline:** 2019 – 0
 - **Target:** May 2021 – At least 3 staff members trained

Activity 3.1.D (RS2): Continuation of preparation of indicators on turnover and volume

1. Purpose of the activity

To present, discuss and follow up on the below mentioned subjects concerning both turnover and volume:

- Calculation of indices
- Data quality and validation
- Metadata and documentation
- Production process
- Publication of the indices

2. Expected output of the activity

- Index calculation finished
- Data quality issues further discussed
- Metadata finalized
- Index production process discussed and outlined
- The future publication discussed
- Mission report written



Annex 2. Persons met

Geostat

Mr. Gogita Todradze, Executive Director,
Ms. Mariam Kavelashvili, Deputy head of Strategic planning,
Mr. David Kupatadze, Head of Business Statistics Department,
Ms. Tinatin Ksovreli, Head of Short Term Statistics Division of Business Statistics Department,
Mr. Mamuka Benashvili, Chief Specialist of Short Term Statistics Division of Business Statistics Department,
Ms. Liana Zaridze, Chief Specialist of Short Term Statistics Division of Business Statistics Department,
Ms. Mariam Gogenia, Senior Specialist of Short Term Statistics Division of Business Statistics Department.

RTA Twinning Team

Mr. Steen Bielefeldt Pedersen, Resident Twinning Advisor
Ms. Eka Lobzanidze, Resident Twinning Adviser Assistant
Ms. Nino Grdzlishvili, Resident Twinning Advisor Translator