

TWINNING CONTRACT

BA 15 IPA SR 01 17

Support to the reform of the statistics system in Bosnia and Herzegovina



MISSION REPORT

Activity 1.3: Data sources II

Component 1: National Accounts

Mission carried out by
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Table of contents

1. General comments	4
2. Assessment.....	5
3. Recommendations and conclusions	6
Annex 1. Terms of Reference	8
Annex 2. Persons met	9

List of Abbreviations

BC expert	Beneficiary Country expert
BD	Brcko District
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CoE	Compensation of Employees
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
FISIM	Financial Intermediation Services Indirected Measured
GFCF	Gross Fixed Capital Formation
GVA	Gross Value Added
LFS	Labour Force Survey
MS expert	Member State expert
NACE	Nomenclature statistique des Activites economiques dans la Communaute Europeenne
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 third mission to be devoted to data sources identification on the regional level within Component 1 National accounts.

The purposes of the mission were:

- Follow up from the second mission
- Analyses of the all possible data providers and sources for all other activities from G to U
- Review of the selected data
- Treatment of missing data
- Discussion on the way forward in the project

Expected output of activity:

- Data sources reviewed
- Suggestions made how to handle data sources
- Input provided to the ToR of next activity

The 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 Bosnia-Herzegovina and which highly facilitated the work of the consultants.

This 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, Statistics Denmark, INSEE, Statistics Finland and Croatian Bureau of Statistics.

2. Assessment of the current situation in different industries (NACE activities from G to U), FISIM and taxes and subsidies

The third mission of the project was held in Banja Luka and was attended by the BC experts from all the statistical offices BHAS, BD, RSIS and FIS together with MS experts. The main aim was to examine and analyse of all available data sources which could be used in the process of setting up and compilation of regional accounts.

All parties from BC sides presented currently existing data from different surveys, registers and administrative sources which could be considered as methodological acceptable sources for the above mentioned purposes (data sources for the activities from G to U at the 2.-digit NACE level). At the same time, BC experts briefly explained main data sources used in compilation of annual National Accounts at the level of entities having in mind Eurostat suggestions about consistency between National and Regional Accounts.

According to the recommendations from the last two missions, RSIS and BHAS have delivered set of tables to MS experts before the mission has started. RSIS has provided table with different data on number of multiregional business units at NACE section level from Statistical Business Register. BHAS has prepared set of tables with information about mutual government institutions and other common units and their place of residence in order to discuss their treatment in the regional accounts. They also delivered data from Structural Business Statistics on number of multiregional units at NACE section level for all the entities. MS experts did not receive any information concerning multiregional units that have their place of residence at the territory of FIS and BD. During the discussion at the mission, all BC experts presented number of multiregional units registered at each entity with establishments at other entities.*

** During the elaboration of Mission report, FIS comments that they actually had sent data on number of multiregional units at NACE section level which BHAS has confirmed. Due to some communication issues, MS experts did not receive it.*

Further to last two missions, BC experts continued to examine both data from Structural Business Statistics and Statistical Business Register on specific industries and their mutual differences.

The currently collected data on SBS from table 10 (additional part of SBS survey) was analysed during the period between two missions. MS experts were briefly informed about existing differences, non-consistency with register, no controls whatsoever which led to the low quality of the collected data.

MS experts were also introduced with on-going pilot project on road transport of goods in both entities. If future analysis will show high level quality of collected data, than that source could be potentially used as additional regional indicator in the process of compilation of Regional Accounts.

Following topic was devoted to FISIM and its regional allocation. At the moment, FISIM is not allocated to NACE activities in the annual National Accounts and instead of that, it is shown separately from the GVA. Therefore, it is not possible to make a regional allocation by activities

before annual one is made, due to the needed consistency between annual and regional accounts. At the next mission MS experts from Croatian Bureau of Statistics will presented their experience.

BC experts introduced to MS experts their data sources and compilation process on direct and indirect taxes. Main data sources are taken from the Ministry of Finance and Tax authorities from all entities. Subsidies are collected on the level of entities from different ministries and then allocated by entities on subsidies on products and subsidies on production.

In order to clarify and better understand the process of collecting, compiling and updating of Statistical Business Register, the Structural Business Statistics and LFS, MS experts kindly asked for further information. Colleagues from RSIS who are in charge of those areas, shortly presented their way of work with all relevant information. Those processes of work are also applied to the BHAS and FIS as well.

3. Recommendations and conclusions

3.1. Recommendations

After reviewing all data sources from the last two missions and due to the recommendations from Manual on Regional Account, MS experts concluded following:

1. It is vital to organise future work by setting up joint meetings between all involved parties (BHAS, RSIS, FIS, BD). Main aim of those meetings should be fully analysis of all data sources, common agreement on treatment of multiregional units and calculation of ESA categories for the purpose of Regional Accounts in line with EU methodology. Therefore, at the next mission, MS experts would like to be informed about reached consensus as an important assumption for continuation of work.

2. MS experts will create and deliver the framework of the overview table which should be filled out with available data sources by all NACE activities and by involved institutions (BHAS, RSIS, FIS and BD). All entities should have filled out table for their parts of work and deliver it to BHAS by 20th of August. Responsible person for combining of inputs from entities and delivering one overall table to the MS experts will be regional project coordinator from BHAS. Table should be delivered to MS experts by 27th of August of this year.

3. MS experts recommend that the involved parties (BHAS, RSIS, FIS and BD) made mutual agreement about the reference year (s) for which they will make calculation of the Regional Accounts. Those conclusions should be presented at the next mission in September. MS experts recommended that the reference period should be at least two years.

4. During the mission, expert from SBS mentioned planned revision of the SBS questionnaire which is scheduled for the next year. Part of the revision will be the Table 10 as well. Also existing surveys of the SBS for the service sector will be extended with LKAU data which should be analysed as possible methodological improvement. Recommendation is that the revision and

improvement of the additional part of the SBS survey (Table 10) should be done in coordination with National Accounts (Regional Accounts) experts.

5. All the parties (BHAS, RSIS, FIS and BD) from the project will have a study visit to France. Therefore, MS experts would like to get some feedback information.

3.2 Conclusions and next steps

Plan for the next mission is to discuss and analyse data sources for remaining regional categories which are foreseen according to Project component 1 (CoE, GFCF and employment data). Besides that, work on regional GVA will continue.

MS expert's findings and recommendations, which are part of this Mission report, are presented to BC experts and signed.

RTA is informed about the agreements made.

Deliverables:

Action	Deadline	Responsible person for delivery to MS experts
Overview table of all presented sources by NACE activity (BHAS, RSIS, FIS and BD). Deliver the table to MS experts	1 week before next mission in September	Brana Taraba-BHAS
Delivery of the one short report from study visit	After the study visit	Brana Taraba-BHAS

3.3 Other

In order to avoid different communication issues in future, all parties concluded that the way of communication with MS experts should be clarified. All prepared and collected materials from entities should be delivered to regional project coordinator from BHAS. Regional project coordinator from BHAS is in charge of forwarding of mentioned materials to MS experts with RTA and other parties (RSIS, FIS and BD) in copy.

Annex 1. Terms of Reference**Terms of Reference****EU Twinning Project BA 15 IPA ST 01 17****Component 1: National Accounts****04-07 June 2018****Hosting Institution: RSIS, Veljka Mladjenovića 12d, Banja Luka****Activity 1.3: Data sources II****1. Mandatory results and benchmarks for the component**

Mandatory result:

- Regional accounts, as a subsystem of national accounts, introduced and regional indicators at NUTS 2 level produced in line with EU standards by 8th project quarter

Benchmarks:

- Data sources identified and adjusted for regional accounts by 5th project quarter
- First test version of regional accounts at NUTS 2 level produced by 8th project quarter
- First version of basic regional indicators produced by 8th project quarter (Gross value added, Gross domestic product, Gross fixed capital formation, Employment data, Compensation of employees data)
- Quality report for regional accounts developed by 8th project quarter

2. Purpose of the activity

- Follow up from the 2nd mission:
Analysis of the all possible data sources for all other activities (from G to U).
- Review of selected data
- Treatment of missing data

3. Expected output of the activity

- Data sources reviewed
- Suggestions made for how to handle data sources
- Input provided to the ToR of next activity

Annex 2. Participants**Agency for Statistics of BiH (BHAS)**

- Edina Kozić- Head of National Accounts Department
- Azur Đapo-Senior Associate for Statistical Surveys
- Brana Taraba- Senior Adviser for Regional Accounts

Institute for Statistics of Federation of BiH (FIS)

- Nermina Ibrišević-Ademović, Head of Department
- Danijela Bujak-Buzuk, Senior Adviser for National Accounts
- Šejla Šehović-Karšić, Senior Adviser for Investment of fixed assets
- Belma Karadža, Senior Associate for National Accounts
- Almira Muraspahić, Senior Associate for National Accounts

Institute for Statistics of Republika Srpska (RSIS)

- Rada Radanović, Head of National Accounts Department
- Dragana Kunovac, Senior Associate for State and Financial Sector - Project Component Coordinator for Regional Accounts
- Dijana Maleš, Senior Advisor for Investments, National Assets and Fixed Capital Consumption
- Žana Alagić, Senior Associate for the Nonfinancial Sector

MS Experts

- Natalija Krunić, Croatian Bureau of Statistics
- Jelena Kelebuš Arambašić, Croatian Bureau of Statistics

Twinning Project Administration

- Katja Møller Hjelvang, RTA
- Demka Šahinpašić, RTA Assistant

Signatures

For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as MS experts and the RTA sign here:

Date: 7th of June 2018



Component leader, BHAS



Component leader, FIS



Component leader, RSIS



RTA



MS Expert



MS Expert