

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.C (RS) *“Preparation of indicators on volume”*

Mission carried out by
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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 third 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 in the period from October 16th to November 19th 2020. The purpose of the mission was to prepare volume indices based on information on price and turnover. Information on price and turnover can be either indices or actual values.

The purposes of the mission were:

To discuss and to work on developing the volume indices and thereby;

- Reviewing data on turnover
- Reviewing data on prices used as deflators
- Reviewing different ways to calculate an index
- Discussion of production process focusing on data available
- Improving data quality by subtracting traded goods (section C)
- Improving data quality by evaluate stock changes (section C)
- Discussion of sector coverage and shortcomings
- Alignment between monthly and quarterly data

The Danish 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 Danish experts 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

The mission was carried out as three remote sessions in the period from October 16th to November 19th 2020. The program Zoom made it possible to carry out the remote sessions. Items on the agenda were from The Terms of Reference (Annex 1). On each remote session, experts and Geostat participants agreed on tasks performed and presentations prepared for the next meeting of the session. Conducting a mission remotely is not easy; it is less focused and more time consuming than when experts conduct a mission being present in Georgia. Because of the Geostat participants are focus on their working approach and they are well prepared for each meeting, and by working dedicated in between the meetings and having an eager to achieve results, the mission was a success and they took substantial steps towards the final target of the sub-component.

3. Conclusions and follow up

- Keep on exploring the VAT income data. Use complementary data or adjustments to data quality. The grouping of the VAT data by NACE works and identifies the most critical NACE categories. This gives a good overview. During the two first sessions of the three sessions we conducted an examination of the VAT data with a focus on Section C.

The work still ahead includes:

- Examine activities, which show relevant differences in the results and or values.
- Deciding which discrepancies should be systematically corrected and where to concentrate on continuous production process.
- Data on Section C can be improved by using subtracting traded goods
- Data on Section C can be improved by evaluate stock changes
- Calculate indices on volume accordingly to EBS.

The work still ahead includes:

- Divide turnover by prices. In this work, you can use turnover data and prices from CPI and PPI. Data can be indices or actual values
- Present use 2015 as base year
- use weights in the aggregates when needed
- Seasonal adjustment should be added into the production process. The free JDemetra+ software is recommended by Eurostat.
- The time series could be backwards extended.
- The publication should be planned. Indices and growth rates are the usual main data format.
- Quality indicators, such as revision information, should be calculated once the indicator has been published and enough data has been accumulated.
- Rebase indices as the reliable annual weights are available for the new base year 2021. The rebased indices should be published no later than 2024. Use 2021 as the next base year and use the new weights only from the year 2021 onwards. (Do not calculate the whole time series based on the most recent weights.)

Actions needed for moving forward:

Action	Deadline	Responsible person
Calculate indices on volume according to EBS with base year 2015 and weighted aggregates.	January 2021	Ms. Tinatin Ksovreli
Give feedback on the need for a following meeting in December 2020 Consider if you need further guidelines for: <ul style="list-style-type: none"> - How to fix at identified severe data quality issues - How to make a plan on validate and fix the data on regular production process 	Primo December 2020	Ms. Tinatin Ksovreli
Metadata. A final version for 2020 to be published when indices for turnover are published. Metadata is to be updated once a year. Eurostat deadline at the moment is the end of April.	December 2020	Ms. Tinatin Ksovreli

Annex 1. Terms of Reference

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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.C (RS): Preparation of indicators on volume

1. Purpose of the activity

To present, discuss and work on the below mentioned subjects:

- Review of data
- Subtracting traded goods in Section C
- Evaluate stock changes (section C)
- Deflators
- Production process
- Sector coverage and shortcomings
- Index calculation
- Alignment between monthly and quarterly data

2. Expected output of the activity

- Data processing and shortcomings discussed
- Production process and shortcomings discussed
- Sector coverage analyzed
- Volume deflators discussed
- Discussion of traded goods and stock changes
- Index calculation discussed
- Alignment between monthly and quarterly data examined
- Mission report written
- Input on ToR for mission 3.1.D (RS2)
- Work plan for sub-component 3.1 is discussed and updated

Annex 2. Persons met

Geostat

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