

# TWINNING CONTRACT

2023/447-234



## EU for Further Development of Statistics System in BiH



## MISSION REPORT

**Activity 1.3.1C: Wholesale trade deflators II**  
**Subcomponent 1.3.1 – Wholesale Trade Deflators and Service Producer Price Indices**  
**Component 1 - Business Statistics**

Mission carried out by:

Štefan Rot, Statistical Office of the Republic of Slovenia

11-13 March 2025

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EU FOR FURTHER DEVELOPMENT OF STATISTICS SYSTEM IN BIH



Funded by  
the European Union



STATISTICS  
DENMARK



REPUBLIC OF SLOVENIA  
STATISTICAL OFFICE

Statistics Finland

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## List of Abbreviations

BC	Beneficiary Country (Bosnia and Herzegovina)
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EU	European Union
EUD	European Union Delegation to Bosnia and Herzegovina
FIS	Institute for Statistics of the Federation of Bosnia and Herzegovina
LA	Language Assistant
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Advisor
RTAA	Resident Twinning Advisor Assistant
SURS	Statistical office of the Republic of Slovenia
ToR	Terms of Reference



## Executive Summary

The second mission, which lasted 2.5 days, was focused on the work done by beneficiary country regarding the compilation of deflators for NACE Rev.2 divisions G45 and G46, issues which emerged during the compilation of deflators and steps that should be done in the future.

Beneficiary country presented the draft version of their inventory list of possible deflator sources (price indices) available in BiH. The data on value of imports and sold production on domestic market on 4-digit CPA ((European) Classification of Products by Activity) level were compiled and used for several cases of deflator weights calculations for BiH which were also presented. Discussion was held regarding the work done and emerging issues - identification of suitable price indices, recalculation of quarterly price indices data to monthly data and more detailed level regarding the products etc. The IT solution for deflation used at SURS was also presented and IT staff from beneficiary country was included in both discussion regarding work done and presentation of IT solution at SURS.

It was agreed, that by the next mission calculation of the weights for all 4-digit NACE codes will be done, most important companies will be identified for selected 4-digit NACE codes, inventory list (corresponding table) of possible deflator sources will be updated and draft requirements for IT solution for deflator compilation will be done by beneficiary country. During next mission, scheduled for September or October 2025, the deflated (volume) indices in wholesale calculation at SURS will be presented by the MS experts.

## 1. General comments

This mission report was prepared within the EU Twinning Project "Further Development of the Statistics System in Bosnia and Herzegovina". It was the 2nd mission devoted to the Wholesale Trade Deflators and Service Producer Price Indices subcomponent of the Project.

The purposes of the mission were:

- Presentation of IT solution used for deflator compilation at SURS
- Follow-up on the tasks given during the previous mission
- Practical work on weighting structure
- Preparation of ToR for next activity

The consultant would like to express his thanks to all officials and individuals from Bosnia and Herzegovina met for the kind support and valuable information, which highly facilitated the work of the consultant.

This views and observations stated in this report are those of the consultant(s) and the RTA and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Finland, Statistical Office of the Republic of Slovenia and The Italian National Institute of Statistics.

## 2. Assessment and results

The mission began with a presentation of the work done regarding the tasks agreed during the previous mission. The representatives of the beneficiary country prepared value data on imports and sold production on the domestic market at 4-digit CPA level, which are needed for calculation of the weights. The draft version of corresponding table ("inventory list") between G45 and G46 on one side and suitable price indices on the other side was prepared. It was done at 4-digit NACE rev. 2 level and

it was also supplemented with the information on usage of suitable price indices in some other countries. Based on the cases presented by the experts on the previous mission, calculations of the deflator weights were also done for several 4-digit NACE rev. 2 activities.

During presentation of the completed tasks, different concerns regarding the deflator weights compilation were brought up and discussed among the participants of the mission. Suitability of certain price indices for certain activity was discussed on the example of activity G46.36, where significant difference in use of price indices between Slovenia and Croatia occurred. Similar discussion followed for some other activities. Application of import unit value indices (UVII) into calculation of monthly wholesale volume indicators was also discussed, since they are currently available only quarterly and at 2-digit CPA level. Possible calculation of monthly values will require significant effort of methodologist/IT support in comparison to recalculation to more detailed CPA level (3-digit). Further consultation with responsible persons from foreign trade statistics department and IT staff will take place. Several options for temporal disaggregation of quarterly data were discussed. Regarding the calculation at the more detailed level, programmer responsible for UVII was contacted already during the mission and some options regarding the more detailed calculation were discussed. During and after the presentation of all examples, the MS expert provided his comments and suggestions regarding presented cases and also some general recommendations.

The MS expert presented the IT solution for deflation used at Statistical office of the Republic of Slovenia. After some general presentation of statistical data processing principles and general IT solutions used for its general implementation, the actual solution was presented: ad-hoc SAS programmes and tasks they perform, sources' databases, metadata, deflator and microdata tables etc. Cases which could be relevant for the beneficiary country were explained (temporal disaggregation, deflators based on different base years, changes in deflator structures, etc.). IT staff from BiH also participated during this presentation and during the discussion afterwards with the intention to include IT support in the process of development of the indicator early on.

Beneficiary country also took into account suggestion given after previous mission and contacted National Accounts regarding their deflation process and presented the findings of the consultation. Also the use of the weights used in the calculation of CPI (Consumer Price Indices) was discussed with the colleagues from prices statistics, but further discussion should take place in the future.

On the last day the ToR for next mission were drafted.

### 3. Conclusions and recommendations

BiH successfully completed the tasks given after the first mission and is on the way of achieving the goals set at the beginning of the project. During the work some issues emerged, but are dealt with intention of finding suitable solution for them. Documents prepared for this mission are good foundation for future tasks regarding the development of wholesale trade deflators. Early inclusion of colleagues from IT into the development of the deflators is crucial step for successful completion of the project.

It is recommended that consultations regarding the weighting in calculation of CPI's continue. Also consultations with National Accounts should be maintained during the process. Similarly, the calculation of UVII at more detailed level should also be discussed and explored.

Since some deflator sources are published quarterly, it is recommended, that methods for temporal disaggregation are consulted and possible methods for estimation of deflators are identified.

Since the data are still produced and published at the quarterly basis, it is still recommended that BiH continues their focuses on production of value indicators at monthly basis, since this is the new

requirement in the STS legislation. This is continuous task, therefore this recommendation is also just continuation of the recommendation already given after last mission.

Also the decision regarding the use of direct or indirect approach of the calculation still has to be done.

#### 4. What to do before the next mission

<b>Action</b>	<b>Deadline</b>	<b>Responsible person</b>
Test weights calculations for all NACE 4-digit level activities have to be made	Until the next mission.	BHAS, FIS, RSIS
Identification of most important companies within selected NACE 4-digit level activities	Until the next mission.	BHAS, FIS, RSIS
Update of draft version of corresponding table between G45 and G46 and suitable price indices	Until the next mission.	BHAS, FIS, RSIS
Preparation of draft requirements for the IT solution for deflator compilation	Until the next mission.	BHAS, FIS, RSIS

## **Annex 1. Terms of Reference for the current mission**

### **Terms of Reference**

**EU Twinning Project BA 19 IPA ST 01 23**

**Component 1 - Business Statistics  
Subcomponent 1.3.1 – Wholesale Trade Deflators and Service producer  
Price Indices**

**Timing: 11 (10 a.m.) – 13 (noon) March 2025**

**Venue: Sarajevo, Institute for Statistics of FBiH, Zelenih beretki 26  
Room: 1st Floor**

#### **Activity 1.3.1C: Wholesale Trade Deflators II**

In line with the current EBS Regulation, the volume of sales (for small countries) are required on 2-digit NACE level, for NACE Section G, divisions G45 Wholesale and retail trade; repair of motor vehicles and motorcycles and G46 Wholesale trade, except of motor vehicles and motorcycles on monthly level.

Deflators are appropriate price indices that are used to transform nominal turnover into real (deflated) turnover by deflation procedure. The aim of the project is to identify the most appropriate price indices that will be used for construction of trade deflators. Those price indices are in most cases internally available price indicators, such as, monthly consumer price indices (CPI), quarterly agriculture price index (API), monthly import price index (IPI), monthly producer price index (PPI) and auxiliary source i.e. index of average gross salaries (IAS).

#### **1. Mandatory result**

The component 1.3.1 Short Term Business Statistics – covers deflators for G45 wholesale and retail trade; repair of motor vehicles and motorcycles and G46 wholesale trade, except of motor vehicles and motorcycles, since volume indicators for G45 and G46 are currently not calculated in BiH. It is therefore a major priority in the project to develop deflators for G45 and G46 at the of the project period.

Deflators for G45 wholesale and retail trade; repair of motor vehicles and motorcycles and G46 wholesale trade, except of motor vehicles and motorcycles, prepared.

## 2. Purpose of the activity:

- Presentation of IT solution used for deflator compilation at SURS
- Follow-up on the tasks given during the previous mission
- Practical work on weighting structure
- Preparation of ToR for next activity

## 3. Expected output of the activity:

- Presentation of IT solution used for deflator compilation at SURS delivered
- Follow-up on the tasks given during the previous mission performed
- Practical work on weighting structure done
- Mission report
- ToR (including time (frame)) for next activity





## Annex 2. (input for the) Terms of Reference for the next mission

<b>Activity 1.3.1 D</b>	<b>Wholesale trade deflators III</b>
<b>Budget section</b>	III. Components Mandatory Results – Component 1
<b>Subject</b>	<ul style="list-style-type: none"> <li>• Presentation of volume index calculation at SURS</li> <li>• Follow-up on the tasks given during the previous mission</li> <li>• Practical work on weighting structure</li> <li>• Preparation of ToR for next activity</li> </ul>
<b>Methods</b>	Onsite, STE mission in BiH
<b>Resources</b>	MS: Štefan Rot (SI), Dominika Lunder (SI) RTA, RTAA and LA BC: Relevant staff expected to be involved in sub component 1.3.1
<b>Duration</b>	2 STEs x 3.5 working days for MS staff
<b>Output</b>	<ul style="list-style-type: none"> <li>• Presentation of volume index calculation at SURS delivered</li> <li>• Follow-up on the tasks given during the previous mission performed</li> <li>• Practical work on weighting structure done</li> <li>• Mission report</li> <li>• ToR (including time (frame)) for next activity</li> </ul>
<b>Time schedule</b>	September/October 2025 in Banja Luka (exact timing: to be decided by June 2025)

## Annex 3. Persons met

### BHAS:

Alen Bajramović, Head of Department for Services Statistics  
Maja Hadži-Stojanov, Senior Officer for Producer Prices in Services  
Žana Perković, Junior Officer for Distributive Trade  
Adnan Gušić, Head of Department for Dissemination Databases

### FIS:

Aida Halilović, Consultant for Structural Business Statistics  
Muhidin Hadžiahmetović, Assistant Director of Sector for Business Statistics - Deputy Director

### RSIS:

Jelena Glamočika, Head of Department for Services Statistics  
Aleksandra Đonlaga, Senior Officer for Consumer Prices in Services  
Sanela Borojević, Senior Statistician for Trade Statistics

### RTA Team:

Niels Madsen, RTA  
Larisa Muslimovic, RTA Assistant  
Senka Ahmetovic-Palic, RTA Language 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:



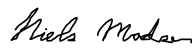
Component leader, BHAS



Component leader, FIS



Component leader, RSIS



RTA

MS Expert