



## Forwarding Armenian Statistics Through Twinning

AM09/ENP-PCA/TP/04

# MISSION REPORT

on

# BUSINESS STATISTICS

## ACTIVITY B.1

## IDENTIFICATION OF ISSUES AND DEFINITIONS

Mission carried out by

Ms Vibeke Skov Møller, Chief Advisor

Mr Carsten Zornig, Deputy Head of Division

Mr Søren Schiønning Andersen, Head of Division

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National Statistical Service  
Republic of Armenia



STATISTICS  
DENMARK

Statistics Denmark

**Authors' names, addresses, e-mails**

Ms Vibeke Skov Møller, Chief Advisor  
Statistics Denmark, Business Registers  
Sejrøgade 11  
DK-2100 København Ø  
vsm@dst.dk

Mr Carsten Zornig, Deputy Head of Division  
Statistics Denmark, Data collection and Methodology  
Sejrøgade 11  
DK-2100 København Ø  
czo@dst.dk

Mr Søren Schiønning Andersen, Head of Division  
External trade and Balance of Payments  
Sejrøgade 11  
DK-2100 København Ø  
ssa@dst.dk

## Table of contents

0. Executive summary	4
1. General comments	5
2. Assessment and results	5
2.1 Business Register	6
2.2 Response burden	7
3. Conclusions and recommendations	9
3.1 Summary conclusions	9
3.2 Recommendations	10
4. Actions before next activity (B.2)	12

### *Annexes in the report*

Annex 1	Terms of reference	14
Annex 2	Programme for the mission	15
Annex 3	Persons met	16
Annex 4	Summary of fact finding about SBR and reduction of response burden	17
Annex 5	NSSRA State Statistical Observation Questionnaire	26
Annex 6	Statistical Business Register Questionnaire (annual)	29
Annex 7A	Measuring response burden	31
Annex 7B	Reducing response burden	34
Annex 7C	An example of a supplementary questionnaire	35

### *Other annexes collected or made for the report*

Annex B1.8	General Introduction to Business Registers
Annex B1.9	Workshop with SBR Stakeholders
Annex B1.10	Response burden

## List of Abbreviations

EU	European Union
NSSRA	National Statistical Service, Republic of Armenia
RA	Republic of Armenia
SBR	Statistical Business Register
SBS	Structural Business Survey
SCM	Standard Cost Model
SD	Statistics Denmark

## 0. Executive Summary

Component B involves the following objectives: 1) To identify and quantify response burden; 2) to improve reporting forms for business surveys, and 3) to define and adopt a strategy for reorganising the SBR with better coverage and actuality.

This mission was the first activity B.1 of the component which was implemented together with the activity B.3.1 which focuses on reporting forms – i.e. a common “fact finding” mission. The key objectives were: 1) An analysis of the current SBR of NSSRA; 2) an analysis of the current reporting forms for the Structural Business Survey; 3) agreement upon how to measure the response burden; and 4) to have external stakeholders informed about the work. This report focuses on point 1, 3, and 4.

The overall conclusions are that very good working relations have been established and that agreement to use the principles of the Standard Cost Model for response burden measurement has been reached. Although the overall plan for the component was confirmed we envisage that initiatives will continue after the duration of the project due to external dependencies. NSSRA and the staff showed a positive and constructive interest and commitment.

With regard to Response Burden the main conclusions were that agreement was reached on 1) the operationalisation of the objectives was reached; 2) the carrying out of a baseline measurement, and 3) to base the methodology on the principles in the Standard Cost Model (SCM). The MS Experts recommend that NSSRA’s management formally endorses the choice of the SCM as method and to conduct the baseline measurement on a limited number of representative surveys and enterprises.

With regard to SBR the main conclusions were 1) that with coverage of only limited companies the SBR is quite far from being an exhaustive and coherent sampling frame; 2) that the poor quality of addresses constitutes a significant problem; 3) that the absence of an external source for activity codes will be a problem if the coverage of units is extended to personally owned enterprises; 4) that it is unclear to which extent the current information about local units meets NSSRA’s expected future needs for geographically distributed business statistics, and 5) that it is unclear if sufficient resources are available for SBR developing projects. The MS Experts recommend, firstly, to decide the inclusion of personally owned enterprises and public sector units and to analyse where the data are available, and how the inclusion will affect the SBR system. Secondly, it needs to be clarified whether the current data model suits NSSRA’s current and expected needs for local unit data, and to discuss with other relevant govt. agencies in RA whether they are interested in registration of local units. Thirdly, it should be analysed how NSSRA can “protect” their own corrections to addresses from being overwritten and perhaps receive data more often from the Tax Authority. Also, it could be discussed with other relevant govt. agencies if there is a basis for an official “address register” in RA. Fourthly, NSSRA should continue discussions/efforts to have NACE codes attributed by Tax. Lastly, resource needs in relation to IT development projects and in relation to current maintenance with broader coverage should be assessed.

The next activity (B2) takes place in June 2011 as planned, and several follow-up actions must be performed by NSSRA in order for this activity to be fruitful.

# 1. General comments

This mission report was prepared within the Twinning Project „**Forwarding Armenian Statistics Through Twinning**“. Within the framework of this project NSSRA has decided the reduction of reporting burden as an overall aim for component B of the project, *Business Register, Structural Business Surveys and Reporting Burden*. This involves several objectives:

- To identify and quantify response burden
- To improve reporting forms for business surveys
- To define and adopt a strategy for the reorganisation of the SBR with a better coverage and actuality – primarily based on data from administrative registers.

Against this background, the activities were the first within component B – i.e. a common “fact finding” mission. These activities will contribute to the above-mentioned objectives and to the benchmark for the activity B.1 set out in the contract: ***An agreement on how to measure response burden of Structural Business Survey is available.***

The concrete objectives / expected output of this mission, cf. annex 1, were:

- An analysis of the current Business Register of NSSRA;
- Agreement upon how to measure the response burden;
- External stakeholders informed about the work;
- A lining up of work programme for the next activity (B2);
- To decide upon the preferred timing of the next activity (B2).

The MS Experts would like to express their sincere thanks to all officials and individuals met for their hospitality and for the kind and active support as well as the valuable information which they received during their stay in Armenia. This has highly facilitated the work of the MS Experts.

The views and observations stated in this report are those of the MS Experts and do not necessarily correspond to the views of EU, NSSRA or SD.

## 2. Assessment and results

The observations in this report are based on interviews and discussion with managers and staff at NSSRA during the meetings and workshops held during the mission. Most of the observations mentioned in this report should be analysed and discussed in more detail in the coming activities and also more information is needed, which should be made available – to NSSRA staff as well as the MS Experts – as soon as possible.

All in all, the MS Experts find that NSSRA and the staff participating to this activity clearly showed a positive and constructive interest and commitment in this component as well as

- understanding and competence with regard to the management of basic business data (identification data) in the SBR and in the conduction of business surveys,
- awareness of the need to pursue reductions to the response burden, including the benefits of utilising administrative sources.

The work plan of this component was verified and detailed.

The overall method for NSSRA's measurement of response burden was agreed.

## **2.1. Business Register**

### ***Meeting with Mr Gagik Ananyan, Director of Business Statistics Division***

A meeting with Mr. Ananyan was held Monday with the purpose of giving the MS Experts an overview of the existing SBR, including the SBR query system and the objectives for its development. The findings from this meeting form part of annex 4. MS Experts from both the activity B1 and activity C1 participated in the meeting.

A follow-up meeting with Mr. Ananyan was held Tuesday, with the purpose of clarifying the overall objectives relating to the development of the SBR – prior to the meeting with external stakeholders. It was agreed that it was essential to extend the use of administrative sources to update the SBR. It is also important to extend the SBR to include all areas of the Armenian economy meaning including single proprietor firms and the public sector. Even though the agricultural sector makes up a great number of enterprises these will for the time being be seen as part of the household-sector, and thus the agricultural sector is not to be included in the SBR at this stage. The problems with the quality of the administrative data were stressed, especially the incorrect addresses.

### ***Workshop with SBR team and internal users presenting EU standards related to SBR***

The focus was on producing a coherent system of business statistics, using standardized units, classifications and consistently defined core variables and also the arguments for using a centralized SBR. The Danish SBR was presented, focusing on the registration procedure and the administrative sources. The slides presented are shown in annex B1.8 (separate powerpoint presentation). The main subjects were:

- Background for establishing and using a SBR for the production of business statistics.
- EU standards on statistical business units and SBR.
- An overall presentation of the Danish SBR focusing on the registration procedure and the administrative sources. Reference was made to the Danish experiences when discussion had been carried out between the authorities (Tax as well as Danish Commerce and Companies Agency) and SD. With good arguments it is possible to persuade the authorities to include information about e.g. local units. The importance of data sharing between different authorities and SD was mentioned, but it was also emphasized that confidentiality for sensitive information in SD was important.

### ***Meeting with SBR-team***

A very pleasant and useful meeting was held with the SBR team, where the SBR query system of NSSRA was presented in more detail. The SBR-team informed the MS Experts about the challenges concerning double registration, harmonization problems which are caused by the use of different identification codes in the source registers.

Training and sharing of knowledge about SBRs in other countries, including different ways to fulfill EU standards will be useful for NSSRA. It will also be useful for the SBR team to get information on terminology and EU definitions in Armenian.

### ***Workshop with external SBR stakeholders, SBR team and internal users of the SBR***

The purpose of the workshop was to present the Danish experiences of data sharing among authorities responsible for registration of business units. The slides presented are shown in annex B1.9 (separate powerpoint presentation). The workshop dealt with data sources which primarily were the SBR stakeholders and the users for surveys which are internal in NSSRA.

The subjects of primary interest for the SBR *external stakeholders* were:

- Why re-use of core information about legal units (and local units) is relevant. There is a political pressure (lower respondent burden, cost-reduction and better quality). All will benefit from this approach – common interest and benefits.
- The importance of unique identifiers such as personal numbers, legal unit number and address codes (municipality-number, road-number, house-number).
- The obligation for persons and enterprises to register and update information continuously.
- The importance of agreeing which data can be available for the public and which data are confidential. It is important to create credibility and public trust. It is also important to know that only SD can integrate all information and that it is not possible to give any information to anybody outside SD about individual persons or legal units.

A discussion about the usefulness of address codes took place. Also identification numbers were discussed, and it became clear that the identification numbers were essential for both users and suppliers. It was also clear that a common strategy is necessary, but a big step forward would be to use the possibilities already given in the recently adopted laws in RA.

The subjects of primary interest for the *internal users* of SBR were:

- Five key elements regarding the use of SBR for surveys: Full coverage, High quality, Standardisation, Cost-efficiency and coordination, and Reduction of response burden.

## **2.2. Response burden**

### ***Meeting with the Methodology team***

A meeting was held with NSSRAs methodology team in order to present theories and practical work relating to response burden. The slides presented are shown in annex B1.10 (separate powerpoint presentation). A general model for the measurement of the administrative response burden was introduced, and it was shown how the calculation could be carried out in practice. Furthermore, the subsequent procedures on the work relating to the actual reduction of the burden were introduced.

### ***Meeting with Mr. Gagik Ananyan, Director of Business Statistics Division***

A meeting was held with Mr. Ananyan with the purpose of clarifying the overall objectives relating to the reduction of the response burden in the twinning project. It was agreed that it is necessary to keep a pragmatic focus instead of aiming at goals, which are possibly out of reach.

Thus it was concluded that by the end of the project period initiatives for reducing the response burden should be assigned. However, these initiatives should not necessarily be implemented.

### ***Objectives of the measuring of the response burden***

The overall objective for reduction of the response burden within this project is to identify burdensome areas and to describe which of these areas that should be subject to burden reduction. The overall target is to pursue a total burden reduction of approximately 20 percent.

To achieve this objective, some preconditions must be met:

- a measure of the response burden describing the present situation must be calculated
- the revealed burdens must be broken down into components and analyzed
- specific costly burdens should be identified
- the most costly burdens should be analyzed in detail

Only a limited experience on measuring the response burden has been obtained by NSSRA until now. Experience in this area is a precondition in order to identify and reduce the response burden.

### ***Baseline measurement of the response burden***

A baseline measurement of the response burden related to statistics must be carried out. To measure the response burden is a task of utmost importance in order to continue with the subsequent tasks related to the reduction of the response burden. This is necessary, in order to fulfil the aim of this component of the twinning project. The calculation of the response burden was presented during this mission, see annex 7.A.

A simple measure of the response burden is to determine the time which is used to fill in the questionnaires for each of the business related surveys. This time should form the basis for calculating the total time used by the enterprises filling in all the business related surveys. The time used to fill in the questionnaire comprises both the time used by the enterprise to fill out the questionnaire as well as the time used to find the relevant information.

The response burden should be measured, using a stepwise approach:

1. Define representative surveys
2. Define target group of enterprises
3. Calculate the response burden

A detailed description of a model for measuring the response burden is given in annex 7.B.

### ***Reducing the response burden***

When a baseline *measurement* for the response burden has been calculated the work concerning the *reduction* of the response burden can start. The approach to work with the reduction of the response burden was presented during this mission, see annex 7.A.

The aim of the work relating to the response burden should ensure that:

- existing burdens are revealed
- burdens are broken down into components and analyzed
- particularly costly burdens should be identified
- the most costly burdens should be analyzed in detail

The first step in this area is to ensure that work with the reduction of the response burden has a strong and interdisciplinary set-up in the organisation. Furthermore, it is important that the work has the necessary focus from the top management of NSSRA since the reduction of response burdens could challenge and change the existing working routines in the organisation.

The decisions related to this phase, should preferably be considered before the next mission under this component. A detailed description of a stepwise model for the work with the reduction of the response burden is given in annex 7.B .

## 3. Conclusions and recommendations

### 3.1 Summary conclusions

#### Business Register

The main challenges, areas for improvement or areas with non-conformity with EU standards are:

**1:** *Coverage of limited companies only.* The absence of personally owned enterprises (“sole proprietors”), public sector units and perhaps also larger agricultural holdings means that the SBR is currently far from being an exhaustive and coherent sampling frame and it seriously hampers the possibilities of using the SBR as the frame for surveys.

**2:** *The quality of addresses in the SBR is poor* – it is estimated that approx. 40 percent are incorrect. This hampers the credibility of the SBR, the cost-effectiveness of the data collection and could affect the accuracy of the statistical output.

**3:** *There is no external data source for activity codes.* Currently (i.e. with only 15.000 units in the SBR), this is not a major problem, but if the coverage is extended to all economic actors outside the household sector, this would seriously reduce the usefulness of the SBR.

**4:** *The data model comprises only one unit type* – legal units. It is unclear to which extent current information about local units meets NSSRA’s expected future needs for geographically distributed business statistics.

**5:** *If NSSRA decides to address these challenges the current amount of resources allocated for SBR work in NSSRA will not be sufficient to manage such development projects* in addition to maintaining current operations.

## Response Burden

1: Agreement was reached with regard to the interpretation of the twinning project's objective regarding reduction of response burden. There was a common understanding that a methodology must be established and *initiatives, which will lead to approximately 20 percent reduction of the present response burden*, should be decided by NSSRA. However, the implementation of these initiatives will not necessarily be finalised during the project period.

2: It was agreed that a baseline measurement of the present burden should be conducted during the project.

3: It was agreed to base the methodology for response burden measurement on the principles of the Standard Cost Model.

## 3.2 Recommendations

### Business Register

Re extension of coverage:

- **Internal to NSSRA:** NSSRA is recommended to discuss and decide whether personally owned enterprises and public sector units should be included in the SBR.
- **In relation to external authorities:** If it is decided to include personally owned enterprises and public sector units, NSSRA is recommended to:
  - discuss possibilities for data delivery from at least State Register of Legal Persons and Tax Register,
  - discuss possibilities for attributing activity codes to business units when they initially register at the State Register of Legal Persons or Tax Register and subsequent updating as necessary, and
  - analyse which changes this will imply for the current SBR updating system.

Re quality of addresses:

- **Internal to NSSRA:** NSSRA is recommended to analyse why the quality of addresses is poor and to investigate if information from more surveys might be useful for updating the SBR.
- **In relation to external authorities:** NSSRA is recommended to:
  - discuss whether more frequent delivery of data from the Tax Authority, who has activity addresses, could reduce the percent of incorrect addresses, and
  - make contacts with other Armenian authorities with interest in high quality data on addresses with a view to exploring the possibilities of establishing an official register of unique addresses (i.e. fully numeric codes).

Re extension of SBR with local units:

- **Internal to NSSRA:** NSSRA is recommended to discuss and clarify whether the current data model suits their current and expected needs. If NSSRA should wish to include local units as a separate entity, then the data model of the SBR has to be changed.
- **In relation to external authorities:** NSSRA is recommended to discuss with other relevant govt. agencies whether they are interested in registration of local units?

Re resources available for SBR:

- If these *development projects* are decided, the NSSRA is recommended to discuss and decide how and when additional resources to specify, implement and test the new functionalities can be allocated.
- If the coverage of the SBR is extended, cf. above, the work with current maintenance will – other things equal – increase and the NSSRA is then recommended to consider whether staff in subject matter statistical divisions (i.e. the users of the SBR) could contribute to the quality assurance and how this could be done .

## Response Burden

Re baseline measurement:

- Given the available time and the current experience in NSSRA on response burdens, it is recommended to conduct a baseline measurement of the response burden based on a limited number of enterprises. Thus, NSSRA is recommended to:
  - Select two representative monthly, quarterly and annual surveys, i.e. six surveys in total.
  - Define three enterprise size groups based on the number of employees in the SBR.
  - Select five enterprises within each of the 18 combinations of representative surveys and size groups, which gives a total of 90 enterprises.

Re calculation of the response burden:

- The *overall method* for calculating the response burden should be decided. This is a precondition for collecting the relevant information from the enterprises concerned. The calculation of the burden should follow a simple formula, in order to reduce the work with this task. Thus, the NSSRA is recommended, to use the model below for this calculation:

<p><b>Minutes used x Frequency x Number of yearly reports = Yearly burden in minutes</b> <b>Yearly burden in minutes x One man hour price = Total burden in Armenian dram</b></p>
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- Only surveys which are obligatory to fill in according to the legislation of RA should be comprised by the measurement. This model is a standard international approach, which follows the guidelines in the “Standard Cost Model”.

## 4. Actions before next activity (B2)

### Business Register

#### 1. Clarification of *follow-up questions* from activity B.1

- Which variables are registered in:
  - Register of Entrepreneurial Rights (State Register on Legal Persons (public limited companies Ministry of Justice))
  - Tax register
  - Customs Register
  - Register of State and Community – (RA Treasury)
  - Register of Employment and Unemployment (RA State Service of Employment)

Especially, data on the following is called for:

- Identification-number specific to the register
- Which Identification-number(s) from other registres are in th specific register
- Name
- Address (type and quality)
- Tele-info (phone, fax, e-mail)
- Information on activity, eventually in another form than the NSSRA’s version of Nace
- Information om legal form
- Information on turnover (yearly, quarterly, monthly)
- Information on employees (number or individual records, calculate e on a given day or as an average over a period (month/year), how the information is set)
- Date for registration/cessation

It is of interest to know how often each information-type is updated.

It is of interest to know if the information can be stated at both legal nevel and local level.

Eventually the relevant articles in the adopted laws can be translated to English, see below.

- Where are data on personally owned enterprises (sole proprietors) registered? With which variables? How is data registered? Do we know something about the quality?
- Where are data on public sector units registered? How are the units defined? Which variables are registered? How is data registered? Do we know something about the quality?
- Is access to these data restricted? By what?
- In which form could data be delivered?
- How are the different categories of businesses defined in the Tax Register? Is there any information about turnover connected to the individual enterprise?

#### 2. Correction of numbers:

- Number of Legal Persons registered in State Register on Legal Persons is approx. 15,000. All are in SBR.
- Personally owned enterprises are registered in State Register on Legal Persons. The number of the enterprises is unclear – different numbers were mentioned during the mission. In any case, only a small proportion of these are in the SBR.

#### 3. Gathering and translation of available *documentation*:

- Relevant legal texts (in English) about NSSRA’s access to administrative data.
- Data model of the actual SBR? (SD will send a guideline to show what is meant.)

- A description on the process for updating the activity address from the registration in the State Register on Legal Persons, updating by information from the Tax Register to updating from a survey.
- A description on the on-line query system.

Written feedback/documentation on point 1, 2 and 3 should be sent to the MS Experts two weeks in advance of activity B.2.

#### 4. Decision on extended coverage:

- Principle decision on including personally owned enterprises and public sector units in SBR – eventually to be finally implemented when access to administrative data is agreed on.
- Principle decision on including the local unit in SBR – eventually to be finally implemented after the twinning project.
- Search for demanded information in:
  - Register of Entrepreneurial Rights (State Register on Legal Persons (public limited companies Ministry of Justice?))
  - Tax register

#### 5. Initiation of *external contacts* / “lobbying”:

- Contact who you find relevant to persuade.
- Invite stakeholders at high level once more for a presentation of the Danish system.

## Response Burden

- The representative surveys must be selected and the target group of enterprises must be defined in order to prepare the baseline measurement.

It must be decided how to collect the information on time used by enterprises to fill in the questionnaires, i.e. via telephone interviews, or via a separate questionnaire. The information should be gathered directly from the relevant enterprises. A separate questionnaire is the preferred solution by NSSRA. An example of a possible supplementary questionnaire is given in annex 7.C.

- The work related to reducing the response burden will challenge and change the existing work routines in NSSRA and in order to ensure the organisational setup it is necessary to:
  - decide the organisational setup for the work related to the baseline measurement of the response burden.
  - define the areas which will be subject to a detailed analysis of administrative burdens. These areas will depend on the results of the baseline measurement.

# Annex 1. Terms of Reference

## *Activity B.1 and B.3.1 Identification of issues*

### **1. Purpose of activity**

The purposes of the activity are:

- To assess the functioning Business Register of NSSRA;
- To assess the structure of the unit levels of the Business Register of NSSRA;
- To assess the present reporting forms for the Structural Business Survey of NSSRA;
- To discuss the methodologies of measuring respondent burden;
- To discuss the perspectives and possibilities of updating the Business Register of NSSRA with data from administrative registers and the potential benefits;
- To discuss what the European Union regulations/recommendations/standards are on Business Register, and what they may imply for the NSSRA;
- To inform about and possibly involve relevant external stakeholders in the work.

### **2. Expected output of the activity**

The expected outputs of the activity are:

- An analysis of the current Business Register of NSSRA;
- An analysis of the current reporting forms for the Structural Business Survey;
- Clarification of NSSRA's objectives with regard to measuring response burden and the lining up of available data sources for the measurement;
- External stakeholders informed about the work;
- A lining up of work programme for the next activity (B2);
- To decide upon the preferred timing of the next activity (B2).

### **3. Project Participants**

**Mr. Gagik Ananyan, Member of State Council on Statistics** (*BC Component Leader*);

Mr. Ashot Ananyan, Head of Industry Statistics Division;

Mr. Georgy Torosyan, Head of Transport and Communication Statistics Division;

Ms. Mariam Petrosyan, Head of Construction Statistics Division;

Ms. Anahit Harutyunyan, Head of Trade and Other Services Statistics Division.

Mr. Søren Schiønning Andersen (SSA), Head of Foreign Trade and Balance of Payments Division, Statistics Denmark (*MS Component Leader*);

Mr. Carsten Zornig (CZO), Deputy Head of Division, Data Collection and Methodology; Statistics Denmark;

Ms. Vibeke Skov Møller (VSM), Chief Adviser, Business Register, Statistics Denmark;

Ms. Ashu Conrad (SMC); Senior Advisor, Data Collection and Methodology, Statistics Denmark.

#### *External Stakeholders taking part in the activity*

State Register of Enterprises, Ministry of Justice; State Revenue Committee, Tax Register; Ministry of Energy and Natural Resources; Ministry of Urban Development; Municipality of Yerevan City; Regional municipalities; General Department of Civil Aviation; Road Police Department.

## Annex 2. Programme for the mission 28 March–1 April 2011

<b>Time</b>	<b>Place</b>	<b>Event</b>	<b>Purpose / detail</b>
Monday, morning	Congress Hotel	Meeting with RTA	To discuss the programme of the week
Monday, afternoon	NSSRA	Meeting with BC Component Leader and Experts	Overview of the functioning of the Business Register of NSSRA including the use of the Structural Business Survey as source for updating
Tuesday, morning	NSSRA	Workshop	MS Experts' presentations and discussion of EU standards related to Business Register (VSM and SSA).
Tuesday, afternoon	NSSRA	Meeting with NSSRA Methodology Division	To present different aspects of response burden and to discuss the possibilities of measuring the response burden.
	NSSRA	Meeting with BC Component Leader	To discuss and plan next day's workshop with external stakeholders
Wednesday, morning	NSSRA	Workshop with external (potential) data suppliers	Presentation of the way the Danish SBR is organized and updated. Discussion of future developments of the SBR of NSSRA.
Wednesday, afternoon	NSSRA	Meeting with Methodology Division and SBS Division	Analysis of the reporting forms for the Structural Business Survey focusing on <i>content/variables</i>
		Meeting with BC Component Leader	Clarification of NSSRA's objectives re measuring respondent burden and available data sources
Thursday	NSSRA	Meeting with Transport Statistics Division	To discuss the reporting forms for the annual transportation survey. Discussion of how to improve error correction procedures etc.
		Ad-hoc meetings	Input to report writing
Friday, morning	NSSRA	Ad-hoc meetings	Input to report writing
Friday, afternoon	NSSRA	Ad-hoc meetings	Input to report writing
Friday, afternoon	NSSRA	Debriefing with BC Project Leader	Conclusions and decisions and their consequences for the next activity and the implied work programme for BC Experts

## **Annex 3. Persons met**

Mr. Gagik Ananyan, Member of State Council on Statistics (BC Component Leader)  
Mr. Ashot Ananyan, Head of Industry Statistics Division;  
Mr. Georgy Torosyan, Head of Transport and Communication Statistics Division;  
Ms. Mariam Petrosyan, Head of Construction Statistics Division;  
Ms. Anahit Harutyunyan, Head of Trade and Other Services Statistics Division.

Ms. Lilit Petrosyan, Statistical Work Methodology and Classifications Division  
Mr. Laert Harutyunyan, Business Register Division

### **Workshop Participants:**

#### External Stakeholders:

State revenue committee, Sergey Paturyan, Head of data processing division  
Twinning Project on Standart Cost Model RTA, Nina Niva  
Municipality of Yerevan  
Road Police Department  
General Department of Civil Aviation  
Ministry of Urban Development  
Ministry of Justice State Register of Legal entities

#### NSSRA

NSSRA Council Member  
NSSRA Business Register division  
NSSRA International Cooperation division  
NSSRA Labour Statistics division  
NSSRA Industry Statistics division  
NSSRA Trade and other Serices Statistics division  
NSSRA Construction Statistics division  
NSSRA Transport and Communication Statistics division  
NSSRA Information Resources Management and Technologies Department

# Annex 4: Summary of fact finding about SBR and reduction of response burden

## Purpose

The purpose of this annex is to summarise the findings about the current situation in NSSRA with regard to SBR and reduction of response burden, which are two of the main aspects in this component.

For each of the questions discussed with the NSSRA staff and managers the answers/findings are put in **red text**.

## A. Statistical Business Register (SBR)

1. *Legal basis* 1.1. What is the legal basis for running the SBR? Is it the same as for the NSSRA as a whole or does it have a separate legal basis?

The SBR is run under the same legal basis as the rest of the NSSRA activities. It would be helpful to have the relevant legal texts available in English as soon as possible in order to better understand the opportunities enacted by the legislation.

2. *Content and data sources for the SBR* 2.1. Does the NSSRA have access to SBR data from external registers?
- Administrative register – which ones?
  - Commercial records – which ones?

The NSSRA receives extracts from two administrative registers:

Firstly, NSSRA receives data from the *State Register of Legal Persons* under the Ministry of Justice: The extract from this register, which is where the initial registration of businesses takes place, covers approx. 15.000 legal units. In practice these are all incorporated enterprises, i.e. public limited companies.

Secondly, NSSRA receives data from the *Tax Authority*: The extract seems to covers the same enterprises as the extract from *State Register of Legal Persons*.

Apart from the *identification\_no*, *name*, *address*, *phone\_no.*, *date of creation/cessation*, *legal form* and *name/addresses of founding person(s)*, the variables in the two registers is currently not well known to the MS Experts and a list of variables (and lists of values for the variables) is needed. The MS Experts have the impression that more variables in these two external registers would probably be of value to the SBR.

Not surprisingly, the usage of two complementary sources leads to persisting problems with matching of units and data. The existence (or nature) of priority-/preference rules between the two sources is currently not known to the MS Experts.

An important example where data sometimes conflict is with regard to addresses (district\_code/index\_code, road\_name (in free text format) and house\_no. Note that the absence of an exhaustive numeric code for addresses implies that automated logical checks of the validity of an address are not possible.)

The *State Register of Legal Persons* registers both *official and activity addresses*, whilst the *Tax Authority* registers only *the address where the activity takes place*. Even if there is activity on several locations only one address is registered. In the SBR the NSSRA registers both these addresses. The activity address received from the *Tax Register* is only used, if no such address has been received from the *State Register of Legal Persons*.

The *names of enterprises used to be approved* via a separate register of names run by the Ministry of Economy. It has been decided to introduce ‘one-window-system’ and therefore the Name Register is being transferred to the State Register of Legal Persons.

The SBR comprises 5-digit activity codes, which is a national subdivision of NACE rev. 2. The codes are assigned via an annual update survey, where all units in the SBR are asked to inform about profits and employment for up to five activities in order to determine the main activity. See also point 2.7 below.

The MS Experts were informed that there is no obligation on businesses to update information in the registers which is no longer valid. External updates thus rely solely on the administrative tasks of the *State Register* and the *Tax Authority*.

Obviously, close and good relations between the two authorities and NSSRA are essential. NSSRA can contribute with knowledge of standardized definitions useful for all administrative registers, and NSSRA wants to look carefully to the definitions used in EU.

There is no acquisition or usage of commercial data.

- 2.2. Does some of the administrative registers (e.g. TAX) have data on the level of economic activity (e.g. turnover and/or employment)?

The Tax Authority’s register holds data about tax payments. The businesses are divided up in different categories. Some small businesses only pay a fixed amount. The categories are not known to the SBR team. It is unclear to which extent these figures reflect the level of economic activity (turnover).

- 2.3. Which identifiers (ID-number(s), name etc.) are used in the administrative registers? Are they also used in the SBR?

The *State Register* uses two identifiers:

- The *State\_Registration\_no*, which is a random numeric code that remains unchanged through the lifetime of the enterprise.

- The *Enterprise\_no*, which carries information about the legal form and the marz (i.e. geographical district) of the enterprise. Thus, the code can change during the lifetime of the enterprise.

The *Tax Authority* also uses two identifiers:

- The *Tax\_payer\_no*, which is a random numeric code that remains unchanged through the lifetime of the enterprise.
- The *Enterprise\_no*, which is the same as in the State Register.

The NSSRA uses all three identifiers in the SBR and does not attribute new/separate statistical identifiers to the units.

A new legislative initiative aims to ensure that as from 1 July 2011 newly registered enterprises will get both a *State\_Registration\_no* and a *Tax\_payer\_no* at the same time when they initially register.

It also seems there is a long term objective for the RA to have only one (unique) *identification\_no* for Armenian enterprises to be used by all relevant public authorities. However, no concrete information about this initiative (timeline etc.) and the above-mentioned new law was available during this mission.

- 2.4. Has the delivery of data from administrative registers been formalised in written agreements and technical protocols? How does the cooperation work in practice? Do you deliver data to the administrative registers?

There is a written protocol for the monthly delivery from the *State Register*, whilst the annual delivery from the *Tax Authority* hinges on a written request from the President of the NSSRA to the *Tax Authority*. Any problems in relation to these deliveries are not known to the MS Experts.

- 2.5. How does the actual data delivery from administrative registers work? Batch deliveries? Fixed line(s), CD, or?

Currently, the delivery from both administrative registers is in the form of “total-copies”, but it is being considered to change this practice to only receiving updates.

Similarly, the delivery is in electronic format on a physical medium, but it is being considered to change this to a purely electronic delivery (batch).

- 2.6 How often do you receive data from the administrative registers?

Data are received from the *State Register of Legal Persons* on a monthly basis and data from the *Tax Authority* are received on an annual basis.

- 2.7. Are internal sources in the NSSRA utilised to maintain the SBR?

NSSRA conducts an annual update survey, where all units in the SBR are asked to inform in which periods they are active and about their

profits and employment. In this way the main activity is determined. The reason for this is – among others – that the Tax Authority does not deliver turnover and employment figures at unit level. The questionnaires for the update survey are shown in annexes 5 and 6.

With the current 15,000 units this is feasible, but if the coverage of the SBR is extended to all enterprises in RA this may not be a feasible approach – firstly due to the response burden and secondly due to the costs.

An alternative possibility which should be explored could be to:

- a) assign activity codes (according to NACE rev. 2) to the enterprises when they register at the *Tax Authority* and
- b) make it obligatory for enterprises to update their registration if/when they change activities.

Similarly, it must be explored how administrative data – e.g. from the *Tax Authority* – on turnover and employment can be re-used for NSSRA's SBR.

The extent of contributions from subject matter statistical divisions to the maintenance of the SBR (i.e. feedback of errors and proposals for corrections) is unclear, but all forms with corrections are sent to the SBR team, and new information about e.g. addresses is entered into the SBR. Information about from where the address is received is registered in the SBR.

3. *Types of unit* 3.1. Which types of units do the SBR comprise? (According to EU standards it should comprise legal units, enterprises and local units.)

Both the *State Register* and the *Tax Authority's* register only comprise legal units and no units on establishment level, i.e. local units, are registered as a separate entity.

The availability of information about local business units in Armenia depends on whether they produce/report separate accounts. This means that if a large enterprise with local units in several geographical locations produces consolidated accounts for the whole enterprise, there will be no registration of the different geographical locations. Conversely, if a smaller enterprise with activities in only two different locations produce separate accounts, these units will be registered, but as two separate legal units in the *State Register*. Against that background, it could be said that the definition of units in the State Register is not clear – at least it is not fully in line with the EU definition.

The addresses in the *Tax Authority's* register fulfil the definition of the local unit (i.e. where the activity takes place), so for enterprises with activity in only one location, the Tax Authority's register could be said to hold local units.

Personally owned enterprises are also registered by both the *State Register* and the *Tax Authority's* register, but in separate databases. They are assigned with a *Tax\_payer\_no*, but not with an Enter-

prise\_no. It is unclear how many of these enterprises there are in RA – different numbers were mentioned. However, only a small proportion is delivered to NSSRA, but the reason for this limited coverage is not clear to the MS Experts. (Until relatively recently it was not allowed for personally owned enterprises in Armenia to have paid employment, but that legal restriction has been lifted.)

4. Coverage 4.1. Does the NSSRA have a picture of the coverage of the SBR?

As mentioned above, the SBR currently covers approx. 15,000 enterprises (limited companies), but only very few privately owned enterprises.

There are no public sector units (state and local government) in the SBR. It seems these units are registered in another government authority, but the MS Experts are not aware of how these are defined on the different levels of government. There are no longer any state-owned market oriented enterprises (a few are partially owned by the State).

Also, there are no agricultural units/holdings in the SBR. Most agricultural holdings in RA are very small (1.2 hectares on average) and it is likely that many will not be relevant to the SBR, but could preferably be considered as households and covered by other statistical instruments, e.g. the farm structure survey.

The coverage of the SBR units in terms of percentage of GDP is unknown.

5. Technology 5.1. Does the NSSRA have a methodology document, “manual” or similar for the development and maintenance of the SBR?

The MS Experts have seen the screens and fields of the SBR user interface, but no documentation has been made available. A short summary of the current updating routines would be useful to have in English.

It is, however, the impression that updates from the *State Register of Legal Persons* and the *Tax Authority* are received as Microsoft Access database files and simply loaded using the SPSS-software into the system without further processing. NSSRA has the possibility to update/correct addresses. If an address is corrected the address from the next delivery from the *State Register of Legal Persons* and the *Tax Register* are not used.

Old data are stored in separate tables, and some data, e.g. profit and employment, can be queried from the user interface.

Similarly, extracts from the SBR to statistical divisions for survey purposes are made via SPSS and delivered in the form of Microsoft Access database files. Fixed data tables have been defined for the individual surveys.

6. Strategy 6.1. Is the development, maintenance and usage of the SBR addressed in NSSRA’s strategic plans?

No strategy document in English has been available for the MS Experts, but it is clear to the MS Experts that the role of the SBR in the statistical production process – and especially in relation to reduction of response burden – has the attention and strong support from the top management of the NSSRA.

Similarly, this area has strong management attention and support due to the role of the SBR in the overall vision and strategy for the NSSRA to shift the production of statistics (and the SBR) to be based on administrative data/registers, which reflect the statistical needs and international standards (definitions, classifications etc.).

In relation to the usage of administrative data there is a strong awareness about pursuing and implementing only “one-way” delivery, i.e. *from* administrative register to the SBR in order to maintain statistical confidentiality and public trust.

- 6.2. Is there a clear picture of which parts of the Armenian economy which NSSRA wish to cover in surveys underpinned by the SBR and which parts are underpinned by other surveys, e.g. agricultural and social surveys, or censuses?

There is an awareness of the current limited coverage, but there is not a clear picture of which coverage to aim for. This is among the top issues to consider and decide for NSSRA.

7. Organisation 7.1.

- Is there a specific SBR team with devoted resources?

There is a dedicated SBR team of four persons (full time) centrally in the NSSRA. It is the impression that the regional offices do not play any role in relation to the SBR.

- 7.2 Does the SBR team include programmers?

All programmers in NSSRA are in the central IT department. One programmer is assigned only to SBR tasks. The head of Business Register division is a programmer himself.

- 7.3. Where is the SBR team in the NSSRA organisational structure? (Is it in the same department as the main users?)

The SBR team belongs to the Business Statistics Division, under the responsibility of Mr. Ananyan.

- 7.4. At which managerial level is the head of the SBR team? (I.e. is the head of the SBR involved in decisions on the usage of the SBR?)

Unknown

8. Resources 8.1.

- How many staff members work on SBR tasks? (in numbers and full time equivalents)

- Academic staff (statisticians or methodologists): 1 person
- Programmers: 1 person

- Clerical staff: 3 persons

8.2. How many of the resources (percentage) are used for the current running of the SBR and how many are used for development?

The members of the SBR team use all their time to the current running of the SBR.

8.3. Could resources be transferred from other parts of the NSSRA – e.g. on a part time basis?

Unknown – to be considered by NSSRA depending on the scope of NSSRA's objectives for the improvements to the SBR system during this twinning project.

9. Usage and cooperation  
with users

9.1. Which surveys do currently use (extracts from) the SBR?

The MS Experts were informed that abstracts from the SBR were used to conduct frame for all relevant surveys, either for making a sample or a total investigation. The information on names and addresses from the SBR are used. There seems not to be internal collaboration problems.

9.2. Can staff members in the statistical divisions access the SBR system and query data on individual business units – e.g. in relation to validation of statistical data?

The demonstrated user interface of the SBR system is a newly developed proto-type which is only accessible for the four persons in the SBR team. Other staffs in NSSRA do not have on-line access to this system.

9.3. Is there any sort of cooperation with or involvement of the statistical methodology department?

The Statistical Methodology Division is consulted about the classification of variables, EU requirements and improvement of methodology.

10. Quality 10.1. Does the NSSRA have a picture of the current quality of the SBR data (e.g. the percentage of questionnaires not being delivered at the address, or percentage of units which the interviewer could not find at the address)?

The quality of addresses is considered a significant problem for the conduction of surveys, and the SBR team in NSSRA assess that approx. 40 percent of addresses in the SBR are incorrect.

## B. Response burden

Delimitation 1. Is it correctly assumed that burden reduction is only an issue in relation to private enterprises, and not households and public sector?

Currently, the experience in NSSRA on measuring the response burden, has until now been rather limited. According to the expectations at this moment, the reduction on burdens will be related to the existing surveys. Thus, the current work will focus on reduction on burdens related to private enterprises.

- Legal basis* 2. Is the right to collect data from private enterprises enacted in the legal basis for NSSRA? Is data delivery mandatory or voluntary? Do you have a list of business surveys (e.g. a subset of the Statistical Programme)

The general right to collect data from private enterprises is enacted in the legislation. However, on the detailed level, it should be subject to further examination, into which extent, the individual variables are enacted in the legislation.

- Ongoing projects* 3. Do you already measure the burden today? How? Do you wish to comply with the principles of the Standard Cost Model?

Due to the limited experiences in NSSRA relating to these issues, the principles for measuring the response burden has not been defined yet.

4. Do you already have ongoing projects in relation to reduction of the response burden?

At this moment, no specific projects are going on in NSSRA. This twinning project will propose a number of activities on the reduction of the response burden, which will be carried out in the short run as well as in the long time.

- Coordination* 5. Is the measurement of burden limited to NSSRA, and is there any coordination with other Government authorities (e.g. Ministry of Finance or Companies House)

The burden reduction within this project, will only concern the burden on enterprises, which are related to statistical issues.

However, a twinning project on better regulation is currently going on in Armenia, and will continue for additional one year (project specifically on the Standard Cost Model). Some activities, initiated from this twinning project could influence on the work carried out by NSSRA, e.g. if the initiatives will influence on the existing legislation.

Thus, the work carried out by these two twinning projects, should to some extent be co-ordinated.

- Target* 6. Does the government of Armenia (or the NSSRA mgt.) have a fixed target for burden reduction (like the 25 percent target in Denmark from 2001 to 2010)?

No general targets on the reduction of burdens have been defined.

Within this twinning project, it has been agreed with NSSRA, that initiatives, which enables at reduction on approximately 20 per cent, must be decided within the end of the project period.

These initiatives can be implemented during the project period, but might also be part of a long running strategy, and these initiatives will most likely not be implemented during the project period.

- Instruments* 7. Which instruments do you currently use for data collection from businesses?
- Economic Census'?
  - Sample surveys? If yes, do you optimise sample sizes?
  - Surveys with cut-off? If yes, which cut-off's do you typically use?

This topic should be subject to further investigation.

- Data collection tools* 8. Which media/channels do you currently use for data collection from enterprises?
- Personal interviewing
  - Paper questionnaires (by normal mail)
  - Electronic questionnaires
  - System-to-system solutions

At this moment, NSSRA is using as well personal interviewing as questionnaires. The primary reporting channel is paper questionnaires, which are sent to the enterprises and returned by ordinary mail.

Some questionnaires have also been made available for the enterprises via the NSSRA homepage on the internet. A questionnaire, which is available on the internet can be filled in several ways.

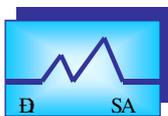
- All questionnaires can be printed and returned by ordinary mail
- Some questionnaires can be filled in directly on the screen, printed and returned by ordinary mail
- If the enterprise has made an agreement with the NSSRA, questionnaires, which are filled in on the screen, can be sent directly to NSSRA via e-mail.

- Updating of survey populations* 9. How do you update your survey populations in statistical domains not covered by the SBR?

This topic should be subject to further investigation.

- Use of administrative data* 10. Do you currently use administrative sources for the production of business statistics? In which areas?
- Does the legal basis of the NSSRA give access to public registers?
  - Are there any official objectives or principles for burden reduction via reuse of public data?
  - Do you see areas with potential for increased use of administrative data? In which areas and from which sources?

This topic should be subject to further investigation.



**Annex 5: NATIONAL STATISTICAL SERVICE OF RA  
STATE STATISTICAL OBSERVATION QUESTIONNAIRE**

**STATISTICAL BUSINESS (ENTREPRENEURAL) REGISTER QUESTIONNAIRE**

*By 10-month results of 2007*

*Anonymity of provided information is guaranteed.*

*Non-presentation of necessary statistical information for state statistical observations or presentation with the violence of the defined order (not reliable data, their incomplete reflection and misrepresentation) cause to responsibility of statistical information providers according to the order*

*Confirmed by Resolution No 05-N dated 14 March 2003 of the State Council on Statistics of RA.*

**1. Registration number in the State Register**

*(should be completed according to the registration certificate)*

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**2. Tax payer registration number (eight digit)**

*(should be completed according to the certificate given by tax authorities)*

--	--	--	--	--	--	--	--	--

**3. Individual entrepreneur's full name**

\_\_\_\_\_

**4. State registration address of individual entrepreneur**

4.1 marz \_\_\_\_\_ code\* 

--	--

4.2 community \_\_\_\_\_ code\* 

--	--	--

4.3 settlement \_\_\_\_\_

4.4 street, building, apartment \_\_\_\_\_ postal code    /    /    /    /

4.5 phone(s) \_\_\_\_\_

**5. The real address of the activity of individual entrepreneur**

*(should be completed if there is difference with state registration address)*

5.1 marz \_\_\_\_\_ code\* 

--	--

5.2 community \_\_\_\_\_ code\* 

--	--	--

5.3 settlement \_\_\_\_\_

5.4 street, building, apartment \_\_\_\_\_ postal code    /    /    /    /

5.5 phone(s) \_\_\_\_\_

**6. The type(s) of activities implemented during the reported year**

6.1 \_\_\_\_\_ code\* 

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6.2 \_\_\_\_\_ code\* 

--	--	--	--	--	--

6.3 \_\_\_\_\_ code\* 

--	--	--	--	--	--

**7. Net profit received from sale of products, goods, work, services (excluding value added and excize taxes) by types of activities mentioned in item 6\*\***

7.1 \_\_\_\_\_ thousand drams

7.2 \_\_\_\_\_ thousand drams

7.3 \_\_\_\_\_ thousand drams

7.4 **Total** \_\_\_\_\_ thousand drams

**8. Average payroll number of employees by types of activities mentioned in item 6\*\***

8.1 \_\_\_\_\_ person

8.2 \_\_\_\_\_ person

8.3 \_\_\_\_\_ person

8.4 **Total** \_\_\_\_\_ person

**9. Currently (at the time of completion of the questionnaire), whether the individual entrepreneur is active or no (please specify by (v))**

9.1 

<b>YES</b>	
------------	--

      9.2 

<b>NO</b>	
-----------	--

**10. Please specify the months when the individual entrepreneur worked during the reported year (v)**

January	February	March	April	May	June	July	August	September	October

11. Individual entrepreneur \_\_\_\_\_ /signature/

12. Date of completion \_\_\_\_\_

13. Executor \_\_\_\_\_ (Name, Surname) \_\_\_\_\_ /signature/

\* Codes should be completed by the National Statistical Service of RA, taking discussions with individual entrepreneur.

\*\* In case of absence of exact data on net profit of employees and number of employees by types of activities, please give your estimations.

## INSTRUCTION

### On completion of questionnaire on statistical business (entrepreneurial) register by individual entrepreneurs

#### 1. General statements

This instruction determines the principles of completion of statistical business (entrepreneurial) register survey questionnaire and developed according to the resolution number 51, dated 29 May 2001 "On Adoption of the Order on Maintenance of Statistical Business (Entrepreneurial) Register" confirmed by the State Council on Statistics of RA.

Business (entrepreneurial) register is a statistical informational register, which is maintained for carrying out of statistical observations, organization, co-ordination and implementation of work on sample design.

The questionnaire is completed by all individual entrepreneurs registered in the State register of legal units of the Ministry of Justice of RA.

The data in the questionnaire should be completed independently by the providers of statistical information, except the cells (codes) mentioned by (\*), which are completed by divisions of the National Statistical Service of RA. The types of activity mentioned in the item 6 should be completed by individual entrepreneurs taking discussions with appropriate specialists of the National Statistical Service of the Republic of Armenia.

The questionnaire is completed based on the results of reporting period.

#### 2. Completion order

**Item 1** "Registration number in the State Register" should be completed according to the appropriate lines of the registration certificate given by State register of the Ministry of Justice of RA. In **item 2** should be completed the "Tax payer registration number" given by the State Tax Service under the RA Government.

**Item 3** «Individual entrepreneur's full name» and **item 4** «State registration address of individual entrepreneur» should be completed based on certificate given to individual entrepreneur.

**Item 5** «The real address of the activity of individual entrepreneur» should be completed, if there is difference with state registration address.

In **item 6** " The type(s) of activities implemented during the reported year " the all types of activities (either main or secondary) implemented during the reported period, by the descending sequence of net revenue should be completed. The item should be completed by individual entrepreneurs taking discussions with appropriate specialists of the National Statistical Service of the Republic of Armenia.

The **item 7** "Net revenue received from realization of goods, products and service sales (without value added and excise taxes) by the types of activities" should be completed based on the regulations and principles on accounting and financial reports. The order of the indicators completed here should be the same as the order of types of activities in item 6.

In **item 8** should be completed the average payroll number of employees for reporting period.

In case of absence of exact data on number of employees by types of activities, please give your estimations. The order of data in this item should be the same as the order of type of activities (net revenues) in item 6 (and 7).

In **item 9** «Currently (at the time of completion of the questionnaire), whether the individual entrepreneur is active or no» please specify by (v) YES or NO.

«Active» means implementation of activity, i.e. availability of production volume or net revenue for any type of activity.

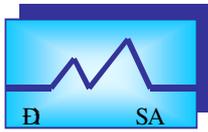
In **item 10** «The months when the individual entrepreneur worked during the reported year» please tick (v) in the cells for those months when the individual entrepreneur was active.

**Item 11** “Individual entrepreneur” should be signed by individual entrepreneur.

In **item 12** the date of completion should be filled in.

In **item 13** the name and surname of executor should be completed and signed by later.

In case of any questions concerning the questionnaire completion, please contact Business-register division of the National Statistical Service of RA by the following phone number: **524245**.



NATIONAL STATISTICAL SERVICE  
REPUBLIC OF ARMENIA

## Annex 6: STATISTICAL BUSINESS (ENTREPRENEURAL) REGISTER QUESTIONNAIRE (Annual)

By the results of 2007

**Confidentiality of the information presented is guaranteed by RA Law « On State Statistics ». According to the RA Law « On State Statistics », the information obtained during the interview will be used only in the summarized form for analysis of the statistics on passenger transportation.**

*In case of non presentation of statistical information necessary for the state statistical observations or presentation with violation of the determined order (nor reliable data, their reflection not in full volume and other misrepresentation) the organizations covered by the sample are called to responsibility according to the order determined by the Law”.*

**Confirmed**

By the Resolution N 04-N dated 14 March 2003 of the State Council on Statistics, National Statistical Service of RA

**Should be submitted to the**

Marz Agency of the National Statistical Service of the Republic of Armenia

**Submitted by :** Legal persons

**Date of submission**

Before the May 1 following the reporting year

**1. Legal person code (eight digit)**

(completed according to the registration certificate)

--	--	--	--	--	--	--	--

**2. State registration number**

(completed according to the registration certificate)

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**3. Tax payer registration number (eight digit)**

(completed according to the certificate given by tax authorities)

--	--	--	--	--	--	--	--

If you are agree that the National Statistical Service of RA provides the information presented under the next 4-13 items to other institutions or the third persons in case of request, then please specify here “YES”. If you are agree that the NSS RA provides only some of your indicators, then please specify note “YES” for the appropriate item.

**4. Legal person full name**

**5. Organizational and legal type**

\_\_\_\_\_ code\*

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**6. Founders (participants)\*\***

1. state 2. community 3. legal person 4. citizen

Please specify, if foreign participation

1		2		3		4	

**7. Legal person address**

marz \_\_\_\_\_

community \_\_\_\_\_

settlement \_\_\_\_\_ postal code / / / / / / / /

street, building, appartement \_\_\_\_\_ phone(s) \_\_\_\_\_

e-mail \_\_\_\_\_

code\*

--	--

code\*

--	--	--	--	--	--	--	--

**8. Types of activity(ies) implemented in the reference year**

1. _____	code*	<input type="text"/>
2. _____	code*	<input type="text"/>
3. _____	code*	<input type="text"/>
4. _____	code*	<input type="text"/>
... _____	code*	<input type="text"/>

**9. Net profit received from sale of products, goods, work, services (excluding value added and excize taxes) by types of activities mentioned in item 8**

1. \_\_\_\_\_ thousand drams

2. \_\_\_\_\_ thousand drams

3. \_\_\_\_\_ thousand drams

4. \_\_\_\_\_ thousand drams

... \_\_\_\_\_ thousand drams

Total \_\_\_\_\_ thousand drams

**10. Average payroll number of employees by types of activities mentioned in item 8 \*\*\***

1. \_\_\_\_\_ person

2. \_\_\_\_\_ person

3. \_\_\_\_\_ person

4. \_\_\_\_\_ person

... \_\_\_\_\_ person

Total \_\_\_\_\_ person

**11. Real address of main activity implementation**

(completed, if differs from the address mentioned in item 7)

marz \_\_\_\_\_ code\*

community \_\_\_\_\_ code\*

settlement \_\_\_\_\_ postal code / / / / / / / /

street, building, appartament \_\_\_\_\_ phone(s) \_\_\_\_\_

e-mail \_\_\_\_\_

**12. Please specify the months legal person worked during the reference year (v)**

January	February	March	April	May	June	July	August	September

**13. Information on branches (including foreign) name, address, etc** (please completed the data on branches not considered a legal person in the Annex 1).

**14. Name of manager** \_\_\_\_\_

/signature/

**15. Date of completion** \_\_\_\_\_

\* Codes should be completed by the National Statistical Service of RA, taking discussions with the appropriate experts of the legal person  
 \*\* if several founders (participants), take notes (v) in relevant boxes  
 \*\*\* If correct data are absent on number of employees by distribution of activity type, please give your estimation

## Annex 7.A: Measuring response burden

This annex comprises a description of a model, which will allow NSSRA to calculate a baseline measurement of the statistical response burden in Armenia.

A simple measure for the response burden is to determine the time used to fill in the questionnaires for each of the business related surveys. This comprises both the time used when data are filled into the questionnaire and the time used to find the relevant information.

The response burden should be measured, using a stepwise approach:

1. Define representative surveys
2. Define target group of enterprises
3. Calculate the response burden

Only surveys, which are obligatory to fill in according to the legislation, should be comprised by the calculation.

### *Defining the representative surveys*

NSSRA has 41 business related surveys, and the total response burden should – ideally – be based on a measure for each of these surveys.

To reduce the extent of work used to calculate the response burden, it should be considered to select a set of surveys, which are representative for the 41 business related surveys. A pragmatic solution could be to define the representative surveys as 3 monthly surveys, 3 quarterly surveys and 3 yearly surveys.

### *Defining the target group of enterprises*

When the representative surveys have been defined, the time used to fill in the questionnaires for a these surveys should be determined. This time could be examined in several ways, e.g. via:

- a full scale survey sent to all enterprises comprised by the survey
- a survey-in-survey approach among a representative number of enterprises

Due to the importance of this task, and the rather limited time available for this exercise, a “survey-in-survey” approach should be considered.

Thus, the efforts should focus on the delimitation of the representative enterprises. In this case, several alternatives could be considered. The representative enterprises could e.g. be defined as a limited set of enterprises, which are randomly selected from the survey population:

- without any restriction
- divided on size groups, i.e. small, medium-size and large enterprises
- divided on size groups and NACE groups, i.e. small, medium-size and large enterprises subdivided into the NACE groups, which are relevant for the survey

To avoid a very complex delimitation of enterprises it should be considered to select the representative enterprises among the survey divided into size-groups. This will ensure that different working routines in the different kinds of enterprises are taken into account. Similarly, the distinction on NACE groupings are indirectly taken into account via the definition of the survey.

A comprehensive approach regarding size groups could be:

- small enterprises: 1-9 employees
- medium size enterprises: 10-49 employees
- large enterprises: 50- employees

The number of employees should be based on the information from the Business Register, defined as the number of employees registered at the legal unit. The number of employees within each size group should depend on the actual distribution of employees registered on the enterprises in the Business Register.

When the above-mentioned decisions have been made, the number of enterprises within each target group should be decided. A proposal could be to determine 5 enterprises within each target group as indicated below.

*Map of representative enterprises*

	<i>Small enterprises</i>	<i>Medium size enterprises</i>	<i>Large enterprises</i>
<i>Monthly survey no. 1</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5
<i>Monthly survey no. 2</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5
<i>Quarterly survey no. 1</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5
<i>Quarterly survey no. 2</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5
<i>Yearly survey no. 1</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5
<i>Yearly survey no. 2</i>	Enterprise 1-5	Enterprise 1-5	Enterprise 1-5

When these enterprises have been delimited and the time for filling in the questionnaire for each survey has been determined, the average time for filling in the questionnaires can be filled into the same table. Based on this, it should be possible to calculate the base measure of the response burden.

*Collecting information from the enterprises*

Based on the enterprises within each cell of the table, the time used to fill in the questionnaires should be collected.

This information can be collected in several ways, e.g. via:

- telephone interviews
- a separate questionnaire
- personal visits on the enterprises

A separate questionnaire is the preferred solution by NSSRA. An example on a possible supplementary questionnaire is given in annex 7.C.

Due to the limited time available for this exercise it should be considered either to use a separate questionnaire or telephone interviews.

Interviews via telephone are the fastest and the easiest way of communicating, but will cause individual results due to individual interview styles and due to time-lags between the time between the questionnaires are filled in and the time for the interview.

A separate questionnaire is the most precise data collection method as this questionnaire can be filled in immediately after the survey questionnaire has been completed. On the other hand, this is a more time-consuming data collection method, as a separate questionnaire must be provided to the enterprise together with the survey – which may not necessarily be carried out during the coming months.

### *Calculating the response burden*

When the representative surveys and the representative set of enterprises have been defined, the response burden can be calculated.

A simple formula to calculate the response burden based on the time used to fill in the questionnaires could be:

$$\begin{aligned} \text{Minutes used} \times \text{Frequency} \times \text{Number of yearly reports} &= \text{Yearly burden in minutes} \\ \text{Yearly burden in minutes} \times \text{One man hour price} &= \text{Administrative burden in Armenian dram} \end{aligned}$$

#### Definitions:

- Minutes used: number of minutes use to fill in a survey
- Frequency: the number of times the survey is carried out within one year
- Number of yearly reports: number of enterprises in the survey (sample size)
- Man hour price: The average price for one man hour

The decisions related to the delimitation if the base measurement should, preferably be considered before the next mission under this component.

## Annex 7.B: Reducing response burden

This annex contains a description of a stepwise approach, which will allow NSSRA to work with reduction of the response burdens.

To ensure that these aims are taken into account, the work on reducing the response burden should follow six steps:

1. Selection and organisation
2. Identification of burdens
3. Examination of solutions
4. Evaluation of consequences
5. Conclusions and reporting
6. Implementation

At this point in time, the efforts should focus on the first step, i.e. Selection and organisation.

### *Selection and organisation*

This phase comprises the selection of relevant areas for which the administrative burdens should be examined and the organisational set-up for the work concerned. This work is closely related to the baseline measurement of the response burden.

As discussed during this mission, the reduction of the response burden should focus on business related surveys. Thus, the decisions related to this phase should be to determine the surveys which are representative for the calculation of the base measure of the response burden.

Besides this, the organisational set-up should be decided. This part of the first phase is important, as the work with the reduction of the response burden requires a strong and interdisciplinary set-up in the organisation. Furthermore it is important that the work has the necessary focus from the board of NSSRA, as the reduction of response burdens could challenge and change the existing working routines in the organisation.

## Annex 7.C: An example of a supplementary questionnaire

### *Supplementary questionnaire*

Dear enterprise

In NSSRA, we are working hard to improve our questionnaires in order to reduce response burden. In order to measure the results of these efforts, we would like to know how much time it took you to complete the survey form. We would be grateful if you could take 5 minutes to answer the voluntary questions below.

	<b>Hours</b>		<b>Minutes</b>
<b>How much time did it take you to complete the questionnaire?</b> (This includes the time used to obtain the relevant information and the time used in filling out the questionnaire.)	<input style="width: 100%; height: 20px;" type="text"/>	:	<input style="width: 100%; height: 20px;" type="text"/>
<b>Was it difficult to ...</b>	Very difficult	Somewhat difficult	Not difficult
-understand the questions?	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
-understand the instructions?	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
-obtain the relevant information?	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
-complete the questionnaire?	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
<b>Please describe any difficulties or suggestions for improvement:</b>			

*Please return this questionnaire to NSSRA together with the survey questionnaire.  
We look forward to receiving your comments.*

Best regards

NSSRA