Forwarding Armenian Statistics Through Twinning

AM09/ENP-PCA/TP/04

MISSION REPORT

on

BUSINESS STATISTICS

ACTIVITY 3.1
IMPLEMENTATION SUPPORT

B3.1 Identification of issues and definitions

Mission carried out by

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Republic of Armenia

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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.

The activity B.3.1 was implemented during the same week as the first activity B.1 of the component – 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 specifically focuses on the analysis of the current reporting forms.

The main conclusions were that there is clearly a possibility 1) to create more user-friendly forms through redesign; 2) to decrease the response burden through improved data collection processes, and 3) to reduce the burden in relation to SBS and related questionnaires and to build experience and create a "model" for other areas. The MS Expert recommends to compare and map the SBS Regulation with relevant NSSRA questionnaires and to identify gaps and possibilities for consolidation of forms related to SBS.

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 B.1 and B.3.1 were the first within component B – i.e. a common "fact finding" mission. The activities will contribute to the above-mentioned objectives and *as a necessary and important pre-study before the activity B.3.2.*

The concrete objective / expected output of this mission was an analysis of the current reporting forms for the Structural Business Survey.

The MS Expert would like to express her 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 she received during their stay in Armenia. This has highly facilitated the work of the MS Expert.

The views and observations stated in this report are those of the MS Expert's 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 Expert 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 awareness of the need for making NSSRA's reporting forms more user-friendly.

The work plan of this component was verified and detailed, see report from activity B.1.

Workshop on the principles for analysis of reporting forms

A workshop was conducted with the heads of the structural business surveys and their staff members. The subject was principles for analysis of reporting forms for the SBS survey. The presentation is shown in annex B3.1.7.

Meeting with Transport statistics team

A meeting was held with Mr. Georgy Torosyan, Head of Transport and Communication Statistics Division and staff members. The subject of the meeting was to discuss/analyse the reporting forms for the annual transportation survey. The team presented some examples of completed forms which contained a large number of errors and explained how they must use a great deal of time to follow-up and correct the data. The team was very motivated for finding methods to improve the situation.

Structural Business Survey

The SBS carried out by the NSSRA is an important data source for the Armenian National Accounts, together with other related business surveys. However, the SBS must be supplemented by other surveys, in order to fulfil the requirements of the National Accounts. Examples of business surveys are shown in Annexes 5 and 6.

The observations recorded below are based on the workshop which was held with the staff of the Statistical Work, Methodology and Classification Division and on the interview with Mr. Georgy Torosyan, Head of Transport and Communication Statistics Division and his colleague, Anahit Nersissyan.

Questionnaire design

The Statistical Work, Methodology and Classification Division is responsible for making drafts of the questionnaires and instructions in cooperation with the relevant Business Statistics divisions. The drafts must then be approved by the Ministry of Justice and notifications are published in the official information bulletin of the Ministry of Justice.

Reporting media

The most common mode of reporting is via postal questionnaires. Word files of the questionnaires and instructions are also made available for download from the internet. A recent development gives respondents the additional choice of sending data to NSSRA via e-mail. The respondent is required to sign an agreement with the NSSRA in order to use this service.

Survey Implementation

The surveys are coordinated by the NSSRA central office. The central statistical office is responsible for the following tasks:
- samples extracted from the SBR
- distribution of reporting materials to the local statistical offices
- Word files of questionnaires and instructions made available through the Internet
- collection of the summarized data and questionnaires from the regional statistical offices
- error checking routines (in cooperation with the regional statistical offices)
- the dissemination of the survey results

Similarly, the local statistical offices are responsible for the following tasks:
- distribution of reporting materials to the enterprises
- support of the enterprises

- collection completed forms via mail or email (requires specific authorisation)
- reminder procedures
- error checking routines

The organisation and distribution of responsibility areas within and between NSSRA and the regional offices may have an influence on the approach of reducing the response burden and restructuring the SBS.

Reminder procedures

Reminder procedures are dependent on the situation: Either post or telephone can be used. More information is needed on these procedures.

Error checking routines

There is a large amount of follow-up via telephone in connection with the error checking. The forms are corrected individually and the corrected numbers are written in by hand. Both the original and corrected numbers are entered into the system. This is a particularly time-consuming process.

3. Conclusions and recommendations

3.1 Summary conclusions concerning reporting forms

1: The initial workshops have revealed a number of areas where the data collection processes could be improved. Similarly, there are many areas where the reporting forms could be made more user-friendly.

2: The SBS survey should be coordinated with related surveys in order to reduce the number of surveys and consequently, decrease the number of data collected from the enterprises. This will be an important contribution to the reduction of the response burden.

3: More information on the specific SBS form(s) will be needed in order to make further analysis and recommendations for this questionnaire. This process will be continued in activity B.2.

3.2 Recommendations concerning reporting forms

Re SBS related questionnaires:
- A comparison of a translated version of the SBS Regulation and the NSSRA questionnaires should be undertaken in order to
  - o map the information in NSSRA questionnaires to the Regulation
  - o identify possible gaps as well as possibilities for consolidation of survey forms

The results of this process should be discussed during activity B.2.

4. Actions concerning reporting forms before next activity (B2)

- A list of all the NSSRA Statistical Business forms has been made. This list will need to be expanded with further information on: number of respondents (sample/total population) and data collection mode.
- Translation to English of the questionnaires relevant to the SBS survey and their instructions should be completed.
- A comparison of a translated version of the SBS Regulation and the NSSRA questionnaires should be undertaken in order to
  - o map the information in NSSRA questionnaires to the Regulation
  - o identify possible gaps as well as possibilities for consolidation of survey forms

An English translation of the SBS survey will be made available to the NSSRA for translation into Armenian.

The results of this process should be discussed during activity B.2.

- The material resulting from these points shall be made available to the MS Experts two weeks in advance in order for the activity to be fully productive.

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:
o   To assess the functioning Business Register of NSSRA;
o   To assess the structure of the unit levels of the Business Register of NSSRA;
o   To assess the present reporting forms for the Structural Business Survey of NSSRA;
o   To discuss the methodologies of measuring respondent burden;
o   To discuss the perspectives and possibilities of updating the Business Register of NSSRA with data from administrative registers and the potential benefits;
o   To discuss what the European Union regulations/recommendations/standards are on Business Register, and what they may imply for the NSSRA;
o   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:
o   An analysis of the current Business Register of NSSRA;
o   An analysis of the current reporting forms for the Structural Business Survey;
o   Clarification of NSSRA's objectives with regard to measuring response burden and the lining up of available data sources for the measurement;
o   External stakeholders informed about the work;
o   A lining up of work programme for the next activity (B2);
o   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

Time	Place	Event	Purpose / detail
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 resonse 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 *content/variables*
		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
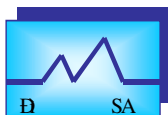
Annex 5: NATIONAL STATISTICAL SERVICE OF RA
STATE STATISTICAL OBSERVATION QUESTIONNAIRE

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)

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*

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**	**8. Average payroll number of employees by types of activities mentioned in item 6****
7.1 _____ thousand drams	*8.1* _____ person
7.2 _____ thousand drams	*8.2* _____ person
7.3 _____ thousand drams	*8.3* _____ person
7.4 **Total** _____ thousand drams	*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 **YES** [ ]   *9.2* **NO** [ ]

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 certivicate 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 personss* **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)

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. Organizationalal and legal type

_____   code*

6. Founders (participants)**

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

Please specify, if foreign participation   ☐

7. Legal person address

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marz _____ code*

community _____ code* ☐☐☐☐☐☐☐

settlement _____ postal code / / / / / / /

street, building, appartament _____ phone(s) _____

e-mail _____

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

1. _____ code* ☐☐☐☐☐

2. _____ code* ☐☐☐☐☐

3. _____ code* ☐☐☐☐☐

4. _____ code* ☐☐☐☐☐

…_____ code* ☐☐☐☐☐

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 ◯	10. Average payroll number of employees by types of activities mentioned in item 8 *** ◯
1._____ thousand drams	1._____ person
2._____ thousand drams	2._____ person
3._____ thousand drams	3._____ person
4._____ thousand drams	4._____ person
..._____ thousand drams	..._____ person
Total _____ thousand drams	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) ◯

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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 _____