

TWINNING CONTRACT

BA 12 IB ST 01

Support to the State and Entity Statistical Institutions, phase VI



MISSION REPORT

on

Activity 2.3.2.2

Planning for pilot surveys for producer (output) prices in services

Mission carried out by
Anka Javor, Central Bureau of Statistics Croatia
Rasmus Anker Kristiansen, Statistics Denmark

February 9th – February 13th, 2015

Version: Final

Expert contact information

Rasmus Anker Kristiansen
Statistics Denmark
Sejrøgade 11
DK-2100 Copenhagen Ø
Denmark
Tel: +45 39 17 35 32
Email: rkr@dst.dk

Anka Javor
Central Bureau of Statistics Croatia
Ilica 3
10000 Zagreb
Croatia
Tel: +385 091 171 94 06
Email: javora@dzs.hr

Table of contents

1. General comments	5
2. Assessment and results	5
3. Conclusions and recommendations	6
3.1 Feedback from the field	6
3.2 Sample selection for pilot surveys	7
3.3 Expert recommendations.....	9
What to do before the next mission for the BC Counterpart.....	10
What to do before the next mission for the IPA experts	10
Annex 1. Terms of Reference.....	11
Annex 2. Persons met.....	11

List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RS	Republika Srpska
RSIS	Institute for Statistics of Republika Srpska
DB	District of Brčko
RTA	Resident Twinning Adviser
ToR	Terms of Reference
SPPI	Producer Price Index for Services

1. General comments

This mission report was prepared within the Twinning Project "Support to the State and Entity Statistical Institutions, phase VI". It was the second mission to be devoted to introduce Producer Price Index for Services (SPPI) in BiH within Component 2.3.2 Short-Term Statistics 9-13 February 2015 of the project.

The purposes of the mission were:

- To plan for pilot surveys for producer (output) prices in services (SPPI) in BiH.

The consultants would like to express his/her thanks to all officials and individuals met for the kind support and valuable information which he/she received during the stay in Bosnia-Herzegovina and which highly facilitated the work of the consultant.

This views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS or Statistics Denmark and Statistics Croatia.

2. Assessment and results

The list of activities defined in the ToR for the second mission includes:

1. Presentation of results from initial research phase (feedback from the field)
2. Selection of reporting units for Pilot surveys
3. Preparation of final version of questionnaires for Pilot surveys
4. Adoption of General Plan for development of SPPI with timetable for Pilot surveys
5. Presentation of the Croatian and Danish methods for calculation and production of indices for selected services
6. Discussion on methods for calculation of price indices
7. Presentation of the Croatian and Danish IT solutions and Plan for development of SPPI - IT application

During the second mission the following output have been achieved:

- General Plan for development of SPPI with timetable for Pilot surveys was developed
- Sample design for pilot surveys were agreed
- Final version of questionnaires for pilot surveys were agreed for three industries
- Provisional introduction of methods for calculation of price indices
- Input for development of future IT applications were given by IPA experts

3. Conclusions and recommendations

3.1 Feedback from the field

During the second mission, results from intensive field research were presented by BC experts and the main findings are listed for each of the six industries which are subject to the pilot project:

(49.41) Freight transport by road

This industry contains the largest pool of possible respondents to choose from. This means that it would be very difficult to obtain full coverage for this industry. It is therefore necessary to do comprehensive work on sampling. In the initial research phase, the largest and most important companies were selected based on the business register, regular business surveys and other available sources. The companies were consulted for their first impressions on the questionnaire and on the possibilities of obtaining information on service prices regularly. Overall there were only few comments regarding the questionnaire itself, but the companies expressed their concerns about already being under great burden from other statistical surveys. However, it would ease the burden if electronic reporting (e-mail or web) was a possibility for them. This point was especially emphasised by a few companies from DB. In total, only two companies declined altogether to report service prices for the SPPI.

(51.10) Passenger air transport

This industry has only one predominant airline company – BiH Airlines. BiH Airlines operates with three regular destinations: Belgrade, Zurich and Copenhagen. The preferred method of data collection for this industry is to receive prices directly from the airline company. Prices are available from the internet as the second best option. Therefore, the initial plan is to try to work in cooperation with the airline company making it necessary to encourage further contacts and meetings with the company.

(52.10) Warehousing and storage

For this industry, there are few misclassified units in the business register which makes it difficult to select potential reporting units. Therefore, it is necessary to conduct further investigation about real active units within this industry.

(52.24) Cargo handling

Conclusions from the initial research phase showed that this industry suffers from similar problems as the industry for Warehousing and storage (see above).

(53.10) Postal activities under universal service obligation

For this industry there should be no serious problems collecting data from the 3 postal services companies in FBiH and RS. Similar to passenger air transport services, the preferred method of data

collection is to receive prices directly from the postal services companies. Likewise, the second best option is to collect prices via price lists on the internet if necessary.

During the initial research phase, it became clear that it may be possible to cover (53.20) Courier services as well. If successful, BHAS will be able to construct a total price index for division 53 as a whole, consisting of (53.10) and (53.20). There are around ten companies operating in this area.

(61) Telecommunications

For this industry there should be no serious problems when collecting data. The various telecommunication operators already transmit data to the industry regulator (RAK). Further contact and continuous cooperation with the RAK is necessary in order to initiate exchange of data in 2015 from this administrative source. However, this establishment process can take time, so for the pilot surveys, direct parallel contact with operators is still necessary.

3.2 Sample selection for pilot surveys

Based on information from the initial research phase, the decision for selecting reporting units for the pilot surveys are undertaken by the three statistical institutions in BiH. The structures of the samples are different for each industry and will therefore be treated individually. The total number of units in the pilot surveys is 114, with 64 from FBiH, 41 from RS and 9 from DB. All sample estimates are subject to potential structural changes or misclassification in the business register.

(49.41) Freight transport by road

As this industry contains a considerable number of units, it is necessary to have a clear definition of the optimal sample, which will serve as waypoint for the data collection going forward. Also, obtaining full coverage for this industry is least likely, so extensive consideration must be put into constructing the sample. Altogether, 71 units will be included in the pilot survey sample for covering this industry. For FBiH, there will be a census covering all 38 units from size class 4, as there are no existing units in size class 5 and there is no need to cover units from size class 3. For RS there will be a census covering all 6 units from size class 4 and 5. The sample part will also cover 20 units of size class 3 to ensure representativity. For DB there will be a census of 7 units from size class 3.

(51.10) Passenger air transport

For this industry, the ambition is to obtain full coverage, as there is only one operating company – BiH Airlines. If unsuccessful in receiving data directly from the company, the second best option is to collect data from the internet. Since BiH Airlines only operate three destinations, there is a natural limit to three different services. However, the possibilities of dividing each of the three services into classes (economy, business etc.) should be explored.

(52.10) Warehousing and storage

The intention for this industry is to obtain full coverage with a total of 9 units; 6 from FBiH and 3 from RS.

(52.24) Cargo handling

As above, the intention for this industry is to obtain full coverage with two responding units (two operating ports); one from RS and one from DB.

(53.10) Postal activities under universal service obligation

For this industry, full coverage will be applied, covering 3 companies; 2 in FBiH and 1 in RS. For (53.20) Courier services, there will be 9 units in total for this activity; 6 from FBiH and 3 from RS, achieving full coverage as well.

(61) Telecommunications

This industry is dominated by three large telecommunication providers, covering roughly 85% of total industry turnover. The sample for this pilot survey will consist of 11 from FBiH, 7 from RS and 1 from DB.

Overview of sample ambitions for selected industries

Nace	Industry	RS	FBiH	DB	Total	Coverage
49.41	Road freight transport	26	38	7	71	Sample
51.10	Passenger air transport	-	1	-	1	Full coverage
52.10	Warehousing and storage	3	6	-	9	Full coverage
52.24	Cargo handling	1	-	1	2	Full coverage
53.10	Postal services	1	2	-	3	Full coverage
53.20	Courier services	3	6	-	9	Full coverage
61	Telecommunications	7	11	1	19	Sample
	Total sample	41	64	9	114	
	Total population	401	772	48	1221	

In general there were no major changes to the draft questionnaires. During the second mission, questionnaires were considered as final for the pilot surveys. Questionnaires will be applied for the following three industries:

(49.41) Freight transport by road

(52.10) Warehousing and storage

(52.24) Cargo handling

For the remaining industries, a final version of questionnaires for pilot surveys will be defined during the further contacts with reporting units. After the pilot surveys, the questionnaires could be subject to changes based on collected information.

3.3 Expert recommendations

The Croatian and Danish experts presented methods for calculation and production of indices for the selected industries. The presentations enabled the local statisticians to get familiar with different methods for calculations of indices.

The Croatian and Danish experts presented IT solutions for producing SPPIs in Croatia and Denmark. The presentations served as useful information for the Bosnian IT experts, in their further work on a future IT application for producing SPPIs in BiH.

Final decision on calculation methods will be made after the next mission, when data is available for 2015Q1 and 2015Q2. Different methods are used in Croatia and Denmark, which enables BC to apply the most appropriate method for each service activity. The decision must be based on factors such as availability of prices, turnover data and possibilities for applying weights.

The general plan for development of SPPI and pilot surveys were agreed as follows.

	MAIN ACTIVITY	COMPONENTS OF MAIN ACTIVITY	DATE OF REALIZATION	PARTICIPANTS	RESPONSIBLE INSTITUTION	BENCHMARK
5	DATA COLLECTION	Timetable with deadlines for conducting Pilot surveys on SPPI (delivery of questionnaires to reporting units, data collection process, data entry, etc.)	Third project quarter (June 2015)	BC experts, Sample experts, IT experts, IPA experts	BHAS FIS RSIS	Pilot surveys for SPPI conducted
5.1		Sending questionnaires	end of march 2015	BC experts	BHAS FIS RSIS	
5.2		Response from reporting units	t+30	BC experts	BHAS FIS RSIS	
5.3		Data entry	t+60	BC experts	BHAS FIS RSIS	
5.4		Analyse response/first results	Before 3rd mission (september 2015)	BC experts	BHAS FIS RSIS	Data expected to be available for Q1 and Q2 2015

This way, data will be available for two periods, 2015Q1 and 2015Q2, for further analysis by the next mission in September 2015.

What to do before the next mission for the BC Counterpart

Action	Deadline	Responsible person
Sample selection for pilot surveys	End of February 2015	BHAS, FIS and RSIS
Final questionnaires prepared	End of March 2015	BHAS, FIS and RSIS
Sending questionnaires to reporting units	End of March 2015 (t)	BHAS, FIS and RSIS
Response from reporting units	t+30	BHAS, FIS and RSIS
Data entry in Excel data files	t+60	BHAS, FIS and RSIS
Analyse response/first results	Before third mission	BHAS, FIS and RSIS

What to do before the next mission for the IPA experts

Action	Deadline	Responsible person
Prepare presentation on data editing process and treatment of non-response	Before third mission	Anka Javor (HR), Rasmus Anker Kristiansen (DK)
Prepare presentation on methodological papers; sample selection, survey design, data collection and analysis	Before third mission	Anka Javor (HR), Rasmus Anker Kristiansen (DK)

Annex 1. Terms of Reference

EU Twinning Project BA-12-IB-ST-01

Terms of Reference

Component: 2.3.1 Short-Term Statistics 9-13 February 2015

Activity

2.3.2.2. Planning a Pilot surveys for producer (output) prices in selected services

Benchmarks

- Plan for development of SPPI for selected services done by 2nd project quarter
- Draft questionnaires and supporting documentation prepared by 2nd project quarter
- Pilot surveys for SPPI conducted by 3rd project quarter
- First results analyzed and questionnaires redesigned by 6th project quarter
- Methodological document developed by 8th project quarter

Purpose of activity

The expected activities are:

- Presentation of results from initial research phase (feedback from the field)
- Selection of reporting units for Pilot surveys
- Preparation of final version of questionnaires for Pilot surveys
- Adoption of General Plan for development of SPPI with timetable for Pilot surveys
- Presentation of the Croatian and Danish methods for calculation and production of indices for selected services
- Discussion on methods for calculation of price indices
- Presentation of the Croatian and Danish IT solutions and Plan for development of SPPI - IT application

Expected output

- General Plan for development of SPPI with timetable for Pilot surveys developed
- Reporting units for Pilot surveys selected
- Final version of questionnaires for pilot surveys prepared
- Provisional agreement on methods for calculation of price indices
- Agreement made on Plan for development of SPPI - IT application

List of Participants

Experts

Rasmus Anker Kristiansen, Statistics Denmark

Anka Javor, Croatian Bureau of Statistics

Agency for Statistics of BiH

Alen Bajramović, Head of Department for Services Statistics

Lejla Krehić, Junior officer in Prices Department

Aida Zukanović, Junior officer in Department for Sample design and Methodology

Adnan Gušić, Senior adviser in IT Department

Institute for Statistics of Federation of BiH (FIS)

Sanja Ambrožić, Head of Department for Services Statistics and External Trade

Elvira Ramić, Senior adviser for Transport Statistics

Elvir Juljević, Senior Officer for Information and Communication services

Institute for Statistics of Republika Srpska (RSIS)

Jelena Glamočika, Head of Department for Services Statistics

Sanela Vasiljević, Senior Officer for Retail Trade Statistics

Twinning Project Administration

Søren Leth-Sørensen, RTA

Djemka Sahinpašić, RTA Assistant

Agenda

Location: Sarajevo

Time	Day	Place	Event	Purpose / Detail of event
13:00-16:00	Monday, afternoon		Workshop with BC Experts	Welcome and Introduction; Presentation of results from initial research phase (feedback from the field) BC experts
8:30-16:00	Tuesday, morning		Workshop with BC Experts	Discussion and agreement on final version of questionnaires for Pilot surveys; Selection of reporting units for Pilot surveys. IPA and BC experts
	Tuesday, afternoon		Workshop with BC Experts	Adoption of General Plan for development of SPPI with timetable for Pilot surveys; IPA and BC experts
8:30-16:00	Wednesday, morning		Workshop with BC Experts	Presentation of the Croatian and Danish IT solutions; Plan for development of SPPI - IT application. IPA and BC experts
	Wednesday, afternoon		Workshop with BC Experts	Presentation of Croatian and Danish experiences on calculation and production of indices (methods and practical examples); IPA experts
8:30-16:00	Thursday, morning		Workshop with BC Experts	Discussion on methods for calculation of price indices; IPA and BC experts
	Thursday, afternoon		Workshop with BC Experts	Preparation for the next mission (list of activities to be done before the next mission); IPA and BC experts
8:30-12:00	Friday, morning		Meeting with BC Experts	Presentation of results; Agreement on Mission Report. IPA and BC experts

Annex 2. Persons met

Agency for Statistics of BiH

Alen Bajramović, Head of Department for Services Statistics

Lejla Krehić, Junior officer in Prices Department

Aida Zukanović, Junior officer in Department for Sample design and Methodology

Adnan Gušić, Senior adviser in IT Department

Institute for Statistics of Federation of BiH (FIS)

Sanja Ambrožić, Head of Department for Services Statistics and External Trade

Ademira Velićanin, Junior Officer for Retail and Whole Trade Statistics

Anesa Mirica, Senior Officer for Sample design and Methodology

Institute for Statistics of Republika Srpska (RSIS)

Jelena Glamočika, Head of Department for Services Statistics

Sanela Vasiljević, Senior Officer for Retail Trade Statistics

Twinning Project Administration

Søren Leth-Sørensen, RTA

Djemka Sahinpašić, RTA Assistant