

TWINNING CONTRACT

BA 17 IPA ST 01 20



Further Support to the Reform of Statistics System in Bosnia and Herzegovina



MISSION REPORT

Activity 1.1E: NACE revision and update of the five-year development plan for SBR
Subcomponent 1.1: Statistical Business Register
Component 1 - Business Statistics

Mission carried out by
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List of Abbreviations

BC	Beneficiary Country (BiH)
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EU	European Union
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
RTAA	Resident Twinning Adviser Assistant
ToR	Terms of Reference

Executive Summary

1. General comments

This mission report was prepared within the EU Twinning Project” Further Support to the Reform of the Statistics System in Bosnia and Herzegovina”. It was the fourth mission (mission B was cancelled) to be devoted to Subcomponent 1.1: Statistical Business Register, within Component 1: Business Statistics.

The purpose of the mission was to work on:

- Development Plan review and a potential update
- NACE 2.1
 - Changes
 - Examples of new activities
 - Comparison between NACE Rev.2 and NACE Rev.2.1
 - Implementation of the new classification in national statistics in the EU, especially in Denmark
 - Is national subdivision needed?
 - How to explain to the ministries and other users that there is no need for national subdivision?

The consultants would like to express their thanks to all officials and individuals from Bosnia and Herzegovina met for the kind support and valuable information, and which highly facilitated the work of the consultant. We have experienced a very high level of engagement and knowledge, which has both been inspiring and has enabled the mission to move forward in a positive way.

This views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Finland, Statistics Sweden and The Italian National Institute of Statistics.

2. Assessment and results

Development plan

Prior to the mission, a translated version of the development plan for the SBR in BiH was forwarded to the consultants. The work on the mission took departure in this translated version. The Development plan consists of 7 headings and altogether 20 initiatives. On the first day of the mission all the initiatives were discussed at a very general level to assess whether they were still relevant. The conclusion was that the vast majority of the initiatives are still relevant for the development plan. Two initiatives – both on business demography – were merged into one while two new initiatives were added the development plan. Both of these new initiatives relate to getting access to administrative data.

The second day of the mission focused on the development plan in more detail. As a first step, the status of each initiative was evaluated. The consultants had prepared a table, which summarized the status information given for each initiative in the development plan. The status is given on four

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indicators; finalized latest (a final deadline for the initiative), initiative described, started, and finalized. The discussion showed that some updating of these indicators is necessary and it was agreed that this would be a task to carry out when going through the items individually. The consultants suggested that a more detailed time schedule than just the end date of the project would be useful. Bearing in mind that a full time schedule is not necessary to include in the development plan as this would be part of the concrete planning and execution of each initiative.

Following that, each initiative was discussed at an individual basis. The aim of the discussion was to evaluate to what extent the initiatives were still adequately described and to further clarify the contents of the initiatives. This led to a very fruitful discussion about what to include in the description of the initiatives. To help clarifying what to include in the subsections of the initiatives, it was agreed that the consultants would prepare an example of how to describe an initiative in the template.

This was presented on the following day. Based on the discussions, which helped to clarify the contents further, it was decided that the staff from RSIS, BHAS and FIS would work independently on updating items of the development plan. The two consultants remained available throughout the work session in case input was needed. This work resulted in the concrete update of three initiatives. The focus was on the initiatives related to access to administrative sources.

NACE rev. 2.1

Changes to NACE

First, we discussed the changes to NACE Rev. 2, the structure of NACE Rev. 2.1 and a few examples of new activities, as well as the current plan for implementation in the statistics. The plan is currently a draft as Statistics Denmark (SD) currently focus on finishing the National version of NACE Rev. 2.1. In about 4 weeks, SD will be working on planning the recoding of the SBR incl. planning the implementation.

Implementation in the statistics in Denmark

In order to implement NACE Rev. 2.1 in the statistics, it is necessary first to recode the Danish SBR. Therefore, we discussed the elements of SD's plan for recoding.

Eurostat has created a timetable for the implementation of NACE in the statistics, and the timetable shows that the implementation includes several stages. The annual statistics are supposed to send data from the time when the year of reference is 2025. The STS statistics are not obliged to send data on NACE Rev. 2.1 until 2028.

SD will consider publishing all statistics on NACE Rev. 2.1 from 2026 (year of reference 2025) even while sending data on NACE Rev. 2. Our users will be confused if there is difference.

The participants were all very engaged in the topic, asked clarifying questions, and engaged in discussions across the institutions.

National subdivision

SD has a national version. However, as the number of classes is growing the number of subclasses is decreasing. In NACE Rev. 2.1 SD will subdivide about 56 classes into 137 subclasses, which means that 595 classes are not subdivided.

We discussed the advantages (e.g. possibility for users to follow the change in number of companies in the subclasses).

It costs SD the equivalent of two fulltime employees to maintain the National version of NACE. The creation of the Danish version and the subsequent recoding of the Danish SBR cost appr. 10-15.000 hours.

SD start the work on the Danish version at least 2 years before a new NACE is to be implemented. It takes a year to first identify subclasses for creation/deletion and then create the actual classification, including the explanatory notes. The creation of a national version requires a regulation in some countries, which can add to the time frame, but it is not necessary in Denmark.

After the Danish version is created, we plan and execute the recoding of the SBR (and ABR) in 2024.

All in all, the participants gained knowledge about NACE Rev. 2.1 and how it is implemented in Statistics Denmark. Furthermore, an addition to the development plan for the Implementation of NACE Rev. 2.1 was drafted and it will form the base for the more detailed work plan. The participating staff from the three institutions have decided how to deal with various parts of the plan.

3. Conclusions and recommendations

Development plan

The consultants recommend that BHAS, RSIS, and FIS carry on the good work that was initiated during the mission to update the development plan.

The description should include a more detailed schedule for each initiative. The current template does not suggest that as an option. Nevertheless, it would be very useful to have at least a general overview of the time needed for each initiative.

It is recommended that more attention is given to the description of the organisation of each initiative and also a specification of who is responsible for making it happen. Again, the template only suggest a rudimentary description of that as the only subheading relation to the organisation is merely titled “participants”.

NACE rev. 2.1.

National subdivision of NACE Rev. 2.1

The consultants strongly recommend refraining from developing a local version of NACE, at least not for NACE Rev. 2.1. As indicated in the previous section, it requires the fulltime equivalent of at least 1-2 persons to create a national version. Data needs to be analysed to ascertain there is statistical interest for a subdivision and that there are classes of interest, which can be subdivided, i.e. identifiable activities, which can be described and data published. It is too late to start when the recoding will take most of 2024.

Even though there is no legal requirement for Bosnia and Herzegovina to implement NACE Rev. 2.1 by the end of 2024, it will definitely boost the assessments in the annual compliance monitoring exercise, carried out by Eurostat. The same goes for the implementation in the statistics.

Development plan for the Implementation of NACE Rev. 2.1

The consultants recommend to finish the development plan for the Implementation of NACE Rev. 2 and to develop a plan for all the work required in order to recode the SBR.

Access to NACE/CPA interpretations cases

The consultants recommend that

- One person get reading & writing access (Type II access) to the discussion forum, Classifications Working Group - NACE/CPA interpretations cases, on CIRCABC.
- At least one person from each statistical institution (SI) should get reading access.

If the person with Type II access leaves the SI or move to another job area, then the Type II access should be cancelled or transferred to another person. It is important to always be able to post classification cases and that all persons that are involved in classification have access to the forum.

Annex 1. Terms of Reference for the current mission

EU Twinning Project BA 17 IPA ST 01 20

**Component 1: Business Statistics
Subcomponent 1.1: Statistical Business Register**

06 November (10.00 hrs.) – 10 November (12:00 hrs.) 2023

Venue: Republika Srpska Institute of Statistics, Vladike Platona bb, Banja Luka

Activity 1.1E: NACE revision and update of the five-year development plan for SBR

Mandatory results:

- 1.1. Volume of characteristics in Statistical Business Register (SBR) increased and quality of data improved, in line with EC Regulation no 2019/ 2152
- 1.1.1 Characteristics on Enterprise groups (EG) further implemented in SBR, in accordance with FRIBS/new EBS Regulation
- 1.1.3 The five-year development plan (2018-2022) revised and new plan (2022-27) drafted

Indicator / Relevant Milestones / Internal deadlines:

- Characteristics on the first set of enterprise groups available in SBR
- The five-year development plan (2018-2022) revised and new plan (2022-27) drafted

1. Purpose of the activity:

- Development Plan review and a potential update
- NACE 2.1
 - Changes
 - Examples of new activities
 - Comparison between NACE Rev.2 and NACE Rev.2.1
 - Implementation of the new classification in national statistics in the EU, especially in Denmark
 - Is national subdivision needed?
 - How to explain to the ministries and other users that there is no need for national subdivision?

2. Expected output of the activity:

- ✓ BC knowledge of the ongoing Eurostat NACE revision improved
- ✓ Development plan reviewed and potentially updated

Annex 2. Persons met

BHAS:

Brana Taraba, SBR
Branislava Cvijetić, IT
Tanja Miovčić, SBR

FIS:

Belmira Hadžiabdić, Assistant Director
Envera Hurić, SBR
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RSIS:

Nada Malinović, SBR
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Mladen Marić, IT

RTA Team:

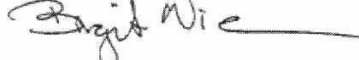
Niels Madsen, RTA
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The content of this report is approved by: (sign)

MS Expert




MS Expert



BHAS Component leader



FIS Component leader



RSIS Component leader



RTA

