

TWINNING CONTRACT

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



STUDY VISIT REPORT

on

Component 1.2. Structural Business Statistics

Activity 1.2S: Study Visit to Statistics Denmark

30 May -01 June 2023

Version: Final

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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
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
ToR	Terms of Reference

1. General comments

This study visit report was prepared within the EU Twinning Project "Further Support to the Reform of the Statistics System in Bosnia and Herzegovina" and organised under Component 1, Subcomponent 1.2. Structural Business Statistics, Activity 1.2S.

The purpose of the study visit was to expand the knowledge about the following:

- The production of SBS in accordance with the requirements of the new EBS Regulation
- Statistics Denmark's experiences on Section K
- Planning of work on Section K BiH, Danish assistance
- SBR: "Frozen versions" - same data in all statistics
- Data confidentiality/ discretion of data
- Data transmissions to Eurostat "Data warehouse: Storing and dissemination"
- Implementation of the statistical unit "enterprise" in Statistics Denmark, especially in the SBS domain
- IT model for the compilation of / Data flow for SBS in DK

The staff of BHAS, FIS and RSIS would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Denmark.

This views and observations stated in this report are those of the participants and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Sweden, Statistics Finland or Istat.

2. Lessons Learned

At the beginning of the study visit, participants from BiH's statistical institutions were introduced with historical development, organisational structure and strategy for development in Statistics Denmark.

The next presentation was about the production of SBS in accordance with the requirements of the new EBS Regulation. The production of SBS in Statistics Denmark is based on a combination of different sources: financial reports in electronic forms, tax reports, survey and SBR. The imputation was done for all missing values and all variables. Variables to impute and methods applied depends on the data available. The biggest change in the production of SBS in accordance with the requirements of the new EBS Regulation in Statistics Denmark is extended coverage to the entire section K, sections P, Q and R and division S96. Also, the definitions of some variables are changed. Bosnia and Herzegovina has started with the production of SBS under requirements of new EBS Regulation since 2021 as a reference year so this was excellent opportunity to exchange our practices with colleagues from Statistics Denmark.

Experts from Statistics Denmark presented their experience in the production of SBS variables for section K. The new SBS manual has expanded scope to all industries in section K. The production and transmission of section K was handled by the Danish Financial Supervisory Authority (FSA). This is no longer a feasible option as they do not have the data sources to cover the entirety of financial sector so Statistics Denmark will compile the entirety of section K from statistical year 2021 and onwards. The first SBS transmission of section K will use data

from the National Accounts despite the methodological differences. The participants from BiH got an insight how SBS variables for section K can be produced in BiH.

The second day of the study visit was dedicated to frozen frames, data confidentiality and data transmissions to Eurostat. Frozen frames are used in Statistics Denmark in order to archive consistency between units and between the statistics, to improve comparability between statistics – by having the same base and improving quality. There are two version of frame related to SBS: preliminary version in December (with preliminary statistical information in April (year +1) and final version in September (year +1). Before sending out the questionnaire checks has been done against the live SBR to ensure legal units are still active. The final version contains: updated population including corrections from the statistics, final NACE codes of the year to be used in all SBS statistics and final information on turnover and employees for the entire year. After the presentation, there was a discussion related to SBS frame since a similar approach is used in the production of SBS in BiH.

We were introduced with the principles and rules for data protection of sensitive information. The data confidentiality rules are related to primary and secondary confidentiality. For primary confidentiality, all cells should have at least 3 or 5 observations. Different thresholds are used for dominance rule: 2 units with max contribution of 90% of cell total and 2 with max of 75%. Statistics Denmark applies a software program Tau-Argus for data confidentiality. A very useful topic was data transmission to Eurostat which is centrally organized in Statistics Denmark.

The third day of the study visit was reserved for the Implementation of the statistical unit “enterprise“ in Statistics Denmark, especially in the SBS domain and the IT model/ Data flow for the compilation of ICT in Statistics Denmark. In order to implement the statistical unit (SU) „enterprise“, Statistics Denmark follows some steps: delineating statistical units – profiling, implementing SU in SBR, implementing SU in statistical domains and communication. Statistical units are delineated on the basis of whole and intact administrative units. Enterprises can be delineated across the hierarchical structure of the EG. In SBS in Statistics Denmark, the model for the implementation of SU enterprises is based on legal unit. An example of the Grundfos group structure was presented. It was very interesting to see business model, where the units produce and where they sell.

The last presentation on the third day of the study visit was dedicated to the IT model/ Data flow for the compilation of ICT in Statistics Denmark. They presented us the whole chain of production process for ICT, starting from the frame, questionnaire, data collection process to the publication of the data. A similar data flow is used for all business statistics in Statistics Denmark. This was a very interesting topic, having in mind that for statistical institutions in BiH, it is important to modernize statistical production process and in that way reduce burden of statisticians and improve quality of produced statistics in Bosnia and Herzegovina.

3. Conclusions and recommendations

The study visit was a good opportunity for the participants to gain knowledge about the production of SBS in Statistics Denmark in accordance with the requirements of new EU Regulation for business statistics. One of the main priorities for statistical institutions in BiH in the production of structural business statistics is the harmonization of SBS in BiH with the new EU Regulation for business statistics so the knowledge gained during the study visit will help in the further production of SBS in Bosnia and Herzegovina.

The most important topic was the production of SBS variables for section K due to the fact that SBS variables have not yet been produced in BiH. This topic will be in focus in the next period in BiH so the lessons learned during the study visit regarding the production of SBS variables for section K will be very helpful in our further work.

Another important topic was about implementation of statistical unit „enterprise” in SBS. Understanding the structure of enterprise groups is crucial for establishing of the statistical units within that group. This requires detailed analysis of data including data profiling and data consistency work. Having in mind that we still do not produce SBS for statistical unit „enterprise”, the experience gained is very useful and will be used as a basis for our developing activities.

This SV provided us with a comprehensive overview of data confidentiality, data transmission to Eurostat and many useful information on the data flow for the compilation of business statistics in Statistics Denmark. The statistical institutions in BiH are committed to improve current SBS production system so information and experience from Statistics Denmark will contribute to the further improvement of the SBS production system in BiH.

In addition, a visit to the Embassy of Bosnia and Herzegovina in Copenhagen was organized. We were introduced with the work of the diplomatic and consular representation of Bosnia and Herzegovina in Copenhagen and the bilateral cooperation between Bosnia and Herzegovina and Denmark. This was a great experience for us and we recommend that this kind of visit be organized in the future as part of the study visit program.

Actions needed for moving forward

Action	Deadline	Responsible institution / person
Start preparatory activities for the production of SBS variables for section K	before the next mission	All three statistical institutions in BiH
Development of methodology for the implementation of statistical unit “enterprise” in SBS	to be defined with all three statistical institutions in BiH	All three statistical institutions in BiH
Modernization of the production system of the SBS in BiH	to be defined with all three statistical institutions in BiH	All three statistical institutions in BiH
Consider the possibility of using Tau-Argus for the treatment of confidentiality data	to be defined with all three statistical institutions in BiH	All three statistical institutions in BiH

Annex 1. Programme

<u>Tuesday, 30 May 2023</u>		<u>Venue: Flex 2347</u>
09.30 - 10.30	Welcome and introduction to Statistics Denmark	IR/Jesper Ellemose Jensen
10.30 - 12.00	The production of SBS in accordance with the requirements of the new EBS Regulation	11. kt. (Søren Kühl Andersen/Kalle Emil Holst Hansen)
12.00 - 13.00	<i>Lunch</i>	IR
13.00 - 15.00	Statistics Denmark's experiences on Section K Planning of work on Section K BIH, Danish assistance	11. kt. (Søren Kühl Andersen/Kalle Emil Holst Hansen)
15.00 - 15.30	Reflection on lessons learned and application in BiH	Beneficiary institutions & Jesper Ellemose Jensen
<u>Wednesday, 31 May 2023</u>		<u>Venue: Adolph Jensen</u>
09.30 – 10:30	SBR:” Frozen versions” - same data in all statistics	Steen Eiberg/Karina Leander
10:30 – 11:30	Data confidentiality/ discretion of data	Emil Thranholm
11:30 – 12:30	Data transmissions to Eurostat/ ”Data warehouse: Storing and dissemination”	Jacob Solander
12.30 – 14:00	<i>Lunch outside Statistics Denmark</i>	RTAA, Larisa Muslimovic
14:00 -	<i>City walk and “Havnebus” trip (Free and voluntary)</i>	RTAA, Larisa Muslimovic
<u>Thursday, 1 June 2023</u>		<u>Venue: Skak Nielsen</u>
09:30 – 11:00	Implementation of the statistical unit „enterprise“ in Statistics Denmark, especially in the SBS domain	Søren Kristensen
11.00 - 12:00	IT model/ Data flow for the compilation of SBS in DK	Peter Søndergaard
12.00 - 13.00	<i>Lunch</i>	IR
13.00 – 13.45	Reflection on lessons learned and application in BiH, next steps, evaluation of the study visit	Beneficiary institutions & Jesper Ellemose Jensen
13.45- 15.00	Transport (walk/public) to the Embassy of Bosnia and Herzegovina in Denmark, Copenhagen	Beneficiary institutions and RTAA
15.00 -	Visit on the Embassy of Bosnia and Herzegovina in Denmark, Copenhagen	Beneficiary institutions and RTAA

Annex 2. Persons met

Statistics Denmark:

- Jesper Ellekilde Jensen
- Søren Kühl Andersen
- Kalle Emil Holst Hansen
- Steen Eiberg
- Karina Leander
- Emil Thranholm
- Jacob Solander
- Søren Kristensen
- Peter Søndergaard

Agency for Statistics of BiH (BHAS)

1. Bojana Cicović, Head of SBS Department;
2. Haris Buljugić, Junior statistician, SBS Department;
3. Ševala Abaz, Head of IT Department for applications and software

Institute for Statistics of Federation of BiH (FIS)

1. Alma Čolpa, Expert Adviser for SBS
2. Aida Halilović, Expert Adviser for SBS
3. Šemso Šurković, Assistant Director for Publication and Dissemination Sector

Institute for Statistics of Republika Srpska (RSIS)

1. Slađana Nikić, Senior Officer for Government Finance Statistics
2. Danica Babić, Senior Officer for Structural Business Statistics
3. Nataša Gojković, IT officer

Project representative/Interpreter

Larisa Muslimovic, RTAA