

REPUBLIC OF SERBIA

Statistical Office of the Republic of Serbia

MASTER PLAN:

OFFICIAL STATISTICS OF REPUBLIC OF SERBIA

- DEVELOPMENT AND HARMONIZATION

2006 – 2008

Belgrade, February 2006

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PREFACE

In the last several years, within the process of transition and Serbia's association with European integrations, the official Serbian statistics have experienced complex expertise, methodological, organizational and human resources changes and at the same time we have significantly enhanced the scope of activities and charges of the Statistical Office of the Republic of Serbia as a leading agent and coordinator of key activities of the statistical system of the Republic of Serbia.

Presently, as the leading institution of statistical activities, the Statistical Office of the Republic of Serbia (the Office) is specially responsible for the harmonization of the official statistics with the standards and practice of the Member States of the EU. The Feasibility study stipulates that official statistics is an important institution in the process of stabilization and association with the European Union. Therefore, the Office has intensified the activities aimed at the development and harmonization of the official statistics that were started in 2002 by the former Federal Government adopting the Master Plan for the development and harmonization of the official Yugoslav statistics. Thus, the Master Plan was created pursuant to the overall assessment of the statistical system of the FRY that the Eurostat experts carried out in 2002.

Meanwhile, the scope of charges within the statistical system was changed in a way that since 2003, the former Federal Statistical Office and the present Statistical Office of Serbia and Montenegro has got only a coordination role on the state union level, as well as the charge of international cooperation.

The Statistical Office of the Republic of Serbia has assumed the full responsibility for the establishment, organization and implementation of the Program of statistical surveys on the territory of the Republic of Serbia. To this effect the Office has carried on the implementation of the Master Plan that defined the required changes of the existing methodologies and standards and presented the anticipated new statistical indicators and surveys.

Faced with considerable changes in real life that meanwhile appeared, the Office created the Program of development and harmonization of the Serbian official statistics for 2005, which used to be a base for implementing the statistical development in the last year. Thereby the statistical development in the period 2002 – 2005 was accomplished.

In the respective period of time, the Office has initiated a series of activities aimed at the prompt and the most convenient transition from the old to a new statistical system that will be harmonized with the system of official statistics of the EU.

The inception of these activities are related to the Census of population, households and dwellings, where the new definitions of permanent population were applied, just in accordance with the recommendations of the UN and the EU.

The system of macroeconomic data presentation was maintained, which anticipated that we had to make a step from the system of economic balances to the system of national accounts, i.e. to apply the methodologies SNA93 and ESA95. Supposedly we had a series of changes relative to definitions, classifications and rules, primarily in the economic statistics, however also in other statistical areas that are considerable in the estimations of Gross domestic product, which is the most important macroeconomic aggregate, and in the estimations of other macroeconomic indicators.

Therefore essential changes were made in the Household Budget Survey (2003) and the Labour Force Survey (2004) and thereby we obtained the indicators of poverty, employment

and unemployment and also a number of value indicators respective in the estimations of GDP and other macroeconomic indicators.

The most of changes were introduced in the sphere of economic statistics. The purpose was to provide the best possible grounds for the creation of macroeconomic indicators. The subject changes had three objectives. The first was to adjust all indicators in accordance with the standards of the EU. The second objective was to extend the data coverage to the part of private sector that did not originate from the privatization of public property. The third objective was to provide for quarterly data and thereby to facilitate the inception of quarterly national accounts.

Mostly the three objectives have been accomplished also owing to the new organization of data collection and the respective quality management.

The changes were implemented that favoured the quality of the monthly index of industrial production, quarterly data on construction, monthly index of retail trade turnover, telecommunications index and the monthly external trade statistics. The annual surveying of the investments in sole proprietorship sector was introduced as well.

Also the creation of energy balance was incepted, in a way that in 2005 the balance of electricity and thermal energy was carried out.

Due to the changes introduced in 2004 and 2005, the execution of macroeconomic indicators was considerably improved and in this regard we worked out a series of accounts for overall economy and for institutional sections. The time for the GDP execution at current prices was determined shorter, i.e. 11 months after the respective year end and for the first time we carried out GDP in constant prices.

It should be specially noted that quarterly national accounts were efficiently introduced. As suggested by international experts this had not been possible in earlier stages and therefore these accounts were not envisaged by the 2002 Master Plan.

Finally we have to mention the fast establishment of statistical business register, as the basis for the good development of all economic and other statistics that use economic subjects as reporting units.

The above stated changes were possibly implemented also due to the new system of work organization and schedules, by applying project organization and teamwork, and also by introducing the quality management, both for the work and the data.

Presently we are expected to plan further development in the period from 2006 to 2008. Longer-term plans are not realistic as important changes are inevitable. The Office prepared the Master Plan of the development and harmonization of official statistics for the time from 2006 to 2008 that anticipates the development of all statistical areas of importance for the statistical indicators required in the negotiations on the harmonization and association with the EU and for the new stand-by arrangement with the International Monetary Fund.

The objectives of the Master Plan are the following:

- to accelerate and maintain the development of official statistics, directed towards the harmonization of methodologies, standards and good statistical practice with the EU states;
- to extend the basis for providing the main statistical indicators and
- to enhance the comparability of the Serbian official statistics with the statistics of other countries and international organizations.

The proposed Master Plan consists of two separate parts. The first part deals with: statistical areas, the conception of their development and the tabular summarized presentation of the main statistical indicators, with the noted deadlines for release and the sources of creation. In the second part elaborates the developing activities in the relating areas that are of crucial importance for statistics.

In implementing the Master Plan, the Office still counts with the expertise provided through the international projects funded by CARDS and Sida (Swedish international development agency).

2. STATISTICAL AREAS

2.1 CONCEPT OF CHANGES

The main objective of changes is to achieve the harmonization with the system of official statistics of the EU and to adopt the defined standards and good practice. The way to accomplish this is complex, therefore the changes required are versatile and complex.

2.1.1. Statistical indicators

Statistical indicators are the target produce and the basis for comparisons with the statistics of other countries.

In the cases of still unchanged statistical indicators, new methodological solutions are to be applied and used where possible. However for the new ones it is recommended to take over standard European solutions while simultaneously solving the mechanisms for their creation, either by incepting new surveys or using the existing surveys and various administrative sources.

The changes relative to statistical indicators are given tabular presentations.

2.1.2. Statistical surveys

Statistical surveys are the most frequently used source of providing statistical indicators. It is needed to make more rational the existing structure and the implementation of statistical surveys by joining two or several surveys or, when the data collection is regarded, by passing

from total coverage to the system of sample, while applying the good practice of the EU states.

Other improvements of statistical surveys relate to the application of modern IT solutions in data collection and processing.

All statistical surveys are listed in the annual program of statistical surveys.

2.1.3 Standards

Herein under the term standards we anticipate the definitions of concepts, classifications and nomenclature, as well as the way of deriving statistical indicators. By the use of standard definitions, classifications and the procedures for obtaining complex statistical indicators, we make the grounds for full comparability of the national statistics with the data of the EU states. Also these data are so proved relevant and valid in view of the EU law and this is of utmost importance for the Agreement on harmonization and association with the UN.

Following the practice of the EU countries we took efforts to harmonize terminology and to make methodological definitions and concepts uniform, in order to ensure bilateral usage and comparability of the indicators of our official statistics and the statistics of the EU states.

Regarding classifications and nomenclatures, the new classification of activities (CA) was adjusted to the NACE classification and the same has been officially in use since 2001. In 2002 we introduced the Nomenclature of industrial products in tune with the European CPA classification and in 2004 the classification of construction industry was adjusted to the European classification, CC. In the Household budget survey we apply the European COICOP classification of goods and services and in the 2002 Census we applied the classification of occupations adjusted to the ISCO-88 classification.

In the forthcoming period we are expected to adjust the CA with the NACE, Rev 2 classification, which is in the process of being processed in the EU. The use will start in 2008, when we also

expect the classification of products CPA 2008 to be accepted and our Nomenclature of industrial products and also the nomenclatures applied in other economic statistics areas are to be adjusted with this classification.

Pursuant to the guidelines of the previous Master Plan, with due regard to the present administrative image of the territory of the Republic of Serbia and according to the Eurostat principles, criteria and definitions, we have made the proposal for the usage of statistical classification of territorial units, NUTS, which is applied in the EU. The proposed standard is expectedly adopted by the respective government bodies, in the present form or amended. This will provide for a valuable tool in the negotiations on the Stabilization and association with the EU.

2.1.4 Statistical registers

Statistical registers, within the more extensive system of registers that are normally incorporated in the basis of state function, present an empiric framework and instrument for the inception and implementation of various statistical surveys.

Statistical business register is essential for all statistical surveys relating to business subjects. The EU passed the legal act that defines the fundamentals and the creation of statistical business register and the act is wholly observed and in force in our country.

Statistical business register (SBR) was introduced and its usage accepted in the end 2005 and it was mainly created from two administrative registers that are kept with the Office, the Register of classification units and the Uniform register of shops (of sole entrepreneurs). Namely, within the information system of Serbia, only at the Office all legal persons and other legally registered economic subjects are recorded. The quality upgrading and updating of the SBR will be carried on in 2006 and we expect to achieve the European standard in 2007. Therefore it is necessary to develop and officially establish the cooperation with other bodies and institutions authorized for keeping special public records and registers and these will provide the data required for the SBR. The Agency for registration of economic subjects provides the identification and address data for legal entities, the Solvency Center provides the data of payment balance and the tax authorities provide the data necessary for further panning of sample frame and data quality

assessing. The cooperation with other potential data sources will be developed, in order that SBR is kept in the best possible way.

Statistical farm register, as a part of SBR or as satellite sub-register, is possibly introduced through the Census of agriculture, i.e. not before 2008. Here the existing administrative register of agricultural holdings would be applied.

The register of territorial units, kept in accordance with the Act on register of territorial units and the Uniform records of territorial units, is an administrative register and by keeping the register the Office and the Geodetic Office of the Republic of Serbia maintain the administrative and territorial distribution of the Republic of Serbia.

Territorial register units and enumeration district as exclusively statistical territorial unit are all important for successful statistical surveys execution, specially for the census of population, households, dwellings, agriculture, etc. and for household budget survey and labour force survey.

2.2 NATIONAL ACCOUNTS AND PRICES

This is the most important segment of macroeconomic statistics and includes Gross domestic product (per capita) as the main economic indicator of any state. Having accepted the European conceptions, the Office adopted the new way of GDP calculations that was established in cooperation with the IMF, while the plan of complete implementation of the system of national accounts was adjusted in accordance with the international standards SNA 93 and ESA 95.

In the forthcoming period we shall further implement the international standards SNA 93 and ESA 95. The present calculations are to be improved and special attention will be paid to the inception of new macroeconomic aggregates and accounts. We plan to focus on the estimations at current and constant prices annually and quarterly and on the GDP calculations by expenditure method, annually and quarterly. Also satellite accounts for agriculture and tourism will be created.

In the area of price statistics, the most significant achievement will present the inception of Consumer Price Index (CPI) that as an inflation measure is expected to replace the present retail prices index. Thereby we shall adopt the European standard in measuring and following inflation trends.

We shall further take part in the regional project of estimation and comparison of purchase power with the countries of the region, however also with the EU member-states.

2.3 ECONOMIC STATISTICS

The crucial changes are envisaged in harmonizing short-term indicators with the EU standards and recommendations, by definitions and coverage, in the areas of industry, construction, trade and services. In Annex 1 hereto we specified short-term indicators by the EU standards and the envisaged amendments per respective year.

The most important novelty is the inception of complex annual survey that is expected to complete the data of payment balances and tax statistics, as the basis for the estimations of indicators of business operations (Structural Business Statistics) in accordance with the EU standards. The set of indicators by sections will be extended and the new ones will be introduced, according to enterprise size. We envisage the inception of the main SBS indicators surveyed quarterly: relative to investments the inception is planned for 2006 and the others are planned for 2007.

In cooperation with the National Bank of Serbia and the Ministry of international economic relations we envisaged to develop the system of surveying direct external investments and also the statistical survey of current and capital foreign currency inflow.

Within the strategy of energy development until 2015 we envisaged that the SORS, in cooperation with the Ministry of energy and mining, would develop the database of energy statistics. In this period we plan to create the energy balances by energy sources in accordance with the EU standards and the requirements by the International Energy Agency.

Practically in all economic statistics we shall carry on to improve the quality of statistical indicators and this will contribute to better estimations of quarterly national accounts and annual GDP.

2.4 AGRICULTURE AND FORESTRY

In order to monitor the adopted Strategy of agricultural development in Serbia, the Office is presently accomplishing the Strategic development of agricultural statistics, where significant novelties are introduced: the new system of crop production survey (estimation method is replaced by sample method), provided data for the creation of economic accounts of agriculture and also the full harmonization with the EU standards in the area of livestock breeding and fishing.

Preliminary operations for the organization and conduction of the Census of agriculture will be regarded as key activities. The census has the crucial importance for surveying agricultural funds in Serbia and it will serve also in the inception of statistical farm, i.e. agricultural holdings register.

If the funds are provided, the test census will be conducted in 2008 and the Census in 2009.

2.5 ENVIRONMENT PRESERVATION

The EU specially stresses this issue and recently we have been active in introducing new indicators of natural environment preservation.

In the forthcoming period we plan to revise a large number of the existing surveys and to create new indicators that are of crucial importance for the official statistical system.

2.6 POPULATION AND HOUSEHOLDS

Among the most important developing activities of the statistics of population fall the projection of population and labour force for the period 2002 – 2032 and also methodological preparations for the survey of external migrations.

In the forthcoming period we plan to start preliminary operations for the Census of population in 2011, i.e. for the test census in 2009.

In the statistics of employment we anticipate the inception of numerous new indicators that are adjusted to international standards and obtained from the Labour Force Survey, which is expected from annual to become semiannual and then quarterly survey.

In the statistics of salaries and wages, the present legislation does not provide for possible adjustments with the EU standards of surveying salaries and wages. However we expect the circumstances will allow the changes in this area to be introduced in 2007 and consequently the new indicators to be provided in 2008.

The key indicators for following and measuring the output of the poverty reduction strategy are obtained from the Household Budget Survey, i.e. the data serving to derive various poverty measures. Here it is worth to mention minimal and average basket of commodities, GINI coefficient, decile analysis, etc.

The further development of HBS, which is of interest to the World Bank, UNDP and UNICEF, will be aimed to provide a larger number of living conditions indicators that are in the EU provided through special EU-SILC survey.

2.7. TABULAR REVIEW

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
NATIONAL ACCOUNTS STATISTICS						
1. Gross domestic product (expenditure method)	New	2006	2007	All available	All available	
2. Gross domestic product (expenditure method) constant prices	New	2006	2007	All available	All available	
3. Regional Gross Domestic Product	New	2006	2007	All available	All available	
4. Quarterly Gross domestic product (production method)	New	2007	2007	All available	All available	
5. Quarterly Gross domestic product (expenditure method)	New	2007	2007	All available	All available	
6. Quarterly Gross domestic product (expenditure method) constant prices	New	2007	2007	All available	All available	
7. Base year changed for all aggregates at constant prices		All	2007, 2008	All available	All available	
8. Accounts of agriculture	New	2006, 2007	2007, 2008	All available	All available	

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
PRICE STATISTICS						
1. Consumer Price Index	New official indicator of inflation adjusted with EU recommendations (annual change of weights, geometrical mean value)	2007	2007	- Household Budget Survey - Structure of personal consumption of households sector - Retail turnover statistics - Retail prices statistics - Statistics of services	Statistical business register	Ongoing project within national CARDS project, test surveys in 2006
2. Producer price index of industrial products, monthly	New	2008	2008	- External trade statistics - Price statistics of industrial producers in domestic market - National accounts	Price statistics of export oriented producers Statistical business register	Short-term indicator, envisaged as an important to the EU In this period only overall production level is respected, later on according to NACE classification
3. Producer price index of industrial products in domestic market, monthly	Methodology of estimations adjusted according to EU standards. New IT processing program New survey implementation tools	2007	2007	- Statistics of industry - National accounts	Statistical business register	Ongoing project within national CARDS project Test processing in 2006
4. Producer price index of industrial exported products, monthly	Transition from calculating index through unit prices in External trade div. to calculation methodology adjusted with EU methodology, i.e. through transactions price.	2008	2008	External trade statistics Price statistics Statistics of industry	Statistical business register	1 st phase: index calculations based on total exports For forthcoming period we anticipate estimations by NACE classifications
5. Service price index, monthly	New	2008	2008	Price statistics Statistics of branches	Statistical business register	Firstly for the main divisions of services section, afterwards for the whole section.
6. Sales deflator, detailed NACE level	New	2008	2008	Price statistics Retail turnover statistics		Short term indicator as per EU standards

7. Purchase power parity	Data collection and processing of price statistics for the estimations of PPP and price indices for international comparisons as required by Eurostat.	2005	2007	- - -	Price statistics National accounts Eurostat documents		Regional project continued, so far conducted under auspices of OECD.
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Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STRUCTURAL BUSINESS STATISTICS						
1. Basic structural business indicators of entrepreneurs, annually	In comply with EU recommendations (material approach applied so far)	2005	2006	Administrative data sources – payment balances of entrepreneurs; data by tax authorities; statistical survey DZ	New annual structural survey of entrepreneurs' business (SBS-02); New administrative (tax) data sources	Turnover; production value; stocks; investments; salaries and wages; number of proprietors and employees
2. Structural business indicators by activities and enterprise size, annually	SBS indicators pursuant to EU recommendations (instead of material concept)	2006	2007	Administrative data sources, payment balances of enterprises	New annual structural business survey of enterprises; Replaced KGI-01 and partly KGI-03	Turnover, production value, stocks, investments, salaries and wages, number of proprietors and employees, regional indicators and indicators by 'establishment' activities
3. Structural business indicators, quarterly	New indicators Investments Business output of economic subjects, quarterly	2006 2007	2006 2007		Changed statistical surveys in sections F-3 and new in sections A-E and J, K, M and N	Turnover, production value, stocks, investments, salaries and wages, number of proprietors and employees

Thereby we envisage introducing business output (financial) indicators quarterly and annually, in comply with the EU regulations. Also, the section coverage in quarterly surveys is extended. These indicators together with administrative sources of tax system and the NB statistics are the most important input for the GDP calculations quarterly and annually. According to the EU regulations, the main indicators are given by enterprise size and the same will be incepted for entrepreneurs also. Thereby the required indicators for following small and medium-size enterprises and entrepreneurs are obtained.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STATISTICS OF INDUSTRY – short-term indicators						
1. Turnover, total, Domestic and external	New	2007	2007		New statistical survey	

2. New orders, total, Domestic and external	New	2007	2007		New statistical survey	
ENERGY STATISTICS						
1. Annual energy balance of coal	New	2005	2006		New statistical surveys	
2. Annual energy balance of natural gas	New	2006	2007		New statistical surveys	
3. Annual energy balance of oil and oil derivatives	New	2006	2007		New statistical surveys	
4. Annual energy balance of recoverable energy sources	New	2007	2008		New statistical surveys	

Within the statistics of industry we plan to introduce new short-term indicators of turnover (3) and new orders (3), in comply with the EU standards, and these will provide for more complex overview of short-term trends in this field and at the same time the turnover is the input for the GDP calculations. The new orders indices are primary economic indicators according to the EU standards.

The work on energy balances started in 2004, which resulted in the creation of electricity and thermal energy balance, is further carried on through the creation of balance of other energy commodities, in comply with the EU standards and the requirements of the International Energy Agency. Within the energy development strategy until 2015 it was envisaged that the Statistical Office of the Republic of Serbia in cooperation with the Ministry of mining and energy would create the energy statistics database.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
CONSTRUCTION STATISTICS						
Construction, production (index), quarterly	New, Separated: housing construction and other constructions, improved coverage	2006	2006	Annual surveys GRADJ-11 and GRADJ-11a, Quarterly survey GRADJ-31	Quarterly survey GRADJ-10	In 2007: sample incepted for quarterly survey GRADJ-31
New orders (value index), quarterly	New	2006	2006	Quarterly survey GRADJ-31		In 2007: sample incepted for quarterly survey GRADJ-31
Construction license, usable areas or alternative measurements, quarterly	New	2006	2006		Quarterly survey GRADJ-10, Annual survey on license to use (GRADJ-10a)	From 2007, monthly survey

The anticipated activities are aimed at the inception of new and the adjustment of the present short-term indicators in the section of construction according to the EU standards. Also envisaged is the quality improvement of the calculated indicators. The production indicator (index) will be calculated in total and separately for housing construction and other constructions pursuant to the Classification of constructions by type. Special attention will be paid at the best

possible coverage and that will be effected by introducing the Statistical business register, which will provide for possible sample application in the quarterly survey of construction (GRADJ-31). The new survey on construction license (GRADJ-10) will offer information on current trends in construction, as well as the data quality improvement in the present surveys.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
TRADE STATISTICS						
1. Short-term indicators of retail trade statistics, quarterly	Coverage extension (including entrepreneurs)	2008	2008	Present statistical surveys and administrative sources		Sample respective
2. Short-term indicators of wholesale trade statistics, quarterly	New indicator	2006	2006	Present statistical surveys and administrative sources		Sample respective
STATISTICS OF CATERING						
3. Short-term indicators of catering statistics, quarterly	Coverage extension (all property types included)	2006	2006	Present statistical surveys and administrative sources		Sample respective
4 Short-term indicators of catering statistics, quarterly	Coverage extension (including entrepreneurs)	2007	2007	Present statistical surveys and administrative sources		Sample respective

In the statistics of trade and catering we anticipated to adjust short-term indicators with the EU regulations, by definition and coverage and also to introduce new ones.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STATISTICS OF TRANSPORT						
1. Road transport of goods, by kind of goods, annually	New classification of goods, NST/R, transport of dangerous materials and transport of containers	2005	2006		Annual survey on road transport (SA/G-11), changes	Changes according to recommendations by EEC/UN and Eurostat
2. Goods turnover in ports, annually	New classification of goods, NST/R, transport of dangerous materials and transport of containers	2005	2006		Report on goods turnover in ports (SR/M-21), changes	
3. Railway transport of goods and	New classification of goods, NST/R,	2005	2006		Railway transport of goods and passengers (SŽ/G-11),	

passengers, annually	transport of dangerous materials and transport of containers				changes	
4. Indicators on goods transport by road for own purposes	Extension of coverage of road transport	2007	2007, quarterly and 2008, annually		New survey and administrative source (Ministry of Interior: Records of registered vehicles)	Goods transport by kind of goods, ton kilometers, total mileage, with goods, Transport by kind of goods, by loading / unloading regions, by fuel consumption

In the forthcoming period, for the survey of goods transport we anticipate to introduce new goods classification that is adjusted with the EU standards and new transport modes as well. Also the coverage of road transport will be extended and will include the goods transport for own purposes, based on a rotating sample of vehicles from the records of registered vehicles that is kept by the MI.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
EXTERNAL TRADE STATISTICS						
1. Imports on FOB price basis, monthly	New	2007	2007	Administrative source, Customs declaration (Customs Administration of Serbia)		Exclusions from imports value: certain elements that are according to BPM5 considered services and ought to be regarded so in payment balance.
2. Exports and imports, by kind of goods, monthly	New Classification HS2002 introduced	2006	2006	Administrative source, Customs declaration (Customs Administration of Serbia)		National CT introduced in 2005
3. Exports and imports, by size of enterprise, annually	Ново	2006	2007	Administrative source, Customs declaration (Customs Administration of Serbia) and Statistical business register		
4. Indicators for international negotiations, (WTO, WAA) CAA		2006 and previous series	2006			Indicators prepared for international negotiations

Within the statistics of external trade of goods we plan to publish data by products, according to HS2002 of 2006, and also the calculations of previous series, since the new national CT in comply with this standard was introduced in July 2005. Imports on FOB price basis will be calculated pursuant to the requirements by the NB and IMF. We plan to introduce indicators according to the size of enterprise (large, medium, small).

AGRICULTURAL STATISTICS						
1. Indicators of agricultural holdings structure	New	2007	2007 (pilot)		Sample based surveys. The data of 2002 Census of population, households and dwellings (sample frame)	
2. Livestock production	Adjustments with EU standards	2006	2006	Present surveys of livestock production		
3. Annual survey of freshwater fishing	Adjustments with EU standards	2006	2007	Present statistical surveys		
4. New system of crop production statistical survey	New method of data collection in comply with EU standards (instead of estimations)	2008	2008 (pilot)		Sample based surveys. The data of 2002 Census of population, households and dwellings (sample frame)	
5. Census of agriculture, Test census of agriculture prepared	New	2008	2008 (pilot)		Census at selected sample	Organizational and methodological preliminary operations

STATISTICS OF FORESTRY						
1. Damages in private forests	New	2007	2008		Statistical surveys	Pilot, Damages caused by pests, elementary calamities, domestic animals, cases of illegally occupied land
2. Data on forest funds	New	2006-2007	2008		Records kept by the Faculty of forestry	Data on biomass and structural forms of forests
3. Survey of current annual volume increase	New	2007	2008		Statistical surveys	Pilot

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
ENVIRONMENTAL STATISTICS						
1. Types and quantities of waste materials	Coverage extension	2005	2006	Regular statistical survey		REVISION (put off pursuant to MP 2003-2005) PILOT
2. Types and size of waste disposal sites	Adjustments with EU standards	2005	2006	Regular statistical survey		REVISION (put off pursuant to MP 2003-2005)
3. Gas emissions of industry, energy supply and traffic	Adjustments with EU standards	2005	2006	Respective statistical surveys		REVISION SO ₂ , NO _x emissions
4. Gasd emissions of agriculture, forestry, construction, waterworks and households	Adjustments with EU standards	2006	2007	Respective statistical surveys		REVISION SO ₂ , NO _x emissions
5. Gas emissions according to Convention on critical gas pollution	New	2006-2007	2007-2008		Supplemented present statistical surveys	REVISION PILOT CO, NH ₃ , NMVOC emissions
6. 'Hothouse' gas emissions of industry, energy supply and traffic	New	2006	2007		Supplemented present statistical surveys	PILOT CO ₂ emissions
7. 'Hothouse' gas emissions of other sections	New	2007	2008		Supplemented present statistical surveys	PILOT CO ₂ emissions

8. Water usage in waterworks	Adjustments with EU standards	2006	2007	Statistical surveys		REVISION
9. Economic indicators of environment	New	2007	2008		Supplemented present statistical surveys	PILOT Taxes, fines, payments for environmental measures (inception and application), maintenance of cleaners / filters, etc. New

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
VITAL STATISTICS						
1. Household projections, by number of members and type of household 2002-2032	Incepted projections	2002-2032	2006	- 2002 census - Vital statistics		
2. Population estimations by age, sex and marital status (annual survey)	New feature – marital status	2006	2006	- 2002 census - Vital statistics - Internal migrations		
3. Tables of fertility 2001-2003	New	2001-2003	31. 06. 2006	- 2002 census - Vital statistics		

4. Labour force projections 2002-2032	New	2002-2032	2006	- 2002 census - Vital statistics		
5. External migrations	New	2008	2008		Data of the Ministry of Interior	In cooperation with the Ministry of Foreign Affairs and MI
6. Population census Preliminary work for test census of population that is to be implemented at selected sample in April 2009	New	2009	2009			Organizational and methodological preparations for test census and selection of respective applications for data processing, 2006-2008
7. Types of settlements	New	2002	2008	2002 census		

The statistics of external migrations is a new survey, anticipated as a regular annual survey from 2008 and incepted in cooperation with the Ministry of Interior and the Ministry of Foreign Affairs of Serbia and Montenegro.

Symposium on the following Census of population – Since in June 2006 we expect to adopt the International recommendations for the census of population and households near 2010, we consider it necessary to hold a symposium in 2007 on new methodological and organizational solutions for the Census of population in 2011. We anticipate that the most important institutions and the most eminent experts in this field will take part in the symposium.

Types of settlements – Due to an increasing necessity that statistical indicators are presented according to statistical typology of settlements, we envisage that new statistical classification of settlements is created. So far in presenting data we applied legal criteria, according to which all settlements were classified as urban and other settlements.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STATISTICS OF EMPLOYMENT						
1. Rate of activity (Labour force participation rate)	New	2005	2006	Labour Force Survey (LFS)		KILM indicators for age groups: 15+, 15-24, 15-64, 25-54, 25-34, 35-54, 55-64 и 64+
2. Employment rate (Employment-to-population ratio)	New	2005	2006	LFS		
3. Status in employment	New	2005	2006	LFS		According to ICSE
4. Employment by section	New	2005	2006	LFS		Agriculture, industry and services, according to ISIC
5. Part time workers related to total employment	New	2005	2006	LFS		Dilemma: all employed or employed workers only, No uniform definition of minimal number of working hours

6. Working hours	New	2005	2006	LFS		Weekly: less than 20, less than 30, 20-29, 30-39, 40+, 50+ Annually: annual working hours average per person
7. Employed in informal (non-observed economy, NOE) in relation to total employment	New	2007	2008	LFS		Apart from changed forms, term of non-observed economy ought to be precisely defined (short and long definition)
8. Unemployment rate	New	2005	2006	LFS		
9. Youth unemployment a) Total rate of unemployment of young people b) Unemployment rate as percentage share of unemployment of adults c) Number of unemployed young people in total number of young people	New	2005	2006	LFS		
10. Long-term unemployment a) Percentage of total labour force b) Percentage of total number of unemployed	New	2005	2006	LFS		
11. Unemployment by educational attainment	New	2005	2006	LFS		ISCED
12. Time-related underemployment a) Percentage of total labour force b) Percentage of total number of employed	New	2006	2007	LFS		
13. Inactivity rate	New	2005	2006	LFS		Age: 15+, 15-24, 15-64, 25-54, 25-34, 35-54, 55-64, 65+
14. Educational attainment Illiteracy	Hovo New	2005 2002	2006 2006	LFS Population census		
15. Manufacturing wages indices	New	2005	2006	RAD or LFS		LFS: only net earnings and receipts
16. Occupational wages and earning indices (nominal and real salaries and wages and nominal and real other earnings)	New	2005	2006	LFS (RAD does not feature earnings by occupations)		Net earnings available only
17. Working hour costs (Hourly compensation costs)	New	2006	2007	????		Sources depending upon legislation
18. Labour productivity and labour unit costs	New			RAD – several services		
19. Employment elasticity	New	2008	2009	LFS or RAD and balances		
20. Poverty, working poverty and income distribution	New	2008	2009	LFS or RAD and HBS		No defined poverty line

Presently Labour Force Survey is conducted annually. The plans are made that from 2007 this is a semiannual survey and from 2008 it would be a quarterly survey.

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STATISTICS OF SALARIES AND WAGES						

1. New index of salaries and wages, quarterly	Gross (salaries and) wages per hour (work hour price), by activities, ownership sectors and sex, principle 'for month'	2008	2008, if circumstances allow 'for month'		Improved coverage of private sector, new questionnaire (salaries and wages, working hours, employed) weight based index	Circumstances not favourable
2. Average salaries and wages, annually	To replace monthly data	2007	2008 if legislation allow		Revised annual survey	
3. New indices of employed and working hours, quarterly	New indicators, Adjustemnts with LFS data	2008	2008 if LFS provide quarterly		New questionnaire (working hours, by categories: regular, overtime, etc.)	
4. Cancelled present monthly survey of salaries and wages and number of employed Postponed	Cancelled		2008 if legislation allow			

Statistical area / statistical indicators	Changed relative to previous state	Respective year	Realized in	Data sources		Further notes
				Present	Changed and new	
STATISTICS OF JUSTICE ADMINISTRATION						
1. Reported, charged and sentenced adults (CK-1, CK-2)	New indicators, according to new classification of criminal offence	2006	2007	Present sources (court, prosecutor office)		
2. Sentenced adults (CK-2)	Introduced data on damaged party – sex and age	2007	2008	Present sources (court, prosecutor office)		
3. Reported, charged and sentenced minors (CK-3, CK-4)	New indicators, according to new classification of criminal offence	2006	2007	Present sources (court, prosecutor office)		
4. Sentenced minors (CK-4)	Introduced data on damaged party – sex and age	2007	2008	Present sources (court, prosecutor office)		

3. SUPPLEMENTARY ACTIVITIES

Supplementary activities are all operations that in direct or indirect way support the creation and survey of statistical indicators that are the main objective of statistical work.

The development of supplementary activities is prerequisite to quality statistical development. That is why these activities ask for special attention, specially since they are not considerably subject to adjustment with the EU regulations and therefore the EU representatives (Eurostat) do not envisage precisely supplementary activities by their programs of professional aid.

3.1 DATA DISSEMINATION

The dissemination policy of the Office is user-oriented.

The data dissemination development, consisting of data publishing, public relations promotion, marketing, the development of Website and other forms of putting data at disposal to users, is of crucial importance for the modern statistical system.

It is required to develop dissemination databases, more and more to transfer to electronic and bilingual (Serbia – English) publishing and continually to expand the Website contents. Users have to be precisely advised on data sources and information offered, their usage and the ways of communicating opinions and demands.

Through marketing activities and specially by promoting contacts with media, our Office will further improve its status and gain wide public confidence in official statistics.

To achieve the above mentioned it is needed to introduce the calendar of deadlines for data publishing and customers' opinion poll taking (survey) and also to persist in further development of the analytical part of the Office publications.

3.2. IT SUPPORT

Our Office and the overall statistical system have a long tradition in applying computers and IT technology. Modern statistics is essentially dependent on the wide usage of computer equipment.

The dynamic development of IT asks for frequent changes and therefore for continual training of IT professionals and users.

In 2005 our Office created the strategy of ICT development and incepted the implementation.

The development basically follows the concept of E-government and special care is taken about developing databases and respective meta-bases and also about their updating, in order to facilitate simple and overall data access for users that is aimed at more effective and efficient operations.

Apart from contents improvements, an objective also is technical Website promotion and the development of all electronic forms of data dissemination.

Another important segment is dedicated to the improved data collection, control and correction. The introductions of PALM-TOP computers for field data collection, as well as the application of CATI system (data collection by phone), are expected to facilitate and improve the quality of results of short-term statistical surveys.

It is necessary to develop modern application solutions for automatic data control and correction (data editing) in sample-based surveys.

Since our Office comprises 14 regional offices over Serbia, it is required to promote the existing communication network and upgrade it so to provide for completely same work conditions in the head office and the regional offices.

An important objective also is to supply top software that will make possible to have faster and improved statistical data analysis.

Permanent training is necessary for IT professionals. A great problem is the fact that IT specialists frequently leave our Office, since the demands for this profile are extremely high in our country and internationally as well.

3.3 COOPERATION WITH RESPONDENTS

The respondents gradually become a problematic issue in the statistical system, in spite of the fact they are the principal source of data necessary for the official statistical system functioning. There exist three main aspects of the undisciplined behavior of the respondents: 1) refusal to render data, 2) delay in providing data and 3) low quality, i.e. incorrect data.

Low confidence in the official statistics and its protection and the confidentiality of individual data, wasting lot of time for filling questionnaires and supplying data – mostly affect the discipline of respondents. However these are well known problems also with the statistics of other countries, although a series of mechanisms exists for the promotion of cooperation with respondents.

One way is to make simpler questionnaires and data supply procedure, as well as to reduce the volume of data required. Another mechanism is to meet the demands of respondents for certain statistical data.

However the following is by all means necessary: to establish good cooperation with respondents, to gain their confidence by well-grounded public appearance and strict preservation of individual data. Also it is required to call on respondents and give them the opportunity to express their attitudes and also proposals for more rational data collection, while developing telephone and computer supported filling and sending of questionnaires. Active inclusion of respondents' representatives in the phase of questionnaires defining and obligatory pilot study execution would all lower the resentment and mistrust of reporting units in official statistics.

3.4 ANALYTICAL WORK AND DEVELOPMENT

The process of association of our country with the EU faces the Office with the requirements of necessary adjusting with the standards of the European statistical system, not only regarding the adoption of definitions, classifications and nomenclatures, but also relative to other methodological terms, such as procedure standardization, uniform level of processing data for exchange, quality management, reporting models and other. Having improved the reliability, relevance, accuracy and other features of statistics quality, all the before stated will provide for multilateral data comparability.

Time series analysis is an important element in the process of preparing materials for decision making within economic, social and population policy. Time series related activities anticipate their regular transition to revised classifications of activities and also the adjustments with territorial changes on various levels. The seasonal adjustment of time series is an important segment of making data harmonized with time changes.

The analysis of macroeconomic data is a new development activity, which is expected to supplement the data and information provided in order to support the important decision-making of the Serbian government and its ministries and of the republic administration as a whole.

It is necessary to develop INPUT-OUTPUT tables as a prerequisite instrument in the analysis of economic trends and the basis for macroeconomic planning. Also, in cooperation with respective ministries, the satellite accounts for tourist trade and health service will be developed.

To supply the required software support (primarily SAS package for PC), especially relative to sample operations – starting from design and selection to data processing and analysis, would tremendously contribute to well-grounded and dynamic development of analytical work in future.

The purchase of software package that will provide for possible good-quality analytical operations is a priority in the development process.

The anticipated systematic development of analytical work while upgrading data quality, will improve the overall image and public respect of the official statistics.

3.5 HUMAN RESOURCES

Apart from the principal meaning, professional training and specific-purpose education, the development of human resources comprises also a number of activities related to management, work organization, staff stimulation, human resources reallocation and other.

In our Office we organize trainings of various kinds.

Within the international projects of support to the official statistics, the specific programs of mastering the EU statistical methodologies covered a lot of statisticians. Also training courses are carried out in the areas of: senior management, execution management, planning, data analysis, marketing, public relations, IT application and other relevant statistical areas.

Especially a large number of employees attend English courses of various levels.

Within the arrangement of the Office's IT section all employees passed basic training courses of computer application.

High professional staff (university graduated), not anticipated for retirement, in the next two years is expected to acquire English command and complete facility in using computers.

In order to make better anticipation of surveys' costs and staff reallocation by certain surveys, we incepted the test monitoring of working hours usage that will be fully functional in 2007.

3.6 INTERNATIONAL COOPERATION

Our statistical system is engaged in international cooperation by taking active part in the below listed international forums:

- Conference of European statisticians; organizer: the UN/Economic Commission for Europe,
- Conference of the group of directors of national statistical institutions (DGINS Meetings); organizer: Eurostat,
- Policy Group Meetings; organizer: Eurostat.

Since the regional cooperation is specially significant, our statistical system is included in the regional cooperation with the countries of:

- West Balkan, through CARDS and other programs of the EU,
- Southeast Europe and
- Central and East Europe.

Special form of cooperation is maintained with the international institutions that as donors are in charge of certain purposeful projects (EU CARDS, Sida, World Bank, etc.), which are determined primarily on the basis of short-term and middle-term priorities. These priorities were defined within the process of stabilization and association with the EU. The institutional capacity building through the projects of this kind is expected to contribute considerably to the output and publishing of the basic statistical data, which are in comply with the European standards of business statistics, labour market and national accounts and that fact is stressed as current priority in several documents.

Our statistical experts ought to take active part in various seminars, work groups, etc. that are integral parts of international statistical projects.

Expectedly our statistical system will strengthen bilateral cooperation with the official statistics of other countries and specially the cooperation based on the signed documents on statistical cooperation between the Union of States – Serbia and Montenegro and the following countries: Albania, Bulgaria, Macedonia, Romania, Russia and Croatia. Other forms of cooperation are

established with the statistical systems of Bosnia and Herzegovina, Hungary, Poland, the Check Republic and Slovenia.

Special efforts will be taken in order to provide documents and methodological grounds for the needs of other administrative bodies in international cooperation.

4. CONCLUSION

In the last two years, according to the Master Plan of 2002, our Office has incepted a series of changes that resulted in acquiring harmonized main indicators, in the first place in the area of national accounts and economic statistics. The changes were implemented in a fast and efficient way, however by the Master Plan, 2006-2008 we envisage much more changes that are expected to complete the harmonization of national accounts and economic statistics and also to harmonize the area of prices and salaries and wages and the employment indicators as well.

In the last two years, in accordance with the Master Plan 2002, the Office incepted a number of changes that resulted in harmonized basic indicators, first of all in the area of national accounts and economic statistics. The changes were implemented fast and efficiently and pursuant to the Master Plan 2006-2008 much more changes were envisaged that expectedly would accomplish the harmonization of the national accounts and economic statistics and also to harmonize the area of prices and salaries and wages and the indicators of employment.

Besides, the development of agricultural statistics is anticipated and specially important are the preliminary activities for two capital statistical surveys: the Census of agriculture and the Census of population, households and dwellings.

Our Office management and the staff are fully aware of the volume of the said projects. Also our Office set off the changes ten years after the former socialist countries and five to ten years after the former Yugoslav states.

The Office expresses the full readiness to implement the Master Plan 2006-2008, however required is also an overall support by the Government of the Republic of Serbia and administrative bodies. The support will be appreciated in the form of providing human and material resources and also in creating adequate social atmosphere for the implementation of the current statistical surveys of the Program of statistical surveys and the new and changed statistical surveys, defined in the Master Plan of Development and Harmonization, 2006-2008.

According to the general assessment of the official statistics that was carried out by the Eurostat experts in 2002, the official Serbian statistics ought to employ 1100 people. This number was determined upon the comparisons with the EU countries of similar size, population number and economic activity. The current number of about 550 employees ought to be gradually increased in the forthcoming years by employing young, educated professionals. In order to implement the Master Plan and fulfill the current obligations as stipulated by the annual programs of statistical surveys, the number of employment in 2007 ought to be increased at 650 and until end-2008 at 750. The expected improved efficiency and more rational work would make for another 20% working hours saved that would be relocated to developing activities.

A large number of new indicators and surveys, as well as the inevitable transition in certain cases from annual to shorter terms of conduction, ask for additional funds. In comparison with the statistical offices of the region, our Office has rather moderate funds at disposal and this has a negative impact on the data quality. The periodic of data collection is longer; samples are increasingly smaller; in-field training courses are rare; respondents are casually called on; the instruments for the survey implementation are of low quality and therefore the motivation of employees is not adequate for efficient work.

In order to have good quality, updated and all-comprising statistics, it is necessary to take extra efforts to provide for the required means and staff.

Of special importance is that the Government of the Republic of Serbia and other administrative bodies should create a favorable environment for the changes in the official statistics and the adequate measuring of social and economic phenomena.

The above stated implies that the legislation and active policy making ought to facilitate the changes in accordance with the regulations and the practice in the EU, in order that the official Serbian statistics can be harmonized with the EU statistical system. The examples of obsolete solutions are the inquiries for the data of 'economy', which is not applicable in the EU, or not possible following of labour costs since our legislation still does not allow so.

Another objective would be to have rendered public support to the official statistics relative to respondents, both through advertising campaigns and legislative and judicial measures. This could be an unpopular act, however this is also applied in all EU states.

For the achievements gained so far, our Office received international acknowledgements and here specially we should point out the appraisals from the IMF and the European Commission in end-2005.

In the negotiations on stabilization and association with the EU we expect increasing inquiries for various statistical indicators. The same is applicable to the talks within the expected STAND-BAY arrangement with the IMF. Therefore our Office is expected to get ready for the subject demands since only the official statistics are internationally recognized as competent and fully in charge of providing objective statistical information on social and economic trends in the country. However, in order that the official national statistics may fulfill this role, it is necessary to have at disposal modern methodologies and the proper implementation mechanisms recognized by Eurostat, IMF, OECD and other relevant international organizations and institutions.

With the respective government and administrative support, our Office is following the best way to regain the previous respect that the Yugoslav statistics enjoyed worldwide.

Harmonization of short-term indicators with EU standards, annually

EU Code	Indicator	Coverage of activities <i>NACE rev.1</i>	Periodic	2005 status X – fully P – partly harmonized	2	2	2	2
					0	0	0	0
					6	7	8	9
A110	Industrial production index	C, D, 40.1, 40.2	Monthly	X				
A120	Turnover / trade	C, D	Monthly				X	
A121	Internal trade					D	X	
A122	External trade						X	
A130	Fixed orders	17, 18, 21, 24, 27 до 35	Monthly				X	
A131	Domestic					D		
A132	External						X	

A210	Number of employed persons	С до Е	Quarterly	D				X	
A220	Hours worked							X	
A230	Gross salaries and wages			D				X	
A310	Producer prices of Industrial Products	С до Е изузев 12.0, 22.1, 23.3, 29.6, 35.1, 35.3	Monthly					X	
A311	Domestic market			D			X		
A312	International market			D				X	
B110	Index of construction	45 (= део F)	Quarterly	D			X		
B115	Housing construction					D	X		
B116	Other construction					D	X		
B130	New received orders	45.1, 45.2	Quarterly			D	X		
B210	Number of employed persons	45	Quarterly	D				X	
B220	Hours worked			D				X	
B230	Gross salaries and wages			D				X	
B320	Construction costs	CC 111, 112	Quarterly						X
B321	Material costs								X
B322	Operating costs								X
B411	Construction license	CC 111, 112	Quarterly			X			
B412	Construction license: m2 usable floor space	CC 1				X			
C120	Turnover, aggregated <i>NACE level</i>	52	Monthly	D		X			
C330	Sales deflator, aggregated <i>NACE level</i>			D				X	
C120	Turnover, detailed level <i>NACE</i>	52	Monthly	D		X			
C330	Sales deflator, detailed <i>NACE level</i>							X	
C210	Number of employed persons	52	Quarterly	D		X			
D120	Turnover	50, 51, H, I, 72, 74	Quarterly	D				X	
D210	Number of employed persons	50, 51, H, I, 72, 74	Quarterly	D				X	

In 2009: all indicators (32) will be harmonized;

In 2006: 6 indicators harmonized, in 2007: 11 indicators harmonized, and in 2008: 29 indicators harmonized.