

TWINNING CONTRACT

2023/447-234



EU for Further Development of Statistics System in BiH



MISSION REPORT

Activity 1.1A: Enterprise Groups
Component 1 - Business Statistics
Subcomponent 1.1 – Statistical Business Register

Mission carried out by

Ville-Matti Pilviö, Statistics Finland
Timo Laukkanen, Statistics Finland

03 – 05 June 2024

Version: Final

European Union Member State Expert (consultants) Contact Information

Ville-Matti Pilviö
Statistics Finland
ville-matti.pilvio@stat.fi

Timo Laukkanen
Statistics Finland
timo.laukkanen@stat.fi

Table of contents

Executive Summary.....	4
1. General comments	4
2. Assessment and results.....	5
3. Conclusions and recommendations.....	5
4. What to do before the next mission for the BC Counterpart	6
Annex 1. Terms of Reference for the current mission	7
Annex 2. (input for the) Terms of Reference for the next mission	9
Annex 3. Persons met	10
Signatures.....	10

List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EG	Enterprise Group
EGR	Enterprise Group Registry
EU	European Union
FIS	Institute for Statistics of the Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
SBR	Statistical Business Registry
ToR	Terms of Reference

Executive Summary

This was the first Mission for the Component covering Enterprise Groups (EG). Its key objective was to gain a clear understanding of the current situation in BiH regarding EG's and to identify the main needs to continue to move forward with developing their Enterprise Group Registry and how to develop profiling of complex enterprises.

Concerning the structures, the process for generating annual EG data has been refined during three years. For enterprise groups activity codes exist currently at division level (2-digits). In the future, this could be at NACE class level (4 digits) for all units within the EGR.

Turnover and number of people employed is currently not available but could be included when possible.

1. General comments

This mission report was prepared within the EU Twinning Project "Further Development of the Statistics System in Bosnia and Herzegovina". It was the first mission to be devoted to the Statistical Business Register (SBR) sub component of the Project.

The purposes of the mission were:

- Current status on Enterprise Groups
- Plan for continuously update of the EG database
- Plan for how to approach profiling
- Update/questions on NACE 2.1 rev
- Preparation of mission report
- Preparation of ToR for next activity

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.

This views and observations stated in this report are those of the consultant and the RTA and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Finland, Statistical Office of the Republic of Slovenia and The Italian National Institute of Statistics.

2. Assessment and results

Current status on Enterprise Groups: BiH has been test producing EG data from 2021 and currently have 3 annual EG data sets (2021-2023). The first production year took several iterations to complete but the process has been streamlined and 2023 was already notably simpler to produce.

Plan for continuously update of the EG database: Currently, EG snapshots are carried out once a year. Is there a clear need to move towards continuous updating?

Plan for how to approach profiling: A clear need for assistance on profiling was identified and focus was given to this for the second mission (including a profiling STE).

Update/questions on NACE 2.1 rev: Several questions arose with regards the new NACE classification. Some were discussed during the mission and others were forwarded to mari.rantanen@stat.fi at Statistics Finland for further details. The finalization schedule was not clear and this affects some translation work in BiH. It is expected that Eurostat have finalized NACE 2.1 in the first half of 2024.

3. Conclusions and recommendations

Next Steps on Enterprise Groups: Currently the EGR is produced programmatically with some manual intervention. Verification procedures catch units which are mainly due to the combination of entity source data (where duplicate units are combined manually) and limited information on foreign legal units (that are domestically owned).

The activity codes are currently stored in two digits. It is suggested that these are expanded to NACE activity codes as four-digit codes for all units within the EGR.

The indicators of turnover and number of people employed could also be added to the EGR once they become available, but the EGR can be created without them until they are made available. The optimal situation would be that these variables are included for all units within the EG's.

Plan for continuously update of the EG database: This issue will be advanced further during later missions. For now, it is not prioritized. How to approach profiling will be the focus of the second mission on EG.

Preparation of ToR for next activity (other): Mission 1.1.B will concentrate on profiling and how to further develop the EGR. The schedule depends on BC timetables and the availability of MS experts but was tentatively set for the first week in December 2024.

NACE 2.1 updating: The actual implementation of this is not seen as problematic as BiH already has experience from the previous NACE upgrade. It is recommended to start with the legal harmonization process of adopting NACE revision 2.1.

4. What to do before the next mission for the BC Counterpart

Action	Deadline	Responsible person
Continue to further develop collaboration and cooperation between the entities	Ongoing	All three statistical institutions
Test EG selected for profiling in the next mission	Before mission 1.1.B	All three statistical institutions
Updating the Activity Codes within EGR to 4 digits for all units	Before mission 1.1.B	All three statistical institutions
Schema of database structure of the EGR and procedures updated	Before mission 1.1.B	All three statistical institutions

Annex 1. Terms of Reference for the current mission

Terms of Reference

EU Twinning Project BA 19 IPA ST 01 23

**Component 1 - Business Statistics
Subcomponent 1.1 – Statistical Business Register**

Timing: Monday 3 (10:00) - Wednesday 5 June (15:30) 2024

Venue: Agency for Statistics of Bosnia and Herzegovina, Sarajevo, Zelenih beretki 26

Activity 1.1A: Enterprise Groups

The objective of the component in this project is to develop a plan for continuous update of the EG database. In addition, to initiate the work on profiling based on the recommendations given in a previous Twinning Project (Support to the Reform of Statistics System in BiH (2018-2020))

- **Mandatory result**

Volume of characteristics in SBR increased and quality of data improved, in line with EBS; updated database on Enterprise Groups.

Guidelines for the profiling process for large and complex Enterprise groups developed.

- **Purpose of the activity:**

- Current status on Enterprise Groups
- Plan for continuously update of the EG database
- Plan for how to approach profiling
- Update/questions on NACE 2.1 rev

- Preparation of mission report
- Preparation of ToR for next activity

- **Expected output of the activity:**
 - Assessment of current status on Enterprise groups made
 - Plan for inclusion of more characteristics made
 - Plan for how to approach profiling made
 - Potential question of NACE 2.1 clarified
 - Mission report prepared
 - ToR for next activity drafted

Annex 2. (input for the) Terms of Reference for the next mission

Activity 1.1.B	Profiling and EG development continued
Budget section	III. Components Mandatory Results – Component X
Subject	<ul style="list-style-type: none"> • Profiling in practice • The continuation of EG development • Preparation of ToR for next activity
Methods	Onsite, STE mission in BiH (Banja Luka)
Resources	MS: Timo Laukkanen + STE (profiling), RTA & RTAA. BC: Relevant staff expected to be involved in component (as 1.1.A)
Duration	2 STEs x 3 working days for MS staff
Output	<ul style="list-style-type: none"> • Finnish profiling demonstrated in practice. • A hands-on exercise to desk-profile an actual BiH Enterprise Group • Mission report • ToR (including time (frame)) for next activity
Time schedule	+3-12 months from 1.1.A (tentative: week 1 in December)

Annex 3. Persons met

BHAS:

- Tanja Miovčić
- Brana Taraba
- Mevlija Odobašić
- Branislava Cvijetić

FIS:

- Emira Besirevic
- Enisa Rastic
- Belmira Hadziabdic

RSIS:


- Nataša Teinović
- Stevan Marjanović
- Nada Malinović (online)

RTA Team:

- Niels Madsen, RTA (not present due to simultaneous mission in Banja Luka)
- Larisa Muslimovic, RTA Assistant (interpreter)

Signatures

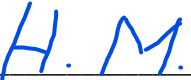
For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as MS experts and the RTA sign here:




Component leader, BHAS




Component leader, FIS



Component leader, RSIS



RTA



MS Expert



MS Expert