

Report on sector review of the Business statistics in Albania

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List of abbreviations

ANJL	Local units survey
BR	Business Register
BS	Business Statistics
EC	European Commission
ESCoP	European Statistics Code of Practice
ESS	European Statistical System
EU	European Union
CC	Classification of Types of Construction
CPI	Consumer Price Index
CV	Coefficient of Variation
DoPA	Department of Public Administration
EU	European Union
GDP	Gross Domestic Product
GDT	General Directory of Taxation
INSTAT	National Institute of Statistics of Albania
IPA	Instrument for Pre-accession Assistance
IPI	Industrial Production Index
KAU	Kind-of-Activity Unit
MBP	Multi-beneficiary programme
NA	National Accounts
NACE	Statistical Classification of Economic Activities
NRC	National Registration Centre
NSI	National Statistical Institute
NSS	National Statistical System
NUTS	Nomenclature of Territorial Units for Statistics
NVE	National Classification of Economic Activities
SAQ	Self-Assessment Questionnaire
SBR	Statistical Business Register
SBS	Structural Business Statistics
Sida	Swedish International Development Cooperation Agency
SR	Sector Review
STS	Short-Term Statistics
VAT	Value-added tax

Preface

1. The Sector Review (SR) of business statistics (BS) in Albania was undertaken within the framework of the Eurostat-funded project ‘Assessment of the statistical systems and selected statistical areas of the enlargement and ENP countries’. ICON-INSTITUT in consortium with DevStat, contracted by Eurostat (no. 14472.2013.002-2013.694), organised all activities and tasks related to the SR. Eurostat initiated the SR following a request by the National Institute of Statistics of Albania (hereinafter INSTAT).
2. The assessment covered two domains of business statistics: structural business statistics (SBS) and short-term statistics (STS).
3. Two experts conducted the SR: Ms Violeta Kunigeliene (leading expert) and Ms Virginia Balea (supporting expert).
4. Prior to the mission, INSTAT staff completed a self-assessment questionnaire (SAQ) assessing how well business statistics in Albania comply with the European Statistics Code of Practice (ESCoP) and with specific EU Regulations for business statistics. Responses to the SAQ served as the starting point for the review, which took place in Tirana from 8 to 11 June 2015.
5. The questionnaire was designed to meet the needs of INSTAT. It covered the following areas: institutional environment, statistical processes, statistical outputs and future planning.
6. The review findings resulted from an analysis of documents provided by INSTAT, documents available on the INSTAT website and information collected and discussed during the in-country mission.
7. Discussions supplemented the information provided in the questionnaire. INSTAT provided an additional set of electronic documents during the in-country mission.
8. The collaboration between the review experts and the INSTAT team was constructive throughout all phases of the Sector Review.

Executive summary

9. The SR was tailored to the needs of INSTAT. The aim of the SR was to assess the alignment of Albanian business statistics with European and international standards. The SR covered structural business statistics and short-term statistics.
10. The main goals of the SR were as follows:
 - ✓ to assess the administrative and technical capacity of the NSS of Albania to produce SBS and STS;
 - ✓ to assess the level of compliance with EU requirements;
 - ✓ to assess the statistical production of SBS and STS;
 - ✓ to propose a list of recommendations to improve the BS production process.
11. The review was based on documentation provided by INSTAT, information collected during the mission and discussions throughout the mission.
12. INSTAT built the Statistical Business Register (SBR) in 1998. The SBR is updated yearly using administrative data sources (NRC, GDT, Ministry of Finance, etc.) and statistical data sources (multi-location enterprise survey, newly created enterprises survey, SBS and STS, among others).
13. In 2010, INSTAT conducted a census of non-agricultural economic units as a component of the IPA 2007 project supported by the European Commission. The aim of the census was to obtain up-to-date records of statistical units, as per EU recommendations and standards, to produce reliable and accurate business statistics. This census led to the creation of the Register of Local Units.
14. NACE Rev. 2 was introduced in SBR in 2010. NACE Rev. 2 has been compulsory in Albania since 1 January 2015.
15. The SBS survey was introduced in 1998 based on a single questionnaire for all domains. In 2012, the survey was redesigned to cover three domains: industry, trade and other services (also covering construction). In 2013, a questionnaire on construction was added to the SBS survey. The survey is conducted following EU standards and methodologies, although it does not fully comply with these standards.
16. The specific characteristic of the Albanian SBS is the data collection method. Enumerators visit the enterprises to complete the questionnaires face-to-face. Considerable human resources are allocated to data collection because the address system in Tirana and across Albania prevents easy identification of enterprise locations.
17. INSTAT receives hard copies of enterprises “annual financial statements” (profit and loss accounts, etc.) from the tax authority and/or National Registration Centre. Additional work is needed to edit this information and convert it into electronic files. This impedes the use of administrative data for statistical purposes. Additional administrative data sources (e.g. social security data) are identified and being used.
18. In STS, two divisions are responsible for quarterly surveys: short-term statistics for producers of goods and short-term statistics for services. Approximately ten staff members perform quarterly surveys. All STS questionnaires are standardised. The first page of the questionnaires is the same for all domains, and the questionnaires cover common variables (i.e. turnover, number of persons employed, wages and salaries). For industry and construction, production variables are also collected. The STS

questionnaires contain more variables than required for STS because of the national need for other data (investment, inventory, total working days, total number of employees at the end of the month). This increases the response burden.

19. The new sampling method was developed in 2008 and in 2012 after the Economic Enterprise Census results. The sample selection method is stratified systematic random sampling with cut-offs. The stratification is based on enterprise size and activity group. The SBR is used for sampling, coordination and grossing up results. For each calendar year, a frozen file of the enterprises is prepared. Furthermore, a new SBR model is currently being prepared (with support from Statistics Sweden). The model will be tested in September 2015.
20. In 2014, short-term indicators were rebased, replacing 2005 with 2010 as the new base year.
21. In 2014, the STS unit non-response rate was around 25%: miscoding of activity – 1.53%, refusal to answer/complete the questionnaire – 2.09%, inactive enterprises – 11.18%, other reasons (wrong address and no contacted person) – 10.14%.
22. Enumerators collect quarterly STS survey data directly from enterprises through face-to-face interviews with the employee in charge of declaring financial data for the enterprise. INSTAT trains and instructs the enumerators prior to data collection. The data collection starts approximately two weeks after the end of the reference quarter and lasts for three weeks.
23. In 2014, the STS division staff together with the Sector of Development of Computer Software developed an online application for collecting 10 STS questionnaires. Every selected enterprise can access this application using a password and then complete the online questionnaire, which is identical to the printed version. The first test of this new data collection application took place in the third quarter of 2014. Only the 300 biggest enterprises in STS were selected to transmit their data, and 81 enterprises (out of 300) completed the questionnaire online.
24. For STS, administrative data such as VAT and social security files are important. These data are provided by the tax authority. If data are not collected from quarterly surveys or are unavailable because of non-response, information from administrative sources is used for the data imputation. The data imputation relies on administrative sources and statistical imputation methods such as the average of previous quarters for the enterprise or the average of the indicator for the group.
25. STS data are published t+90 days after the reference period. INSTAT does not transmit STS data to Eurostat yet.
26. A publication calendar provides users with information in advance about publication dates.
27. Following the first data release, survey results often improve due to late input from respondents. Data are revised for a number of other reasons. A standard data revision policy for INSTAT has not yet been prepared.
28. STS and SBS data compiled and produced by INSTAT are published on the INSTAT website and are available free of charge. Users can access data through Excel tables or pdf file publications. Data dissemination is centralised. INSTAT provides a single entry point for data requests via a dedicated email address.

1 Legal and institutional basis

1.1. Mandate for data collection

29. The legal basis for data collection is the Law on Official Statistics No. 9180 dated 5 February 2004. The Statistical Law has been amended by Law no. 21/1012 and Law no. 7/2013.
30. The Law No. 9180 on Official Statistics establishes the legal framework for collecting, organising, producing and disseminating official statistics in the Republic of Albania.
31. Information is collected, compiled, analysed, disseminated and stored in accordance with the national official statistics programme which is prepared for a five-year-period. The programme currently in force is the programme for 2012–2016.
32. The Law on Official Statistics stipulates the following: *“Official Statistics shall provide quantitative and representative information to the general public, parliament, government, other public authorities, economic, business and social organizations, research and academic institutions, and the media, in all cases both nationally and internationally. They shall reflect the true situation and shall distribute the results in impartial manner.”*
33. *“The necessary information to assess the quality of the official statistics, in particular the data on the methods used for producing statistics and on principles applied, shall be publicly accessible.”*
34. The SR covered two domains of business statistics: structural business statistics and short-term statistics.
35. At the EU level, SBS are compiled under Parliament and Council Regulation 295/2008 and amendments of Council Regulation 58/1997 on SBS. SBS in the EU are produced in accordance with the definitions, breakdowns, deadlines for data delivery and quality aspects specified in Implementing Regulations 250/2009 and 251/2009.
36. The legal basis for European STS is Regulation 1158/2005 (previously Regulation 1165/98).
37. The national classification of economic activities NVE Rev. 2, *“Klasifikimet Statistikore të Aktiviteteve Ekonomike”* is harmonised with the European Statistical Classification of Economic Activities (NACE Rev. 2).

1.2. Adequacy of resources

38. INSTAT’s Economic Statistics Directory has eight divisions (sectors). Within the Directory, two divisions deal with SBS (one for producer of goods and the other for services), two other divisions (sectors) are responsible for STS, one is responsible for Producer Price Index, one is responsible for External trade, one for Consumer Price Index and the last for Management of economic surveys. The SBS and STS staff, in cooperation with the Economic Survey Management sector staff, is responsible for printing questionnaires.
39. According to INSTAT’s organisational chart, the SBS staff contains two heads of SBS for the producer of goods and services sector and six specialists. Out of eight specialist positions, two are vacant.
40. About 190 enumerators are hired annually for the SBS data collection. Additional staff members (seven controllers) ensure logical and mathematical controls of all SBS

questionnaires. Enumerators perform the face-to-face interviews. Staff members from regional INSTAT offices are involved mainly in data collection and data coding.

41. Although the number of personnel is considered adequate, responses to the SAQ reveal that despite receiving external and internal training, employees report a need for more training in certain areas and on specific issues.
42. The recruitment procedure is regulated by the Law on Civil Servants No. 152/2013.
43. According to the new provision of the aforementioned law, the Department of Public Administration (DoPA) recruits personnel for the public administration through a centralised process. INSTAT should provide DoPA with the list of vacancies listed by category. DoPA organises annual recruitment processes for all public administration entities and hires selected candidates (according to their score during the selection process) to fill the vacancies at INSTAT. INSTAT is not involved in the selection of personnel, and the board of recruitment contains no representatives from INSTAT.

1.3. Commitment to quality

44. There is no specific BS quality policy following either the overall quality policy or a specific one related to STS or SBS. Although INSTAT has not yet implemented specific quality standards within BS, the staff of the divisions involved in BS follows some procedures to ensure accuracy, timeliness, compliance and comparability with international and European Union standards and principles.
45. Different phases of the surveys are documented and monitored regarding completeness, quality and timeliness. Procedures concerning SBS and STS surveys establish the purpose, survey methodology, quality checks/comparisons among data, and treatment of sampling error.

2 Main findings

2.1. General overview

46. INSTAT's Economic Statistics Directory has eight divisions (sectors). Within the Directory, two divisions deal with SBS (one for producer of goods and the other for services), two other divisions (sectors) are responsible for STS, one is responsible for Producer Price Index, one is responsible for External trade, one for Consumer Price Index and the last for Management of economic surveys. The SBS and STS staff, in cooperation with the Economic Survey Management sector staff, is responsible for printing questionnaires.
47. INSTAT built the Statistical Business Register in 1998. The SBR contains identification variables (ID number 'NIPT', legal form, ownership, name and address), main activity code, employment and other variables. Turnover is not included in the SBR.
48. The main sources of data used to set up the SBR were administrative data provided by the General Directory of Taxation (GDT) and, since 2007, by the National Registration Centre (NRC).
49. The SBR is updated annually using administrative data sources (NRC, GDT, Ministry of Finance, VAT file and annual financial statements of enterprises) and statistical data sources (multi-location enterprise survey, newly created enterprises survey, SBS and STS, among others).

50. Based on the priority list used by the SBR staff for the update procedure, the first source is the local units survey (ANJL), which provides corrections for most fields in the SBR (identification characteristics, activity code and employment). This source is also the only source used for updating the Local Unit Register. A second statistical source used to improve the SBR is the short-term survey and the third one is the SBS. The information used from the three sources is comparable. However, this approach can cause errors in the codification of enterprise activity and inconsistencies between SBS and business demography data. The SBR is updated regularly, yet staff members have expressed concerns regarding the quality and sources used for these updates because the use of these sources prevents proper identification of births and deaths of enterprises. This leads to bias in the coverage of the SBR and to concerns within INSTAT regarding the compilation of business demography data.
51. INSTAT uses several sources to establish and update the main activity code of enterprises in the SBR. INSTAT gives priority to the survey of local units, STS, SBS and tax data. Although SBS provide turnover and employment breakdowns, these data are of low priority because data collected through SBS on main economic activity are based on the previous year. In order to avoid this, INSTAT has created an SBR user group for identifying and determining the important list of enterprises (1500) for which the economic activity code should be fixed and consistent.
52. As part of the Sida project, an IT application for SBR is under development. The interface is for internal use, and information in the SBR will be accessible for different INSTAT sectors.
53. In 2010, INSTAT conducted an Economic Enterprise Census (non-agricultural economic units) as part of the IPA 2007 project supported by the EC. The aim of the census was to obtain up-to-date statistical records of enterprises, as per EU recommendations and standards, to produce a reliable and accurate SBR. This census led to the creation of the Register of Local Units.
54. For producing BS, procedures related to methodological issues such as questionnaire design, sample design, data collection, data capturing and data dissemination are established in close cooperation between INSTAT divisions (methodology, IT, production and NA units). The working groups meet regularly with the heads from each sector to report and monitor progress and to ensure that requirements are being met in defining methodological tools.
55. SBS is a statistical structural sampling survey, covering active enterprises operating in the Republic of Albania. In Albania, a system of postal addresses has yet to be established; therefore, SBS data are collected directly from enterprises through face-to-face interviews by enumerators. In some cases, enumerators provide enterprises with questionnaires and the questionnaires are filled in by the enterprise staff. In this case, the role of enumerators is to check and validate the data already completed.
56. In STS two divisions are responsible for STS quarterly surveys: short-term statistics producers of goods and short-term statistics services. In these divisions about 10 staff members perform quarterly surveys. All questionnaires on STS are standardised. The first page of the questionnaires is the same for all domains and the content of the questionnaires covers common variables such as turnover, number of persons employed, wages and salaries. For industry and construction, the variables on production are collected additionally. The questionnaires for STS contain more variables than required in STS, but there are national needs for other data (investment,

inventory total working days, total number of employees at the end of the month). This increases the burden on respondents.

57. The new sampling method was developed in 2008 and in 2012 after the Economic Enterprise Census results. The sample selection method is stratified systematic random sampling with cut-offs. The stratification is based on enterprise size and activity group. The SBR is used for sampling, coordination and grossing up results. For each calendar year, a frozen file of the enterprises is prepared. Furthermore, a new SBR model is currently being prepared (with support from Statistics Sweden). The model will be tested in September 2015.
58. In 2010, INSTAT carried out an economic census whereby all non-agricultural entities operating in Albania were surveyed. The main purpose of the census was to provide comprehensive, detailed information about entities, update the register of non-agricultural entities, create a register with local economic units and improve the quality of existing identifiers and economic indicators.
59. SBS data have been published as per NACE Rev. 2 starting with the reference year 2013.
60. According to the survey scope, the statistical unit used to collect and compile data is the enterprise. The survey also collects information on the local units pertaining to each enterprise. In Albania, the enterprise is equivalent to the legal unit. INSTAT does not compile regional business statistics.

2.2. Sound methodology

Structural business statistics

61. INSTAT regularly produces and publishes annual statistics based on the data processed by the SBS staff. Experts in SBS produce reliable statistics aligned with EU and international standards.
62. Since 1998, SBS have been produced using survey data.
63. For SBS, the observation unit is the enterprise, which is equivalent to the legal unit.
64. The reference period is the calendar year, which is the same as the fiscal year.
65. Due to the lack of well-documented information about the addresses of enterprises, INSTAT collects SBS data directly from the enterprise through face-to-face interviews by enumerators. Additional staff members (controllers) perform logical and mathematical controls of all SBS questionnaires.
66. Enumerators receive training and instructions from the INSTAT BS personnel on how to collect data, address questions and resolve issues.
67. The methodology unit and production unit define together the concepts, methods and classifications applied throughout the statistical activities.
68. SBS covers the following domains: industry, construction, trade and market services. In 2010, the scope of the survey was extended to cover sections P – Private education, Q – Human health and social work activities, R – Art, entertainment and recreation, and S – Other service activities (excluding division 94). Agriculture, public administration and financial services are not covered.

69. The forms used to collect SBS information do not include any definition of the variables collected.
70. The experts were provided with a document containing the definitions of the indicators that are similar to those appearing in the EU regulation. The document contains the definition of variables collected from SBS questionnaires. The names of the variables in the document and the names of variables collected do not match. For example, for the indicator ‘turnover (SBS code 12110)’ the term ‘net sales’ is used in the questionnaire.
71. In 2013, the number of enterprises in the sampling frame was 99 673, of which 14 662 enterprises were surveyed.
72. The selection method is stratified systematic random sampling (SRS). Stratification is based on NACE Rev. 2 at the 2-digit level and enterprise size (number of employees). A number of 264 strata was designed. Classification of enterprises according to activity is based on the statistical classification of economic activities, NACE Rev. 2. Classification of enterprises by size is based on the number of persons employed. The size classes are 1 person, 2-4, 5-9, 10-19, 20-49, 50-79, 80-249 persons, and 250 or more persons employed.
73. INSTAT uses Neyman allocation to calculate the sample size in each stratum. Non-response adjustment is done by re-weighting.
74. INSTAT identifies outliers by performing further analyses of the estimates within the publication-level domains. The coefficient of variation in each domain is used as an indicator to detect outliers in each domain.
75. Similar unit non-response rates were registered in 2012 and 2013 (about 30%). Unit non-response covers enterprises unable or unwilling to answer and enterprises for which enumerators were unable to find the address.
76. Several factors may lead to missing data due to item non-response. Item non-response is recorded when answers are unusable or when the respondent lacks information or refuses to answer a specific question. For most SBS variables, the item non-response rate is the same as the unit non-response rate. Some enterprises refuse to respond to some questions, and until now, the validation and data processing system has been unable to identify the imputed items.
77. To compensate for non-responding enterprises in the SBS sample, a non-response adjustment is applied to SBS weights. For some non-respondent enterprises, data are imputed using one or more of the following methods: enterprise data available from INSTAT (administrative data or other survey results), historical data, mean value at stratum level, imputation with other similar enterprise data, etc.
78. The questionnaire is designed to address SBS requirements and national accounts requests.
79. The following additional variables are included in each questionnaire:
 - The industry questionnaire collects data about production by CPA products in physical and monetary terms.
 - The construction questionnaire covers information about construction works by objects and by prefectures.
 - The trade questionnaire includes an additional sales breakdown by CPA products.

- The services questionnaire includes information about hotels and tourists, transport fleet by type of vehicles and transport performance.
 - Usage of ICT products is included in all questionnaires.
80. The following questionnaire variables are used for SBS purposes:
- Average number of employees.
 - Number of employed persons at the end of the year.
 - Net sales as turnover.
 - Personnel costs.
 - Consumed materials and other operating expenses as purchases of goods and services.
 - Investments.
81. The value of production can be computed using questionnaire variables. Computation of value added at factor cost is impossible due to the lack of information.
82. Preliminary SBS data for year t are published at the end of year t+1 (12 months after the reference period). The final data are published two months later (14 months after the reference period).
83. INSTAT publishes two separate sets of SBS indicators: basic indicators (number of enterprises, employment, income, expenditure, cost of personnel and investments) and so called main macro-economic indicators (production, intermediate consumption and value added). Data are compiled and published at the aggregated level (mainly at the section level) and by size class. Size classes differ from those defined at European level.
84. The main SBS indicators compiled and published are the following:
- Number of enterprises;
 - Average number of employees;
 - Average number of persons employed;
 - Turnover;
 - Production value;
 - Value added at basic cost;
 - Gross investment.
85. The number of enterprises appearing in the SBS publication is estimated by summing the grossing-up weights. This value differs from the one published by using the SBR information.
86. So far, INSTAT has not yet delivered any SBS data to Eurostat, although necessary steps have been taken to allow the transmission of 2013 data as soon as possible.
87. According to the SBS regulation requirements, some series can be produced and disseminated. The following paragraphs illustrate the current situation by annexes:

Annex 1. Out of 6 series, the following series can be compiled:

- 1A Annual enterprise statistics for Services.
- 1B Annual enterprise statistics by size class for Services.
- 1C Annual preliminary results for services.

Annex 2. Out of 12 series, the following series can be compiled:

- 2A Annual enterprise statistics for Industry.
- 2B Annual enterprise statistics by size class for Industry.
- 2P Annual preliminary results for Industry.

Annex 3. Out of 12 series, the following series can be compiled:

- 3A Annual enterprise statistics for Distributive Trade.
- 3B Annual enterprise statistics by size class for Distributive Trade.
- 3P Annual preliminary results for Distributive Trade.

Annex 4. Out of 9 series, the following series can be compiled:

- 4A Annual enterprise statistics for Construction.
- 4B Annual enterprise statistics by size class for Construction.
- 4P Annual preliminary results for Construction.

- 88. Not all variables from the aforementioned series are collected or can be computed for all breakdowns (by NACE and size class).
- 89. Variables that are collected or can be computed are: *Number of enterprises, Turnover, Production Value, Gross operating surplus, Total purchases of goods and services, Wages and salaries, Social security costs, Personnel costs, Gross investment in tangible goods, Average number of employees and Number of persons employed.*
- 90. Annexes 5 to 9 (Financial services, business services and business demography) are not covered at all.
- 91. The process of using administrative data is slow and difficult because data are received on paper and additional work is necessary to edit this information.

Short-term statistics

- 92. STS in Albania cover four major economic domains: *Industry* (Annex A by STS Regulation), *Construction* (Annex B), *Retail Trade* (Annex C) and *Other Services* (Annex D). These activities are divided as per the statistical classification of economic activities NACE Rev. 2. Statistical units were converted from NACE Rev. 1.1 to NACE Rev. 2 using a conversion matrix based on statistical information from the 2010 Structural Business Survey of Enterprises.
- 93. All variables are published in unadjusted form. *Industry* covers the following variables in the quarterly questionnaire:
 - Production;
 - Turnover: Turnover by main activity, domestic market and non-domestic market;
 - Number of persons employed;
 - Number of employees;
 - Gross wages and salaries;
 - Producer prices;
 - Import prices.
- 94. INSTAT compiles the industrial production index (IPI) using deflated turnover (Paasche-type index). Hence, questionnaires contain an additional indicator (i.e. turnover by main activity). Two volume indices are calculated: industrial production

index and turnover volume index. The purpose of the second index is still unclear. It is therefore proposed that the deflated turnover index be waived. According to the STS regulation, turnover should be measured as a simple value index. Turnover index as simple value index is calculated in the country. The data for the indicator *Hours worked* is collected for *Industry* and *Construction*, but is not used due to low quality. According to the STS regulation, *Hours worked* is a mandatory indicator.

95. Data are produced at the national level and are broken down by activity at the 2-digit NACE Rev. 2 level. Until 2013, data were produced using NACE Rev. 1.1. Since 2014, data have been published as per NACE Rev. 2. Key data for 2013 were double coded to enable comparison.
96. For industry, 2 405 enterprises were selected from the SBR in 2014. The units of measure were indices and percentage change. The reference period of the industry survey is quarterly. According to the STS regulation, the reference period for all variables except labour indicators is monthly. Industry indicators are disseminated quarterly in a separate report t+90 days after the reference period. As per the STS regulation, countries must provide data for production at t+45 and for turnover at t+60.
97. Producer prices are calculated as per EU regulations. INSTAT calculates the producer price index using a Laspeyres-type index, which redefines the weighting structure every five years and refers to basic information for a particular reference period in relation to the base year. Observation units are enterprises, and sources for selecting enterprises are the Annual Survey on Industrial Production (part of the annual SBS survey based on CPA 2008) and custom data. In 2014, the PPI survey covered 741 reporting units, which reported monthly prices for 1 887 products. The Domestic Producer Price Survey covered 523 reporting units, which reported monthly prices for 1 322 products. The Non-Domestic Price Survey covered 298 reporting units, which reported monthly prices for 565 non-domestic products.
98. The reference period for the PPI is one month, but data are published quarterly.
99. Import price index information is related to the Statistical Classification of Products by Activity (CPA).
100. *Construction* covers the following variables in the quarterly questionnaire:
 - Production;
 - Total construction volume, divided into:
 - New buildings
 - Reconstructions
 - Engineering works
 - Turnover;
 - Number of persons employed;
 - Number of employees;
 - Gross wages and salaries;
 - Construction costs;
 - Material costs;
 - Labour costs;
 - Building permits.

101. The split of the construction indicators into building and civil engineering is based on the Classification of Types of Construction (CC).
102. All variables are collected via statistical questionnaires. The observation unit is the enterprise. Each year around 800 construction enterprises are surveyed.
103. Data on building permits are based on administrative sources, and collected from the local governments by regional offices of INSTAT. Regional offices prepare and send Excel tables to the urban planning and building authorities of the municipalities while the authorities of the municipalities complete the Excel tables and return them to regional statistics offices.
104. The data for construction costs are collected directly from enterprises. The construction cost index measures the evolution of the prices of construction materials, labour costs, machinery, transport, energy and other costs used in the construction of typical dwellings. The material cost index measures the evolution of the prices of the main construction materials. This group consists of three subgroups: construction materials, electric and communication materials, and hydro sanitary materials. The labour cost index measures the salary for engineers, technicians and workers. To calculate the construction cost index, INSTAT selects 227 enterprises and uses a Laspeyres index model. The index has been published since 1993.
105. *Retail Trade* covers the following variables in the quarterly questionnaire:
 - Turnover;
 - Turnover by main activity;
 - Number of persons employed;
 - Number of employees;
 - Gross wages and salaries.
106. Indicators in *Retail Trade* cover economic activities listed in section G (47.11 to 47.78) of NACE Rev. 2. INSTAT uses two separate questionnaires: one for retail trade and one for wholesale trade (this questionnaire belongs to *Other Services*). Both questionnaires are quarterly. In the retail trade questionnaire, respondents provide data for total turnover for each month of the current quarter. The observation unit is the enterprise. The survey covers all enterprises with more than 5 employees. Enterprises with 1-4 employees are sampled. The quarterly survey covers 3090 enterprises. The deflator for retail trade is compiled using information from consumer price division. The deflator is prepared monthly and deflated turnover is published at the 3-digit or 4-digit level. Quarterly publications provide monthly data.
107. *Other Services* covers the following variables in the quarterly questionnaire:
 - Turnover;
 - Turnover by main activity;
 - Number of persons employed;
 - Number of employees;
 - Gross wages and salaries.
108. Indicators in this sector cover economic activities listed in sections G to N of NACE Rev. 2.

G – Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles covers economic activities listed in code 45.

G – Wholesale covers economic activities listed in code 46.

H – Transport and storage covers economic activities listed in codes 49 to 53.

- Railway transport covers economic activities listed in code 49.
- Maritime transport covers economic activities listed in code 50.
- Air transport covers economic activities listed in code 51.
- Warehousing and support activities for transportation covers economic activities listed in code 52.
- Postal and courier activities cover economic activities listed in code 53.

I – Hotel covers economic activities listed in code 55.00.

J – Information and communication covers economic activities listed in codes 58, 61, 62.

- Publishing activities covers economic activities listed in code 58.
- Telecommunications covers economic activities listed in code 61.
- Computer programming, consultancy and related activities cover economic activities listed in code 62.

M – Architectural and engineering activities covers economic activities listed in code 71.

N – Travel agency covers economic activities listed in code 79.

109. Each economic activity has a separate questionnaire.
110. Around 2 000 enterprises were selected for the quarterly survey in 2014. In this domain, turnover is calculated using the simple value index. Currently, NSIs involved in the Sida statistical cooperation programme assist INSTAT in the selection of activities to prepare the producer price index for services. The technical assistance missions were scheduled for July 2015.

Administrative data:

111. Article 13 of the Law on Official Statistics No. 9180 dated 5 February 2004 states the following: ‘Duties and task of other agencies’ (paragraph, 3): *“All central and local institutions shall give INSTAT access to registers, data files, and to data collected, processed and stored in the domain of their respective responsibilities, to the extent that it is necessary for the production of statistics, thus avoiding response burdens on the statistical units.”*
112. By law, INSTAT has the right to free access to any administrative data sources necessary for statistical production.
113. Collection of data from administrative sources is in accordance with the Programme of Official Statistics (2012-2016) and metadata activity. Article 16 of the Law on Official Statistics No. 9180 dated 5 February 2004 states the following: ‘Link of the official statistics with administrative data’ (paragraph 4): *“INSTAT has the right to take and to use the administrative statistics and is obliged to spread them out accordingly with the official statistics Programme. Producers of the administrative statistics should transmit these statistics with the request of INSTAT.”*
114. Despite legal provisions and a memorandum of understanding with the Ministry of Finance, the use of administrative data is scarce, mainly because enterprises submit their

financial statements on paper. Hence, additional work to edit submitted data would be needed to use these data.

115. For the STS, variables compiled using administrative sources refer to building permits (number of dwellings and surface area).
116. The administrative data are used in BS to detect, edit and impute item non-response.
117. The identification code used in administrative sources is the same as the one used in statistical registers for BS surveys (NIPT code).

Non-response:

118. In Albania the non-response rate is high. In 2013, SBS non-response was about 30%, mainly because of refusal to answer the questionnaire, inactive enterprises and not found enterprises.
119. To compensate for non-response in the SBS sample, a non-response adjustment is applied to grossing-up weights. For non-responding large enterprises, missing data are imputed using one or a combination of methods developed by INSTAT.

Data processing:

120. In addition to preliminary checks by enumerators and controllers, SBS and STS staff members validate data by checking them against data from the previous year or cross checking between variables. The statisticians responsible for SBS and STS apply logical and mathematical controls at the enterprise level. When differences and inconsistencies are detected, enterprises are contacted to confirm the conflicting data.

2.3. Non-excessive burden on respondents

121. Recently, INSTAT has started collecting data electronically. The online questionnaires are currently used for STS.

2.4. Relevance

122. The main user of SBS data is the NA Division. Before a new annual survey is launched, NA staff members are usually consulted regarding the model for the SBS questionnaire.
123. In recent years, INSTAT's main aim has been to harmonise the main BS with EU requirements. Considerable efforts have been made to implement and integrate NACE Rev. 2 and to produce SBS variables under both classifications (NACE Rev. 2 and Rev 1.1).
124. INSTAT currently does not conduct user satisfaction surveys, but it plans to design and implement a user satisfaction survey in the next phase of the Sida statistical cooperation programme.

2.5. Accuracy and reliability

125. For SBS, CV and annual estimates are calculated for main variables. For STS, CV and estimates are computed quarterly. Estimates and CV are computed in SAS software using the Horvitz–Thompson estimator, which is applied from the sampling design phase.
126. Measurement and processing errors are identified by comparing data of the current period with the corresponding data from previous periods (previous year or month of previous year).

127. To reduce measurement error, the BS team tries to harmonise questions across questionnaires.

2.6. Timeliness and punctuality

128. INSTAT produces a release calendar, which is available on the INSTAT website.

129. INSTAT respects deadlines and publishes BS according to the following calendar.

Monthly/ quarterly and annual results for 2013	Main dates in the national production process				
	Date of beginning of data collection	Date of end of data collection	Date of end of quality check and weighting for statistics published in press release	Date of national publication of press release	Date of national dissemination of metadata
SBS	18 June	18 September	20 November	5 December	23 February
STS	Day 15 after the reference quarter	Field work lasts 3 weeks		90 days after the reference quarter	

2.7. Coherence and comparability

130. INSTAT applies some procedures and guidelines to monitor internal data coherence or consistency between preliminary and final data, micro-data and aggregated data.

131. The definition of the statistical unit does not fully comply with EU standards because the statistical unit is equal to the legal unit.

132. As previously mentioned, not all variables and breakdowns stipulated in the SBS regulation are computed.

133. Until 2012, economic entities were classified according to the national activity classification harmonised with NACE Rev. 1.1. Since 2013, the revised classification NACE Rev. 2 has been used.

2.8. Accessibility and clarity

134. SBS results are disseminated through the publication *Results of the structural survey of economic enterprises*, which is available in PDF. Data are also available on the INSTAT website in electronic (Excel) format.

135. STS results are disseminated through the publication “*Short-term statistics*” which is available in PDF format as well as on the INSTAT website under the theme *Enterprises Economic Indicators*.

136. INSTAT is implementing Metaplus as its application for metadata. Until now, only STS have been documented. Even though INSTAT lacks a standardised metadata system, BS staff members have used a common metadata format for the last two years for SBS and STS.

137. INSTAT has already started documenting the processes related to survey methodologies, metadata and quality reports.

3 International organisations and activities related to the BS

138. From 1992 to 1998, Albania was involved in the PHARE Regional Programme on Statistics. This assistance programme included participation in workshops, seminars and

study tours. International experts have been invited to INSTAT, and Albanian specialists have visited NSIs abroad. The main goal of such cooperation was the creation of a statistical production system based on EU Member States' best practise. Technical assistance was provided by Eurostat.

139. INSTAT participated in the Eurostat poll on newly established enterprises in Eastern and Central Europe, financed by the PHARE statistical programme. INSTAT continues its close cooperation with INSEE (French National Institute for Statistics and Economic Studies) and ISTAT (Italian National Institute for Statistics).
140. The IPA Multi-Beneficiary Statistical Cooperation Programme 2012, which will end in November 2015, provides support and assistance in capacity building and enhancing institutional expertise through participation in task forces, meetings and working groups of the ESS for relevant statistical domains as well as in short-term training and internships (3–5 months) in the NSIs of EU Member States and at Eurostat. At the same time, the programme disseminates best practice and initiates the exchange of ideas among parties.
141. One of the most important support activities of the IPA multi-beneficiary programme (MBP) is the provision of specific technical assistance and expertise for different pilot projects. The aim is to ensure the collection, production and dissemination of high-quality statistics. The programme covers the management of pilot projects, assessments and analyses of data availability and compliance of methodology and procedures with EU requirements. Another purpose of the programme is the provision of technical assistance for data collection, treatment, analysis and dissemination via international experts' missions and help desks.
142. The pilot projects under IPA MBP 2012 for the statistical system of Albania cover national accounts, methodology and short-term business statistics.
143. The statistical cooperation project between INSTAT and Statistics Sweden aims at contributing to building a sustainable statistical system in Albania. The priority areas for this technical assistance throughout the whole project include management, economics and business statistics, statistical methodology, and ICT.

4 Further developments

144. It is necessary to continue the progressive approach towards compliance with STS and SBS regulations.
145. In SBS, improvements should be made in data processing of administrative data. High priority should be given to the analysis of additional data sources to be used to increase the number of variables compiled.
146. The SBS and STS questionnaires should be redesigned to reduce the response burden.
147. The SBS data collection process should be redesigned by using the experience of STS.

5 Conclusions and recommendations

148. The main recommendations of the SR on business statistics are as follows. INSTAT should:
 - Prepare an annual working programme. This will enable the monitoring of achievements and will allow further improvements to be made.

- Increase activities to raise statistical awareness and encourage greater use of official statistics by public administrations and decision makers.
- Assign a single department to coordinate SBS activities. Having two departments (sectors) in charge of SBS according to the economic sector may lead to duplication and non-consistent data collection and processing. Therefore, a single department is more conducive to SBS coordination and uniformity.
- Improve the use of administrative data. Use of administrative data could reduce the response burden. Administrative data could be used to improve data quality through imputation and data cross-checking.
- Improve the SBR and the collection and coverage of information on kind-of-activity unit (KAU). KAU is a pillar for computing macro-economic aggregates.
- Statistical processes should be formalised and documented. Modern European NSIs use standards and models to describe statistical processes coherently. Information on how statistical outputs are produced is also needed to understand and use the data more effectively.
- Produce regional SBS indicators. Regional SBS are important for measuring disparities and similarities between territorial units. SBS could help policy makers and the business community to develop businesses and create new jobs.
- Improve the STS system by switching from quarterly to monthly production data for industry and retail trade.
- Revise the publication of industrial data. INSTAT should avoid duplicating indicators such as the production index and the turnover volume index.
- Treat STS and SBS data more consistently. There is a risk that the statistical unit may be treated differently in STS and SBS. This could lead to data incoherence and could lower data quality.
- Improve the timeliness of data collection and publication to conform to international standards. Timeliness is a quality dimension that measures the time between the phenomenon described by the data and the availability of the data. Some users (or some decision makers) are more interested in timeliness when statistics are used as decision making indicators.
- Continue to modernise data collection by extending online data collection to new surveys. This will reduce costs and the response burden, enabling INSTAT to allocate resources to improving the quality of BS.
- Review the INSTAT training programme to focus on quality issues. The training programme should be tailored to the needs of all BS staff.
- Establish revision and dissemination policies. Dissemination is a key activity of any NSI. A key aim of dissemination is to make statistical data available to all users in an impartial and objective manner.
- Ensure that dissemination of data by size class is consistent with international standards.
- Use the SBR to compile data on number of enterprises.

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