

Republic of Macedonia  
State Statistical Office

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# **ANNUAL REPORT 2014**

**Skopje, June 2015**

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Pursuant to Article 12 of the Law on State Statistics ("Official Gazette of the Republic of Macedonia" No.54/97, 21/07, 51/11, 104/13 and 42/14), at its 28th session held on 26 June 2015, the Council reviewed the Report on the work of the State Statistical Office in 2014 and gave the following

### **OPINION**

The Statistical Council of the Republic of Macedonia reviewed and unanimously accepted the Report on the work of the State Statistical Office for 2014.

At the same time, the Statistical Council considers that the State Statistical Office has carried out all planned tasks and activities for 2014 in accordance with the Five-Year Programme and the Annual Work Programme.

The Council concluded that, in order not to fall behind in work and development, the State Statistical Office must receive adequate funding for its needs. That way, the Office can properly and continuously maintain the quality of the organisational, technical and human resources capacity of the statistical system in the Republic of Macedonia and the resulting obligations at the national and international level.

President of the Statistical Council  
of the Republic of Macedonia  
Prof. Blagoja Markoski, PhD

## **INTRODUCTION**

The purpose of official statistics is the continuous development of statistics and production and dissemination of statistical data in accordance with the fundamental principles of official statistics. The main tasks of the Office include efficient and timely preparation and dissemination of high-quality statistical indicators that reflect the social and economic phenomena and processes, and providing users with a reliable source of data for analysis of current situations and making decisions. Official statistics are important not only nationally, but also internationally, as they allow comparison of certain aspects of social and economic development with other countries. With the process of accession of the Republic of Macedonia into the European Union, particular emphasis is placed on the integration of the statistical system of the Republic of Macedonia in the European Statistical System, as well as on ensuring comparability of statistics on the Republic of Macedonia with data on the member states of the European Union.

At the beginning of 2014, the State Statistical Office prepared the Strategic Plan for the period 2015-2017, which defines the mission and vision as well as the general and specific statistical objectives of the Macedonian statistical system. In order to develop a consistent system of official statistics, the Programme of Statistical Surveys 2013-2017 was adopted, which sets out the main results of official statistics and the major developments that need to be achieved in the specified period. The programme integrates all authorised bodies in order to prevent production of official statistics outside the system of state statistics.

Pursuant to Article 21 of the Law on State Statistics, and for the purpose of informing the Government of the Republic of Macedonia, the State Statistical Office prepared the Annual Report for 2014. The Report pays special attention to the results of the State Statistical Office in 2014, emphasising the dedication of the SSO for further development of the statistical system of the country, as well as the compliance with international statistical standards and their application in the statistical system of the country. The Report also covers other important aspects of the operation of the State Statistical Office aimed at providing complete and objective information to the Government.

## **1. STATISTICAL INFRASTRUCTURE**

For achieving high quality results of official statistics, the existence of appropriate infrastructure is of great importance.

### **1.1. Administrative capacities**

The State Statistical Office defined its values and objectives in the Strategic Plan 2015-2017. This is a basic document containing the main activities to be performed in the upcoming period in order to achieve harmonisation of national statistics with EU legislation.

On 3 March 2014, the Assembly of the Republic of Macedonia adopted the Law on Amending the Law on State Statistics ("Official Gazette" No.42/14). The purpose of the amendments is to establish legal grounds for implementing a procedure for selecting a Director and Deputy Director of the State Statistical Office, while respecting the professional competence of potential candidates and the principle of transparency in the procedure for selection of potential candidates.

The State Statistical Office of the Republic of Macedonia, as coordinator of the national statistical system, the National Bank and the Ministry of Finance, as the most important partners of the SSO and as authorised bodies, extended the successful cooperation and in 2014 continued to provide data for updating the National Summary Data Page within the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. With this standard, the Republic of Macedonia applies the basic principles for publishing economic and financial statistics, which enables access to international capital markets.

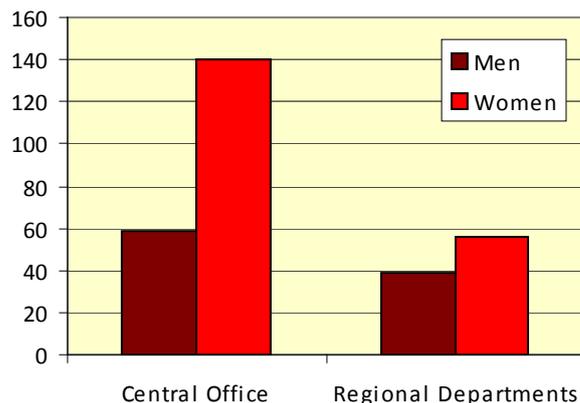
In 2014, the State Statistical Office made amendments to the Programme of Statistical Surveys 2013-2017 in order to regulate certain aspects of the method of collecting statistical information, the introduction of new international statistical standards and the extension of the deadlines for implementation of certain statistical surveys. The Government of the Republic of Macedonia adopted the amended Programme and it was published in the "Official Gazette of the Republic of Macedonia" No. 13/2015.

#### **1.1.1. Human resources**

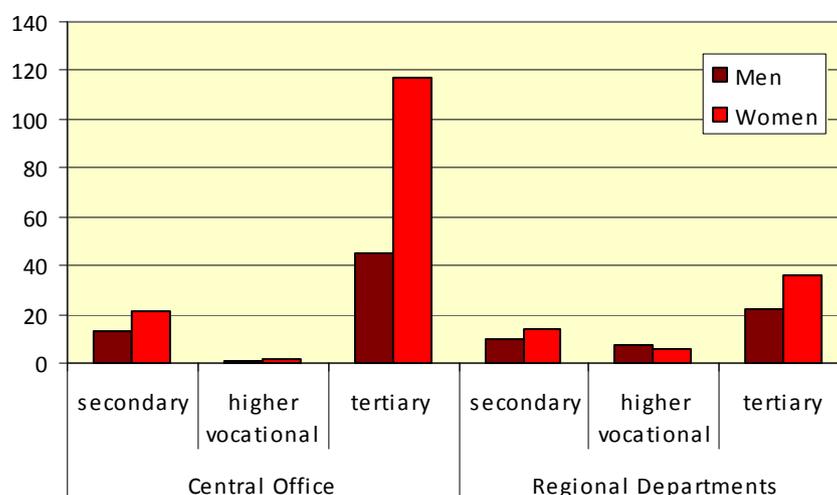
In accordance with the established legal competence and the Regulation on Internal Organisation of State Administration Bodies ("Official Gazette of the Republic of Macedonia" No. 93/00 and 14/02) and the Rulebook on Internal Organisation and Operation of the State Statistical Office, the SSO performs its duties in seven sectors and 36 departments.

The number of employees at the State Statistical Office, as at 31 December 2014, was 296 persons. The central Office employs 201 people, while the regional departments 95 people.

Graph 1. Number of employees at the SSO, by location and gender



Graph 2. SSO employees, by location and education

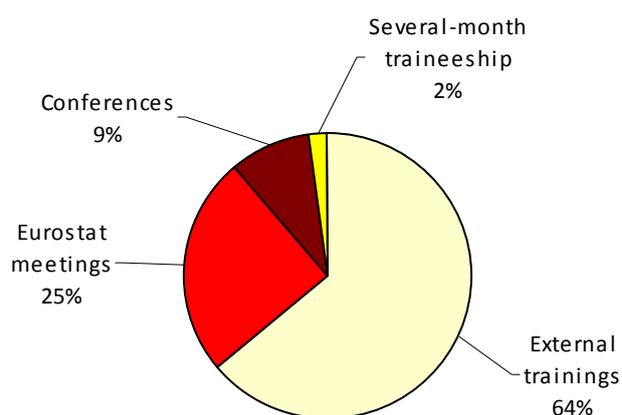


### 1.1.2. Professional training of employees

One of the main intentions of the State Statistical Office is to pay great attention to the development of human resources by continuous training for improving the abilities and skills of employees. This is closely related to the establishment of a culture of quality, integrity and professionalism. In this regard, the SSO recognises the need for continuous training of its employees in order to meet the increased demand for statistical data in accordance with international standards. There are two types of trainings: generic trainings, mostly organised by the Administration Agency, and specialised statistical trainings carried out by foreign experts as part of the numerous projects.

In 2014, 17 persons from the SSO participated in 14 international conferences, and 49 SSO representatives took part in 39 Eurostat meetings. Also, a total of 406 persons from the SSO attended 97 external trainings organised by external experts. Three SSO employees participated in several-month traineeships, of which one in Eurostat, one in the Statistical Office of the Republic of Slovenia, and one in the National Statistical Institute of Bulgaria.

Graph 3. Participation of SSO staff in events, by type of event



In 2014, the SSO presented itself with 9 presentations at international events, on invitation from the organisers.

In accordance with the training plan, the SSO continued with the practice of organising lectures given by the employees themselves. A total of 42 internal trainings were held, which were attended by a total of 539 persons, or 13 persons per training on average. Of these, 34 were generic and 8 were specialised trainings.

- The topics of the trainings were: MS Access; experience from the internship in the field of agriculture; experience from the internship for the Survey on Income and Living Conditions; experience from the internship in the field of migrations; purchasing power parity; management of reporting units in the eStat system; European System of Accounts; tourism and hospitality statistics; presentation of eStat with special emphasis on user management; quarterly calculations of GDP - data and methods; experience of the Statistical Office of the Republic of Slovenia in developing and maintaining the statistical population register; supervision, under the provisions of the Law on State Statistics; forestry; microdata confidentiality; use of CATI in the Labour Force Survey, possible improvements, knowledge and experience gained during the internship at the Statistical Office of the Republic of Slovenia (SURS); transport statistics; education statistics; virtualisation and centralised storage, PIM method for calculating the value of fixed assets; industry statistics - annual report on industry IND. 21; fixed assets in terms of SNA 2008 - assets in SNA 2008 and ESA 2010; importance of internal audit in the State Statistical Office; preparation of microdata for research purposes; protection against statistical disclosure – data file for scientific research purposes; development of the Statistical Business Register; innovation statistics - innovations and innovation activities of business entities; services in the data system – data on services, needs and necessary methodological work; reliability of statistics; training for programming and monitoring of budgets – budget for IPA projects funded by the EC; automatic generation of questionnaires; quality management – completing self-assessment questionnaire for conducted statistical surveys; PX Edit; sample design and weights development; preparations for the next cycle of LPR and QAF – Quality Assurance Framework of the European Statistical System.

### **1.1.3. Budget of the State Statistical Office**

The total budget of the SSO in 2014 was 155 497 000 denars. The budget of the SSO for performing regular activities in 2014, in comparison with the previous year, was almost identical (difference of 3 000 denars).

The largest portion of the budget was allocated to Programme 20 – Statistical Surveys (97.07%), followed by Programme MA – EU Integration with 1.94%, and Programme 10 – Administration with 0.99%.

In the funds approved for Programme 20 – Statistical Surveys, salaries and contributions for SSO employees had the highest share with 78.94%, utility services 11.55%, funds for conducting statistical surveys accounted for 6.35%, while capital expenditures participated with 2.26%. The remainder of funds for this programme (0.88%) was composed of travelling expenses and daily allowances 0.03%, materials and office supplies 0.38%, repairs and maintenance 0.40%, other current expenditures 0.03%, and subsidies and transfers 0.03%. The above budget parameters show its unfavourable structure, primarily in terms of the predominance of employee salaries in relation to the funds for implementation of statistical surveys of the Five-Year Programme of Statistical Surveys.

The shortage of funds for financing the current activities of the SSO has hindered the implementation of the Annual Work Programme of the SSO and the implementation of the planned surveys and payments to interviewers. Some of the surveys planned in the strategic documents were postponed for later years. For some of the surveys conducted by the SSO the sample of reporting units from which data are collected was reduced, which in turn decreased the quality of the data obtained from these surveys.

During 2014, the debts of the SSO to business entities for the provision of license rights, electricity, heating, cleaning, Internet, phone services and postage costs increased.

### **1.1.4. Internal audit**

In the SSO, internal audit is conducted as an independent activity of objective assurance and consulting in order to determine whether adequate policies and procedures are applied, whether the regulations and the established standards are implemented, whether the resources are used in an efficient and economic manner, and whether the planned objectives are achieved effectively.

The internal audit provides the Director with additional assurance that the implementation of the management and control instruments is adequate, economic and consistent with the generally accepted standards and the national legislation. It also provides the Director with analyses, recommendations, advice and information concerning the reviewed activities, in order to contribute to the improvement of SSO's work.

In the course of 2014, internal auditors performed 6 audits for which they prepared auditor's reports, based on the strategic plan, the internal audit annual plan and the plans for individual audits, in accordance with the International Standards for the Professional Practice of Internal Auditing. In the specified period, 18 recommendations were given.

The findings of the audit report for costs incurred on account 421 - Utilities, heating, communication and transportation show that the liabilities for these costs amounted to 10 748 050 denars in 2013 and 7 938 267 denars in 2014. The debts of the SSO to business entities have increased, which poses a risk to the normal functioning of the SSO.

In 2014, the State Audit Office carried out an audit of the performance, efficiency and effectiveness of the system of financial management and control and internal audit in the SSO. The recommendations listed in the Report are clear and realistic, and competent SSO employees are already acting on these recommendations.

In 2014, an Annual Report was prepared on the performed audits and activities of the internal audit for 2013.

#### **1.1.5. Statistical Council of the Republic of Macedonia**

The current Statistical Council of the Republic of Macedonia, as an expert advisory body for state statistics, was established by Decision No. 07-2155/1 of the Assembly of the Republic of Macedonia of 30 April 2012 (fourth Council). The position and the responsibilities of the Statistical Council are defined in articles 10, 11 and 12 of the Law on State Statistics.

During 2014, the Statistical Council held 9 sessions in total. In accordance with its responsibilities defined in the Law on State Statistics, the Council reviewed several materials in the field of state statistics, as follows:

- Financial plan for funding the activities of the Statistical Council of the Republic of Macedonia for 2014
- Draft work programme of the State Statistical Office for 2014
- Implementation of ESA 2010 – changes, impact on data - revision
- Information on the introduction of the National Nomenclature of Industrial Products
- Information on the Policy for Access to Microdata in the SSO
- Examination of the system for supporting automated data collection (eStat)
- Draft report on the work of the State Statistical Office for 2013
- Information on the international cooperation of the State Statistical Office through the IPA projects in 2014
- Report of the European Commission on the progress of the Republic of Macedonia, with special emphasis on the progress in the field of statistics
- Information on the accomplishment of the NPAA duties by the State Statistical Office
- Draft work programme of the Statistical Council of the Republic of Macedonia for 2015
- Draft budget of the Statistical Council for 2015
- Information on planned duties for NPAA 2015 for Chapter 3.18 - Statistics

## **1.2. Support of statistical outputs, technical infrastructure**

### **1.2.1. Quality management**

- Quality is a fundamental criterion applied in the development, production and dissemination of statistics within the statistical system of the country. Quality monitoring in the SSO is based on the quality standards established in the European Statistical System (ESS) and expressed in the Quality Declaration of the ESS and the European Statistics Code of Practice (hereinafter the Code). In fact, all activities and results achieved in 2014 are measurable through the principles and indicators of the Code.

### **1.2.2. Metadata**

Regarding the development and implementation of the metainformation system, in accordance with the Metadata Development Strategy, in 2014 the SSO started implementing a partially process-oriented work environment where the processes of collecting and entry/editing, which require the most time and resources and are part of most statistical

surveys, are optimised and integrated in various surveys. This is supported by the IT system for automatic metadata-based generation of web forms for data collection over the Internet (eStat). At the same time, eStat represents a centralised repository of structural metadata.

eStat supports the criteria and strengthens the pillars of the Quality Policy:

- Improving timeliness
- Improving data accuracy
- Rational use of available resources

### **1.2.3. Reducing the burden on reporting units**

The SSO is dedicated to the strategic goal of reducing the burden on reporting units by examining the possibilities for using administrative data sources for statistical purposes in several areas. To that end, nine memoranda, agreements and amendments to the existing memoranda and agreements of cooperation were signed in 2014 with:

- Public Revenue Office
- Employment Agency of the Republic of Macedonia
- Agency for Supervision of Fully Funded Pension Insurance
- Ministry of Education and Science
- Ministry of Health
- Ministry of Labour and Social Policy
- Ministry of Transport and Communications
- National Bank of the Republic of Macedonia
- Ministry of Justice

Significant reduction of the burden on respondents-business entities is expected with the application of eStat, by means of which reporting units can submit data via web questionnaires. In addition to moderate burden, there will also be a significant decrease in questionnaire printing and mailing costs, both for the SSO and for data providers.

### **1.2.4. Data security and statistical confidentiality**

Data security and statistical confidentiality in the SSO are ensured by internal procedures and regulations and by implementation of new technologies and technical means. The State Statistical Office, in accordance with the Law on State Statistics and the principles of official statistics, is obligated to protect statistical data from disclosure, and also needs to provide access to protected microdata for the scientific research community. The accomplishment of these objectives requires continuous efforts of the SSO in the process of aligning the national legislation with the EU acquis. During 2014, the SSO continued the implementation of statistical disclosure protection methods by developing custom software applications in order to achieve optimal balance between the protection from disclosure and the analytical potential of data.

### **1.2.5. Using the collaborative infrastructure of Eurostat – data transmission through the “Single Entry Point”**

Data transmission to Eurostat by using eDamis tools through the Single Entry Point was carried out regularly as part of the established practice and within deadlines set by Eurostat, and the number of transmitted data sets is growing every year.

In 2014, there were a total of 686 data transmissions with 404 data sets transmitted.

Data sets are regularly transmitted along with reference metadata using the National Reference Metadata Editor, as a tool for their transmission.

### **1.2.6. IT infrastructure**

For improving the IT infrastructure, in 2014 the SSO purchased a centralised system for backup and disaster recovery, an EU funded project within IPA 2009. The latest update of the central IT infrastructure last year resulted in quality improvement, the physical servers were replaced by virtual, and centralised storage and automatic back up were established. The new IT infrastructure will bring improvements from technical and organisational point of view. The virtualisation and the introduction of centralised storage decrease maintenance costs, improve server management and resource use, and help reduce energy consumption. From an organisational aspect, the IT infrastructure consolidates the databases, improves data security, accelerates and automates the backup process and allows recovery of data in case of incidents.

All technical improvements contribute significantly to greater data security. An Information Security Policy was adopted, defining security rules and procedures. In terms of data protection, there are daily data backups, and after the end of each statistical survey there is a defined procedure for archiving data and applications in accordance with the policies and procedures for archiving and backup.

## **1.3. Dissemination**

### **1.3.1. Data dissemination**

The main goal of dissemination is to provide SSO products and services that meet users' needs for official statistics.

The Internet is the main channel for dissemination of statistical data and information. In 2014, great efforts were made by the SSO for preparing new data tables and for updating the existing data tables with longer time series in the MakStat database.

### **1.3.2. Statistical data available online – more data and more users**

The website of the State Statistical Office is the basic source of official statistics. Through the website, users have access to the publications issued by the institution, as well as to the database that contains data from several thematic areas and data by regions and municipalities. In 2014, the website of the SSO was visited 1 359 500 times. From January to December 2014, the tables in the database were visited 89 472 times in total, an increase of 57.8% compared to 2013.

The new website of the State Statistical Office, which became operational in 2011, has been designed according to user needs and in accordance with European standards. The database is constantly enriched with new data tables and time series. The amount of data organised in excel spreadsheets is steadily growing, and data users can access tables of the statistical reviews and the Statistical Yearbook in Excel format. Information about the statistical products and activities of the SSO is regularly published on Twitter.

Preparations were made in 2014 for the User Satisfaction Survey, which will be carried out at the beginning of 2015.

### 1.3.3. Publication activity of the institution

The results from the statistical surveys are available to both domestic and international users in the form of statistical publications.

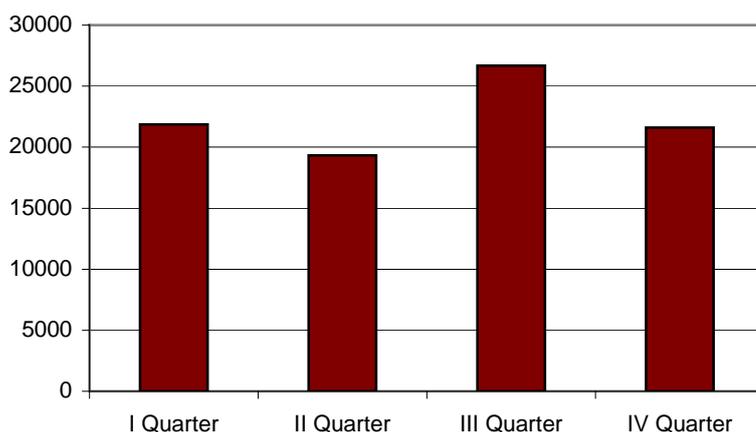
Dissemination statistics show that the following results were achieved in 2014:

- 317 issues were published in the “News Releases” edition,
- 33 issues were published in the “Statistical Reviews” edition;
- 5 other publications were published,
- 12 issues of the Monthly Statistical Bulletin were published, separately in Macedonian and English language,
- 12 issues of Short-Term Indicators were published,

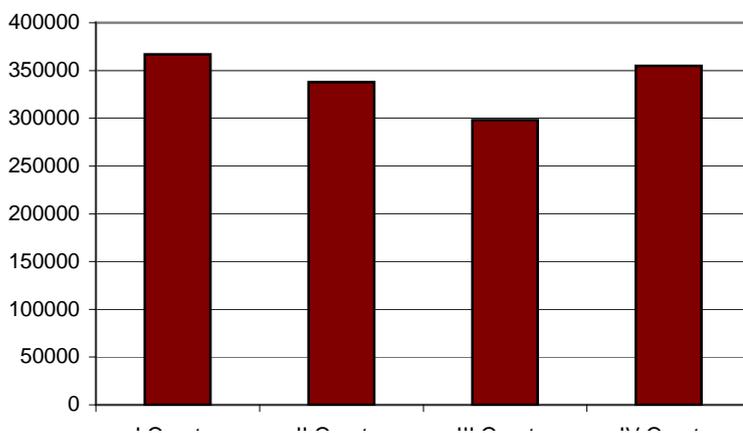
The following were published in 2014:

"Statistical Yearbook of the Republic of Macedonia" – a publication containing statistical data on the demographic, social and economic situation in the Republic of Macedonia, as well as data for a longer period of time. A separate chapter contains data comparable with other countries in Europe and the world.

Graph 4. Visits to the web database of the SSO, 2014



Graph 5. Number of visits to the website of the SSO, 2014



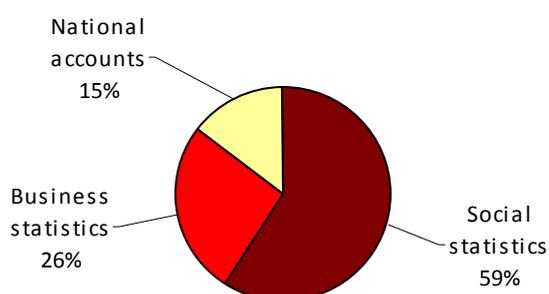
"Macedonia in Figures" – a small statistical yearbook, containing tables and charts with data about the Republic of Macedonia from all the areas covered by the surveys conducted by the State Statistical Office. The concept of presenting comparative data about the Republic of Macedonia and the EU member states and candidate countries has been retained in this edition as well.

"Sustainable Development" – publication in which the SSO succeeded in the efforts to calculate and unite in one place the available indicators of sustainable development in the Republic of Macedonia. The indicators have a multi-domain character and reflect the economic, social, environmental and the institutional dimension of sustainable development.

"Regions of the Republic of Macedonia" – fifth edition (2014) of the SSO which contains the latest economic and socio-demographic data about the regions in the country. Statistical data about the regions contribute to the fulfilment of the obligations of the Republic of Macedonia in the frame of the regional policy of the European Union. Through clear and simple tables, maps and charts, this publication presents the statistical regions in several statistical areas, while the short comments facilitate the identification of the characteristics, differences and similarities between the regions.

"Women and men in the Republic of Macedonia" – seventh edition (2014) of the publication, containing gender indicators that are used for monitoring the process of providing equal opportunities and equal treatment of women and men in various areas of life: education, employment, judiciary, culture, social protection, etc.

Graph 6. Publications issued, 2014



All publications are available on the website of the State Statistical Office: [www.stat.gov.mk](http://www.stat.gov.mk)

#### 1.3.4. Preparation of data according to user needs – simple delivery of data to users

In 2014, the SSO responded to 1062 requests for statistical data, most of which via e-mail (71%), and to around 400 data queries via telephone.

The library of the Office was visited by 50 users, who used SSO's publications and other library materials. Processing of library material continued in 2014, when 96 titles were processed in the COBISS tool.

#### 1.3.5. Greater representation of statistical data in the media

Media are a very significant part of users of official statistical data, because through the media statistical data are available to the general public. The edition "News Releases" is the most often used medium by the journalists. The State Statistical Office keeps track of its

coverage in print media and web portals, and according to the available data, 388 articles were published in 2014, most of which referring to the interpretation of statistical data in the area of industry, population, incomes, expenditures and prices.

Cooperation with the media - one of the main channels for dissemination of statistical data - was carried out through communication of the responsible persons with all the media, which significantly increased the interest in the statistical products.

## **2. CLASSIFICATIONS AND REGISTERS**

### **2.1. Classifications**

In May 2014, on proposal of the State Statistical Office, the Government of the Republic of Macedonia adopted a Decision on establishing the National Nomenclature of Industrial Products NNIP 2014 (Official Gazette of the Republic of Macedonia No. 83/14).

In 2014, the State Statistical Office carried out activities for amending the National Classification of Occupations - NKZ-08.

The revision is fully based on the structure of ISCO-08 at the unit group level. The purpose of the revision is to supplement NKZ-08 at the national level with occupations which should be made separate units within the unit groups. NKZ-08 is expected to be adopted by the Government in 2015.

Regarding the application of statistical classifications in agriculture, a workshop on exchange of information and introduction to the method of data collection and processing was organised in March 2014 by the Ministry of Agriculture, Forestry and Water Economy and the State Statistical Office. Working groups were created between the SSO and the Ministry of Agriculture, Forestry and Water Economy in order to identify differences and possibilities for application of statistical classifications in the field of agriculture.

### **2.2. Statistical registers**

The State Statistical Office continuously works on improving the quality and content of the statistical registers it maintains.

#### **2.2.1. Statistical Register of Territorial Units**

At the beginning of 2014, the Government of the Republic of Macedonia adopted the amendments to the Nomenclature of Territorial Units for Statistics – NTES. They have been published in Official Gazette of the Republic of Macedonia No. 10/2014.

During 2014, activities were conducted within the IPA 2009 Twinning Project for developing a software application for production of thematic maps. Activities were also carried out for finalising the introduction of web cartography on the SSO website.

#### **2.2.2. Statistical Business Register**

The scope and quality of the Statistical Business Register have been improved by conducting a statistical survey on local units (data on local units have been processed and updated).

In 2014, the enterprise groups database within the Business Register was updated with data from the Central Securities Depository and the National Bank as new administrative data sources, which improved the scope and quality of the data.

#### **2.2.3. Statistical Farm Register**

The Statistical Farm Register was updated with statistical data from the Farm Structure Survey, which was carried out in June 2013. Procedures have been developed for updating the Statistical Farm Register with data from administrative sources.

### **3. SECTOR STATISTICS**

#### **3.1. Social statistics**

During 2014, the Sector of Social Statistics carried out all planned statistical surveys in the areas of labour market, standard of living, social services and demography.

Social statistics in 2014 were characterised by the establishment of a new questionnaire collection method via the eStat system.

The Public Revenue Office provided administrative data on wages paid per employee, and the State Statistical Office carried out further activities (analyses) in order to use these data in the monthly survey on employees and wages. The SSO is currently identifying methodological differences in order for statistics on wages to be based on international statistical standards when administrative sources are used. Microdata are regularly delivered to Eurostat along with the quality reports for the Labour Force Survey, the Job Vacancy Survey and the Labour Cost Survey. For the first time, in 2014, as part of the short-term statistics, the SSO transmitted to Eurostat a series of data based on the index of gross wages in the sectors Industry, Construction and Trade.

The School-to-Work Transition Survey was carried out for the second time, and an analytical report was prepared based on the results in cooperation with the International Labour Organisation.

A publication was prepared and published for the Labour Cost Survey.

An innovation survey was conducted in accordance with Regulation (EC) No 995/2012. The survey provides data on innovations introduced by businesses in the production process, in work organisation and in marketing.

In 2014, Laeken indicators of poverty for 2011 were published in a news release. Revised data for the cross-sectional and longitudinal databases for SILC 2010, 2011 and 2012 were delivered to Eurostat. In accordance with the Annual Programme of Statistical Surveys, a news release was published with Laeken indicators of poverty for 2012, as well as revised data for 2010 and 2011. As a result, revised Laeken indicators of poverty for Macedonia were published on the Eurostat website. A publication on income and living conditions for 2011 was also published in this area. The 2014 Survey on Income and Living Conditions (SILC) included the compulsory variables from the recommended modules.

The State Statistical Office transmitted to Eurostat monthly harmonised indices of consumer prices (HICP), indices with base period 2005=100 according to COICOP and documented methodology. The SSO also works on implementation of the Classification of Individual Consumption According to Purpose (COICOP) at 5-digit level. HICP is a project included in IPA 2012 MBP.

The International Standard Classification of Education ISCED 2011 was implemented in all statistical surveys.

The survey on primary and secondary schools at the beginning of the school year was carried out via eStat. Data were published in a news release in March.

As part of the activity for establishing ESSPROS statistics (European System of Integrated Social Protection Statistics), part of the methodology was translated and schemes were prepared (around 50 percent). Also, some qualitative and quantitative data have been obtained from some of the institutions.

In accordance with the Five-Year Programme of Statistical Surveys 2013-2017, amendments have been made to the legal basis in the area of population, vital statistics and migrations, in line with the amendments to the EU Regulation.

Based on the cooperation with the Civil Registry Office, agreement has been reached that the local civil registry offices, which have established electronic data entry, should deliver copies of the electronic entry of the statistical forms on births, deaths and marriages to the regional statistical departments, until the moment when the SSO and the Civil Registry Office have created the technical conditions for data exchange via a web tool.

In September, in cooperation with Eurostat, the Office organised and hosted a Regional Conference in Ohrid on the topic "Use of administrative data sources for the regular statistical surveys and implementation of methods of conducting Censuses of Population and Housing, using the Population Register and administrative data sources.

The SSO regularly follows the activities in the preparation of the international recommendations of the UN and Eurostat for the 2020 round of Population and Housing Censuses.

### **Methodological improvements in statistical surveys**

A methodology was prepared for conducting the Structure of Earnings Survey. The methodology is in line with the EU regulations in this area:

Council Regulation (EC) No. 530/1999, Commission Regulation (EC) No. 1916/2000 and Commission Regulation (EC) No. 1738/2005.

Within the IPA projects recommendations have been given for methodological improvements in the surveys covered by the projects.

Concerning the implementation of ESSPROS, the methodology was translated and some of the schemes were prepared.

### **Novelties**

A new method was established for collecting questionnaires via the eStat system. The first survey that was introduced was in the field of labour market – the job vacancy survey, followed by the survey on primary and secondary schools at the beginning of the school year, and the annual survey on employees and wages.

## **3.2. National accounts**

In the area of national accounts, in 2014, as part of the efforts to implement the ESA 2010 methodology, data for the period 2000-2012 were revised and the most significant changes in ESA 2010 were incorporated in the data. Tables were published for comparison of data according to ESA 95 and the impact of the changes with the implementation of ESA 2010. Work continued on the preparation of non-financial sector accounts. All planned activities for 2014 related to the Purchasing Power Parity were performed as scheduled.

In 2014, improvements were implemented in the data and methods for calculating the value of fixed assets in the supply and use tables.

- Activities related to the sectorisation of units in institutional sectors were carried out on a regular basis.
- Cooperation continued with the Ministry of Finance and the National Bank of the Republic of Macedonia for providing data for preparation of excessive deficit tables.

Within the IPA 2011 Multi-Beneficiary Programme, new calculations were made for exhaustiveness of the national accounts and for application of new methods for quarterly calculations.

### **Methodological improvements in statistical surveys**

Improvements have been made to structural business statistics, Annexes 1-4 of Commission Regulation (EC) 250/2009.

Within the IPA 2009 National Programme, activities were carried out to improve the calculations and indicators of GDP on annual and quarterly basis, the calculation of fixed assets and inventories, calculations of excessive deficit procedure - EDP, supply and use tables and quarterly accounts with seasonal adjustment.

### **Novelties**

National accounts tables have been transmitted to Eurostat in SDMX format by using Eurostat's conversion tools.

Within the IPA 2012 Multi-Beneficiary Programme, preparation has begun of the description of sources and methods for national accounts calculations. In June 2014, a mission was carried out by Eurostat for assessment of national accounts data and methods, for which a report was prepared and published by Eurostat.

As part of the cooperation with the National Bank, and with the aim of reducing respondent burden, improvements were made to the questionnaire for collecting data for the needs of the National Bank through the national accounts quarterly survey.

Since the second quarter of 2014, data for the quarterly survey on value added of the non-financial sector have been collected via eStat.

## **3.3. Business statistics, agricultural statistics and environmental statistics**

Continuous efforts are made for improving business statistics, agricultural and environmental statistics and for harmonisation with European regulations.

### **3.3.1. Business statistics**

After the successful pilot survey on real import-export prices, the SSO implemented it as a regular statistical survey.

Improvements have been made to short-term statistics of industry, construction and trade in terms of adjustments and the timetable for data transmission to Eurostat via the National Reference Metadata Editor.

Data on external trade by mode of transport were published for the first time in the External Trade publication in June 2014.

Monthly tourism data for the period 2012-2013 were delivered to Eurostat in June 2014 in new formats.

### **3.3.2. Agricultural statistics**

A publication was issued in 2014 with preliminary data from the Farm Structure Survey conducted in 2013. Transcodified data were also submitted to Eurostat (in the Eurofarm database). The main objective of the survey was to provide accurate, comprehensive and internationally comparable data on the number of agricultural holdings, total utilised agricultural area by category, livestock by type and category, agrotechnical measures, agricultural machinery and equipment, and other data.

In order to ensure further development of economic accounts for agriculture, regional data have been published, data on labour force in agriculture have been revised and the Inventory has been updated. For further development of economic accounts for agriculture and improvement of the quality of calculations, an IPA 2012 MBP project for agromonetary statistics is underway, which will enable integration of data in an agricultural statistics data warehouse. The ultimate goal of the project is automation of the data calculation and analysis processes and improvement of the quality not only of agromonetary statistics, but of all agricultural statistics.

A Quality Report has been prepared for livestock statistics, in accordance with Eurostat recommendations. The data collection periodicity for slaughtered livestock and poultry in slaughterhouses has been changed from quarterly to monthly, in line with Eurostat requirements. The questionnaire for the pilot survey on milk and dairy products has been prepared in accordance with EU regulations.

After the successful implementation of the pilot survey on organic production and the use of administrative data sources, the SSO produced for the first time statistics on organics production.

### **3.3.3. Statistics on environment, energy and transport**

Statistics in the field of transport, energy and trade are continuously harmonised with EU regulations.

Regarding energy statistics, monthly and annual statistical reports have been harmonised with the amendments to Regulation (EC) No. 1099/2008 on energy statistics.

In September 2014, the statistical survey on environmental costs was carried out for the first time as a regular survey. Activities for introducing the environmental taxes module (Regulation (EU) No. 691/2011) began with an expert mission and calculation of preliminary data on environmentally related taxes, distributed by sections of the National Classification of Activities.

Within the IPA 2012 project, the environmental accounts module - environmentally related taxes was developed in 2014. Based on administrative data, environmentally related taxes for 2010, 2011 and 2012 were calculated and delivered to Eurostat.

As part of waste statistics, a data set for all sections of the National Classification of Activities (NKD) was transmitted to Eurostat. The Quality Report was submitted in June 2014.

After the successful pilot survey on passenger mobility, the SSO implemented it as a regular statistical survey.

### **Methodological improvements in statistical surveys**

New questionnaires have been designed and prepared for all surveys relating to information and communication technology, in accordance with the methodology and recommendations of Eurostat for 2014.

Waste statistics have been compiled for all section of the National Classification of Activities. Data from the Farm Structure Survey have been transcoded for the first time and delivered to the Eurofarm database.

### **Novelties**

In order to introduce new indicators in business, agricultural and environmental statistics, the following statistical surveys were carried out:

- Environmental costs
- Passenger mobility
- Import-export prices
- Organic production

### **3.4. Sector for Regional Departments**

According to the organisational structure, the State Statistical Office comprises the Central Office in Skopje and eight regional departments throughout the country (Skopje, Tetovo, Kumanovo, Veles, Stip, Bitola, Ohrid and Strumica).

According to the Annual Programme of Statistical Surveys, 194 statistical surveys were planned in 2014, for which data were collected in the field with various periodicity (monthly, quarterly, annual and multi-annual). For 99 surveys (51%) data collection was performed in the State Statistical Office, while for 95 (49%) in the regional departments and the State Statistical Office.

Administrative sources were used for collecting data in 35 surveys. Therefore, it can be concluded that the primary data sources are reporting units from which data are collected via statistical surveys conducted in the field.

For most of the surveys (112 surveys), only data collection, coding and preliminary control are performed in the regional departments, while data entry and technical processing are performed for 6 statistical surveys in the area of demography (with the exception of the regional department in Skopje). Data collection, coding, preliminary control and data entry in the regional departments are performed for 7 statistical surveys.

## **4. INTERNATIONAL ACTIVITY AND FOREIGN ASSISTANCE**

### **4.1. European integration**

Eurostat monitors the progress of the Republic of Macedonia in the area of statistics and provides assistance in the activities for harmonisation of the national statistical data with the EU and international standards.

The employees of the SSO actively participated in monitoring and updating the NPAA with regard to the objectives and activities planned for 2014. The SSO, as leader and coordinator of the Working Group 18 – Statistics, continuously organises and coordinates the work of the Working Group for the purpose of regular, quality and timely monitoring and reporting about the progress in adopting the Acquis, with weekly, monthly, quarterly and annual periodicity.

In November 2014, the final version of the National Programme for Adoption of the Acquis (NPAA) 2015 was submitted to the Secretariat for European Affairs.

The tenth meeting of the Sub-Committee on Economic and Financial Affairs and Statistics was held in May in Skopje, where the European Commission praised the progress of the SSO since the previous meeting (2013).

Also, in May 2014, an annual Eurostat mission was held in the State Statistical Office, where the future plans and needs for support of the SSO were presented.

The intensive and well-established cooperation between Eurostat and the SSO advances with every further step. In addition to the participation in Eurostat working group meetings, of great benefit for the SSO in applying European legislation in statistics are also Eurostat's consultations, assessments and recommendations.

## **4.2. International projects where the SSO was included**

### **4.2.1. Ongoing projects of the European Commission**

- National projects

#### **IPA 2009 National Programme – Support to the SSO**

This programme was composed of: twinning contract, procurement contract and service contract.

**IPA 2009 National Programme** - The implementation phase of the Twinning Project "Support to the State Statistical Office" ended on 17 August 2014, and all planned activities were carried out by the end of the Project. On this occasion, several events were organised: final event dedicated to the results of the project at the EU Delegation, five parallel seminars at the SSO, and one seminar at the Chamber of Commerce, whose goal was to inform users about the results achieved with the Twinning Project.

**IPA 2009 National Programme** Procurement Contract - the implementation phase of the project for centralised backup and disaster recovery was completed in November 2014.

The third agreement for the **IPA 2009 National Programme**, framework agreement for development of software for online data collection, was successfully completed.

#### **IPA 2012/2013 National Programme**

The State Statistical Office is beneficiary of the IPA 2012/2013 National Programme as part of the sector fiche for private sector development.

In 2014:

- Twinning contract – draft document was submitted to CFCD.
- The terms of reference for the expert assistance for the preparation of specific terms of reference for "Support to the SSO for corporate data warehouse for development of economic statistics" were submitted to CFCD.
- Multi-beneficiary projects

#### **IPA 2011 Multi-Beneficiary Statistical Cooperation Programme**

The IPA 2011 Multi-Beneficiary Statistical Cooperation Programme officially started on 1 September 2012 and ended at the end of August 2014. The objective of the Programme was to ensure further integration of national statistics in the European Statistical System by strengthening the capacity of the Office and its role as coordinator of the national statistical system. Furthermore, the programme aimed to support sustainable capacity building of the Office in order to better meet user demands by providing accurate, reliable and timely data that are fully compliant with EU legislation in the field of statistics. In addition, the programme improved the quality of statistical information and strengthened the confidence

in the methods and professionalism, thus providing policy makers and the international community with relevant statistical data.

Within the IPA 2011 Multi-Beneficiary Statistical Cooperation Programme, the State Statistical Office was included in the following pilot-projects:

- National accounts methodology
- Quarterly national accounts
- Regional gross value added
- Annual sector accounts
- Annual government accounts
- Agri-monetary statistics
- Annual crop statistics
- Animal production statistics
- Labour force survey
- Statistics on income and living conditions
- Household budget survey
- Business register
- External trade
- Structural business statistics
- Price statistics – PPP
- Farm structure survey

#### **IPA 2012 Multi-Beneficiary Statistical Cooperation Programme**

The implementation of the contract began on 1 January 2014 and will last until 30 November 2015.

The main objectives of this Project are:

- To continue the process of progressive integration of the State Statistical Office in the European Statistical System by strengthening the State Statistical Office and its coordinating role in the statistical system of the country;
- To continue supporting the sustainable development of the institutional capacity of the Office in order to better respond to user needs, providing data that are accurate, reliable, timely and produced in full compliance with European legislation.
- To intensify the efforts for improving the quality of statistics and to strengthen the confidence in the methods and professionalism, providing reliable statistics for policy makers and the international community.

Within the IPA 2012 Multi-Beneficiary Statistical Cooperation Programme, the State Statistical Office is included in the following pilot-projects:

- National accounts methodology
- Agri-monetary statistics
- Annual crop statistics
- Animal production statistics
- Structure of earnings
- Education statistics – implementation of ISCED 2011
- Research and development statistics
- Environmental statistics
- Short-term business statistics
- International trade in goods statistics
- Purchasing power parity

- Harmonised index of consumer prices
- Ad hoc project 1 - Time use survey
- Ad hoc project 2 - Structural business statistics on services
- Ad hoc project 3 - Improvement of the existing IT system for metadata-driven creation of questionnaires and electronic data collection.

#### **4.3. Communication and cooperation with other institutions**

For the purpose of greater use of data from administrative sources in order to reduce respondent burden, the State Statistical Office signed memoranda of cooperation with the Public Revenue Office, the Employment Agency of the Republic of Macedonia, the Agency for Supervision of Fully Funded Pension Insurance, the Ministry of Justice, the Ministry of Transport and Communications, the Ministry of Education and Science and the Health Insurance Fund, and data exchange agreement with the National Bank of the Republic of Macedonia. In order to improve the cooperation with tertiary education institutions, cooperation agreements were signed with the Faculty of Economics in Skopje, the Faculty of Philosophy in Skopje, the Faculty of Natural Sciences and Mathematics in Skopje, the University of Tourism and Management and the International Balkan University in Skopje.

#### **5. Problems that the SSO was facing**

The problems the SSO was facing in previous years were also present in 2014. In addition to the late payment of financial obligations (elaborated in section 1.1.2. - budget), the SSO still had difficulties obtaining reports from the reporting units. This resulted in increased costs for telephone and written reactions and reminders. Due to the non-existence of adequate departments for filling in statistical forms in the companies, the completion of forms is performed on their behalf by accounting bureaus. However, as a result of unresolved business issues between them, it is evident that there is high non-response to statistical questionnaires.

Another important issue is the need for the SSO to fully accomplish its role as coordinator of the statistical system of the country. There should be greater commitment of the other participants in the public administration system, particularly the holders of administrative registers and records, for the purpose of adjusting these registers and records to the needs of the SSO, in order to reduce the burden on reporting units that are the main providers of statistical information. A particularly major problem is the condition of the building, the overall building installations and the work premises of the SSO. Because of the old age of the building and the existing installations, there are frequent failures of the electrical, plumbing and central heating installations, which disrupt the work process and cause damage. For these reasons, the building, which is almost 60 years old, requires urgent reconstruction and renovation. In that case, taking also into account the planned relocation of the Ministry of Transport and Communications in their new facility, conditions would be created for transferring the staff from the Regional Department of Statistics in Skopje, currently located in the offices of the City of Skopje, to the building of the Office.

## Annex 1:

### Overview of the implementation of the Programme of Statistical Surveys (2014 compared to 2013)

#### 1. Sector of Social Statistics

Periodicity - area	Number of surveys in 2014	Number of surveys in 2013
Department of Living Standard		
monthly	1	1
annual	2	2
analytical	1	1
five-year	-	-
total	4	4
Department of Social Services		
annual	47	47
biennial	1	
three-year	1	1
five-year		
total	49	48
Department of Demography and Statistical Population Register		
annual	7	7
total	7	7
Department of Labour Market		
monthly	1	1
annual	1	1
quarterly	2	2
four-year	1	
total	5	4
Total Sector of Social Statistics	65	63

## 2. Sector of National Accounts

Periodicity - area	Number of surveys in 2014	Number of surveys in 2013
Sector of National Accounts		
annual	2	2
quarterly	1	1
according to Eurostat's survey programme	6 <sup>1)</sup>	6 <sup>1)</sup>
analytical	27	27
Total Sector of National Accounts	36	36

## 3. Sector of Business Statistics, Agricultural Statistics and Environmental Statistics

Periodicity - area	Number of surveys in 2014	Number of surveys in 2013
Department of Environment, Energy and Transport		
Energy		
annual <sup>2)</sup>	12	12
monthly <sup>3)</sup>	12	12
semi-annual	2	2
Transport		
annual	11	13
five-year	-	-
monthly	2	4
quarterly	2	2
Environment (water, waste)		
Water Economy		
annual	1	1

<sup>1</sup> Purchasing Power Parity survey

<sup>2</sup> Two surveys combined into one

<sup>3</sup> Monthly survey on heat plants not carried out; according to recommendations, the survey should be conducted only annually

multi-annual	5	5
Waste		
annual	2	1
biennial	-	1
total	49	53
Department of Agricultural Statistics and Farm Register		
Agriculture – general		
three-year	-	1
annual	2	2
monthly	2	5
weekly	-	-
Crop production		
annual	13	13
Livestock production		
annual	2	2
monthly	1	1
Forestry		
annual	7	7
quarterly	1	1
Hunting and fishing		
annual	2	2
Agricultural prices		
monthly	2	2
quarterly	1	1
Economic accounts for agriculture		
annual	3	3
total	36	40

Periodicity - area	Number of surveys in 2014	Number of surveys in 2013
Department of Industry, Construction Statistics and Business Tendencies		
Construction		
annual <sup>4)</sup>	5	5
semi-annual	1	1
quarterly	1	1
monthly	3	3
Industry		
monthly	2	2
annual	1	1
Business tendencies		
monthly	1	2
quarterly	3	2
semi-annual	1	1
annual	1	1
total	19	19
Department of Internal and External Trade, ICT, Tourism and Hospitality		
ICT		
annual	5	5
quarterly	2	2
monthly	1	1
External trade		
monthly	1	1
quarterly	-	-

<sup>4</sup> The institution responsible for keeping statistics on state-owned dwellings is the JSC for Management of Housing and Business Premises

Internal trade		
annual	1	1
quarterly	-	-
monthly	2	2
biennial <sup>5)</sup>	-	-
Hospitality and tourism		
annual	2	2
quarterly	1	1
monthly	2	2
total	17	18
Department of Prices		
monthly	4	3
quarterly	1	
total	5	3
Department of Statistical Business Register and Economic Classifications		
-	-	1
Total Sector of Business Statistics, Agricultural Statistics and Environmental Statistics	126	134

Total Programme of Statistical Surveys	235	228
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The Programme of Statistical Surveys in 2014 was executed in accordance with the planned schedule and the available funds.

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<sup>5</sup> Surveys are biennial and are conducted in 2014 as well

## **Abbreviations:**

SSO – State Statistical Office

COICOP – Classification of Individual Consumption According to Purpose - EU

IPA – Instrument for Pre-Accession Assistance

Eurostat – Statistical Office of the European Communities

eStat – IT system for automatic metadata-based generation of web forms for data collection over the Internet.

IMF – International Monetary Fund

ESS – European Statistical System

ISCED – International Standard Classification of Education

IT – Information Technology

eDamis – Electronic Data files Administration and Management Information System

ESSPROS – European System of Integrated Social Protection Statistics

NKD – National Classification of Activities Rev. 2

GDP – Gross Domestic Product

FISIM – Financial Intermediation Services Indirectly Measured

SILC – Survey on Income and Living Conditions

RD – Regional Departments

NIP – Nomenclature of Industrial Products

NBRM – National Bank of the Republic of Macedonia

NPAA – National Programme for Adoption of the Acquis

NRME – National Reference Metadata Editor

PIM – Perpetual Inventory Method

SMIS+ – Statistical Management Information System

SBPM – Statistical Business Process Model

SDDS – Special Data Dissemination Standard

SDMX – Statistical Data and Metadata Exchange

CATI – Computer Assisted Telephone Interviewing

HICP – Harmonised Index of Consumer Prices