

REPUBLIC OF MACEDONIA
STATE STATISTICAL OFFICE



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REPORT

ON THE WORK OF THE STATE STATISTICAL OFFICE IN 2010

STATISTICAL INFRASTRUCTURE

STATISTICAL DATA AVAILABLE ONLINE –
MORE DATA AND MORE USERS

CLASSIFICATIONS AND REGISTERS

2.1. CLASSIFICATIONS

2.2. ACTIVITIES FOR RELEASING
FROM ADMINISTRATIVE FUNCTIONS

2.3. STATISTICAL BUSINESS
REGISTER

2.4. STATISTICAL FARM REGISTER

INTERNATIONAL PROJECTS
WHERE SSO IS INCLUDED

ONGOING PROJECTS OF THE EUROPEAN COMMISSION

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Skopje, December 2011

The Statistical Council of the Republic of Macedonia
having considered
the Report on the work of the State Statistical Office in 2010,
at its 32nd session on 29 April 2011,
adopted the following

OPINION

“The Statistical Council of the Republic of Macedonia
adopts and supports the Report on the work of the State Statistical Office in 2010.”

**President of the Statistical Council
of the Republic of Macedonia**

Prof. Blagoja Markoski, PhD

Our mission is....

„The State Statistical Office produces and disseminates official statistical data on the Macedonian economy and society as a basis for the process of decision-making and democracy, based on information.

Statistical data must be of high quality, impartial, available and simple to use.“

Our vision is....

„To be recognised as an institution that provides quality, timely and internationally comparable statistical data.“

Foreword

The Annual Report on the Work of the State Statistical Office gives an overview of the realised activities and achievements in the institution, as well as of the novelties introduced in 2010.

The goal of this report is to inform the collaborators in the country and abroad, the statistical data users, the analysts, the researchers, the reporting units and the other stakeholders about the work of the State Statistical Office and the results achieved.

The State Statistical Office realised all the statistical surveys that had to be conducted according to the Programme for Statistical Surveys 2008-2012 and published the results.

The State Statistical Office adopted the Strategic Plan 2011-2013, defining the goals and activities of priority for the institution in the next three-year period.

The most important task of the State Statistical Office in 2010 was the full preparation for conducting the Census of Population, Households and Dwellings in the Republic of Macedonia, 2011.

In June 2010, the State Statistical Office celebrated 65 years of existence. At the formal academy, the progress made by the Office was praised by the Statistical Council, Eurostat, UN/ECE, EFTA, and by members of statistical institutions from the region.

In November, a Light Peer Review was conducted in the State Statistical Office (SSO) in order to determine the extent to which the work of the SSO is harmonised with principles 1-6 and 15 of the European Statistics Code of Practice.

The process of harmonisation of Macedonian statistics with EU standards continued this year too. The European Commission assessed that good progress has been made in several areas, especially in the production of sector statistics. Quality management was one of the priorities of the Office in 2010 as well. The Quality Management Strategy 2010-2012, supplemented with an Action Plan for its implementation, consistently follows the European Statistics Code of Practice.

We hope that this report will give a complete picture of the working of the State Statistical Office in 2010 and of the activities for continuous development of the statistical system of the Republic of Macedonia.

Blagica Novkovska, MSc
Director-General





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Abbreviations:

SSO	– State Statistical Office
EU	– European Union
IPA	– Instrument for Pre-Accession Assistance
Eurostat	– Statistical Office of the European Communities
ESS	– European Statistical System
ESMS	– European Standard for Reference Metadata Exchange
CAF	– Common Assessment Framework
IT	– Information technology
MS ISA	– Microsoft Security and Acceleration Server
eDAMIS	– Electronic Data files Administration and Management Information System
eWA	– eDAMIS Web Application
eWP	– eDAMIS Web Portal
F	– eDAMIS Web Forms
NKD Rev.2	– National Classification of Activities Rev. 2
SDMX	– Statistical Data and Metadata Exchange (eXchange)
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
CPA	– Classification of Products by Activity
ISO	– International Organisation for Standardisation
NPAA	– National Programme for Adoption of the Acquis
SMIS+	– Statistical Management Information System
FADN	– Farm Accountancy Data Network
SEC	– State Election Commission
LFS	– Labour Force Survey
HBS	– Household Budget Survey

Strategic goals of the State Statistical Office

In 2010, the State Statistical Office adopted the Strategic Plan for the period 2011-2013, paying attention to the fulfilment of four priorities:

1. Harmonisation of statistics in accordance with the EU standards

The top objectives are: implementation of the Five-Year Statistical Programme 2008-2012; data transmission to Eurostat through the single data entry point; establishing and maintaining a centralised metadata warehouse; establishing a regular practice for producing and publishing quality reports; harmonisation of statistical surveys with EU methodologies; and preparing the Five-Year Statistical Programme 2013-2017.

2. Strengthening the coordination of the National Statistical System

The top objectives are: strengthening the role of the State Statistical Office as a coordinator of the National Statistical System; signing memoranda and protocols of cooperation and more efficient distribution of competences with other authorised bearers in the National Statistical System.

3. Strengthening the cooperation and communication with users, continuous measurement of user needs and satisfaction, and strengthening the confidence in statistics

The top objectives are: easy user access to official statistical data; reducing the time period from data collection to data publishing; and design of the statistical products according to users' expectations.

4. Strengthening the institutional capacity of the State Statistical Office

The top objectives are: sustainability and improvement of the capacities of human and technical resources; strengthening of the capacities for work process management; strengthening the capacities for EU negotiations; and rational utilisation of available financial assets, including the pre-accession funds.

For achieving the planned priorities and objectives of the Strategic Plan, several programmes were defined: Sector Statistics; Census of Population, Households and Dwellings; Improvement of Statistical Infrastructure; Strengthening the Cooperation and Communication with Users, Continuous Measurement of User Needs and Satisfaction, and Strengthening the Confidence in Statistics; and Strengthening the Coordination of the National Statistical System. The implementation of all programmes requires engagement of appropriate human and financial resources, while the dynamics of their execution is defined in the Programme Implementation Plan, which is a constituent part of the Strategy.

Role of the State Statistical Office

The State Statistical Office is an independent expert organisation whose competencies and scope of work are regulated by the Law on Organisation and Operation of the State Administration Bodies ("Official Gazette of the Republic of Macedonia" No. 58/00, No. 44/02 and No. 82/08) and the Law on State Statistics ("Official Gazette of the Republic of Macedonia" No. 54/97 and No. 21/07).

In accordance with the Law on State Statistics, the State Statistical Office, on a scientific basis, provides information to the state administration bodies, the local self-government, the business entities, the public enterprises, the public services and other users, on the conditions and movements of the national economy, human resources, demography, protection of the environment and other areas.

The State Statistical Office is responsible for producing official statistics in the Republic of Macedonia and, at the same time, is coordinator of the statistical system in the Republic of Macedonia.

Following its role, the SSO:

- provides insight into users' needs from activities related to the surveys and from the regular meetings it holds;
- organises the staff to respond to the needs and to set up priorities;
- distributes priorities in a time frame by constantly making efforts to give back timely statistical information to users;
- cooperates with users in meeting their additional requests

The State Statistical Office pays special attention to statistical data confidentiality. The data gathered from the reporting units represent confidential data, used for statistical purposes only and published as aggregated data.

The State Statistical Office, as coordinator of the statistical system, by cooperating with the participants in the system provides:

- data collection with different approaches for obtaining comparable statistical information by using unified statistical infrastructure – classifications, nomenclatures and indicators;
- eliminating duplicity in data collection, thus decreasing the burden on data providers;
- increasing the confidence in the SSO by applying standards and unified approaches in statistical data dissemination.

The Office develops its activities by upholding the main principles of the European Code of Practice (neutrality, objectivity, professional independence, reliability, statistical confidentiality and rationality) and:

The State Statistical Office develops, produces and disseminates statistics in accordance with the following quality criteria: relevance, accuracy, timeliness, punctuality, accessibility and clarity, coherence and comparability (at national and international level).

The Office paid special attention to the development of procedures that will allow the users of statistical data access to descriptive statistical information, which describe data quality and allow correct interpretation and use of statistical data.

The State Statistical Office is coordinator of the international cooperation in statistics. In that regard, the Office makes significant efforts towards harmonising the national statistical system with the statistical systems of EU countries, for the purpose of meeting users' needs in the country and abroad by providing comparable statistical data.

1. STATISTICAL INFRASTRUCTURE

1.1. Administrative capacities

1.1.1. Administrative capacities

The number of employees at the State Statistical Office, as at 31 December 2010, was 277 persons.

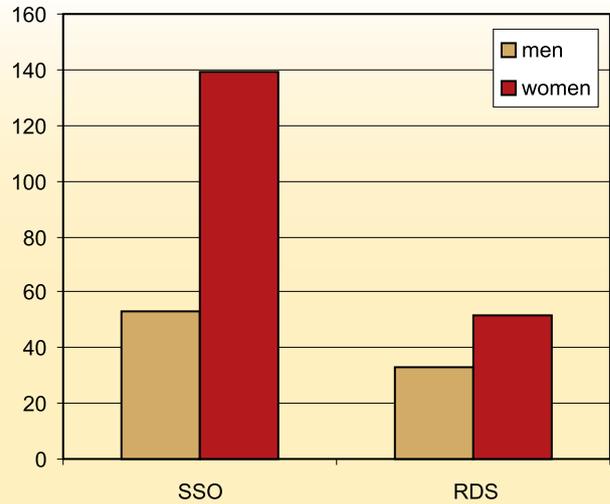
The system is centralised and organised in 7 Sectors and 37 Departments.

The central Office employs 191 people, while the regional departments 86 people.

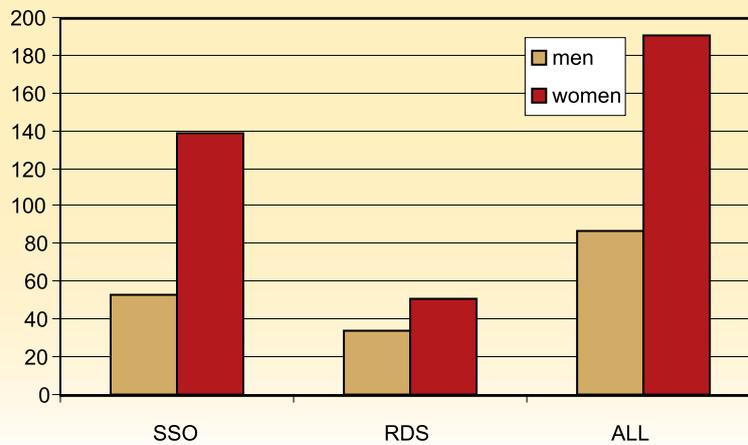
During 2010, one new person was employed at the Office according to NPAA.

During 2010, 8 persons left the Office due to various reasons.

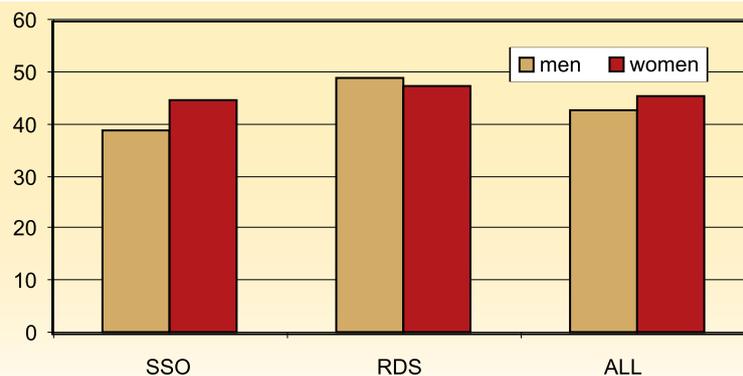
Graph 1.
Number of employees at the SSO, by location and gender



Graph 2.
Number of employees at the SSO, by location and gender



Graph 3.
Number of employees at the SSO, by location and age



1.1.2. Professional training of employees

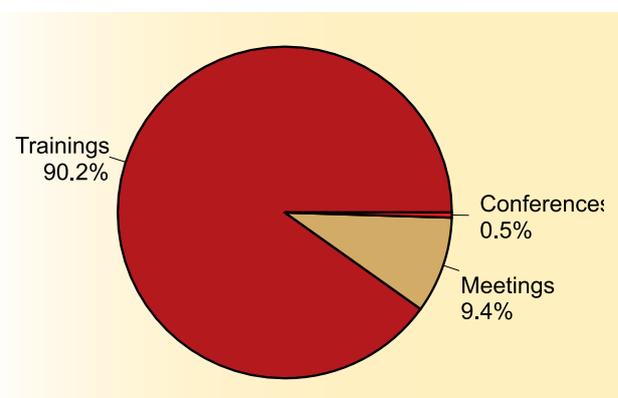
The State Statistical Office pays great attention to the development of human resources by continuous development of employees' capabilities and skills. This is in close relation to the establishment of a culture of quality, integrity and professionalism. In this direction, the SSO recognised the need of continuous training of its employees in order to respond to the increased requests for statistical data in accordance with international standards.

In 2010, 3 persons from the SSO participated in 3 conferences, 49 persons in 46 Eurostat meetings and 10 persons in 5 other international meetings. Also, 568 persons from the SSO attended 130 external trainings. One person from the SSO participated in a several-month traineeship at Eurostat

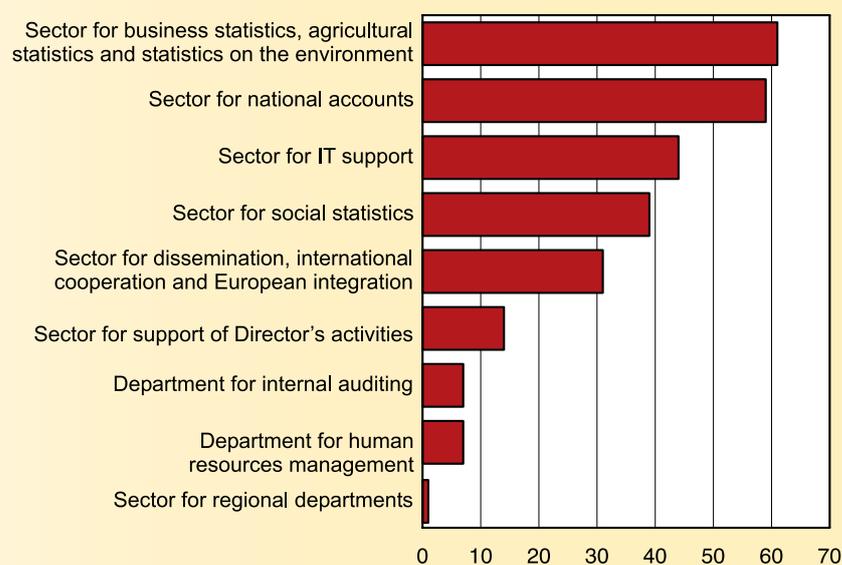
In 2010, the SSO presented itself with 11 papers and 9 presentations at international events.

Also, during 2010, a total of 14 internal trainings were held, which were attended by a total of 278 persons, or 20 persons per training on average. Of them, 4 were generic and 10 were specialised trainings.

Graph 4.
Participation of SSO staff, by type of event



Graph 5. Participation in events, by sectors



1.1.3. Statistical Council of the Republic of Macedonia

The Statistical Council of the Republic of Macedonia, as an expert advisory body for state statistics, was established by Decision No. 07-4481/1 of the Assembly of the Republic of Macedonia of 22 October 2007. The position and the competencies of the Statistical Council are defined in articles 12, 13 and 14 of the Law on State Statistics.

The Council is an advisory and expert body for state statistics, composed of 12 members who are appointed and dismissed by the Assembly of the Republic of Macedonia.

The President and the other members of the Statistical Council are representatives of:

- the Assembly of the Republic of Macedonia, selected from the ranks of employees, with a title of a State Adviser at least - one member;
- the Ministry of Finance - one member;
- the National Bank of the Republic of Macedonia - one member;
- the Association of the Units of Local Self-Government - one member;
- the Economic and Social Council - one member;
- the non-governmental organisations - one member;
- the authorised bearers - two members;
- the scientific institutions - three members;
- the bodies of the state administration - two members

The sessions of the Statistical Council are also attended by the Director of the State Statistical Office. The members of the Statistical Council are appointed for a term of four years.

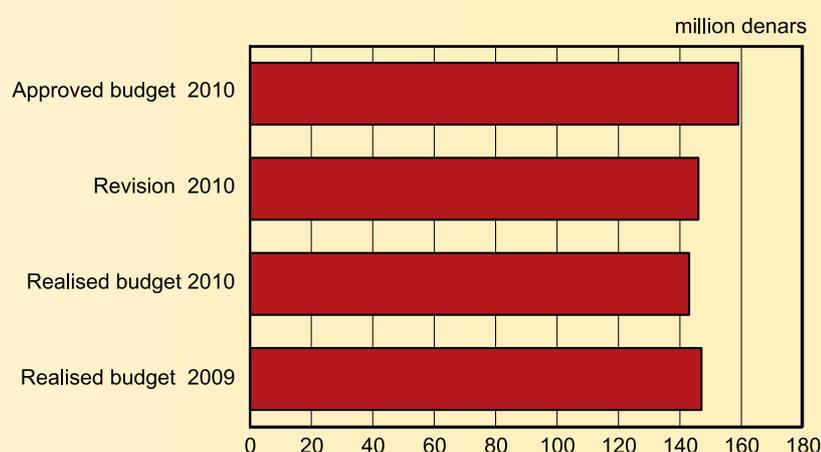
During 2010, the Council held six sessions. In accordance with its authority defined in the Law on State Statistics, the Council reviewed several materials in the area of state statistics, such as: Programme for Work of the State Statistical Office for 2010, several statistical classifications and nomenclatures, information on SSO's work and on the situation of the statistical system in the country, as well as other materials.

The Statistical Council was continuously informed about the preparation of the Census of Population, Households and Dwellings 2011, in accordance with the Law on Census 2011. The Council reviewed the census instruments for conducting the Census of Population, Households and Dwellings 2011 and gave opinions and remarks, which were integrated in the final texts of the documents.

1.1.4. Budget of the SSO

The budget of the SSO in 2010 was 159.801.000 Denars and, in comparison with the previous year, it was reduced by 15.2%. The largest portion of SSO's budget is allocated to the Programme for Statistical Surveys, 83.8%. The reduction in the budget in 2010, compared to 2009, is due to the decrease in the Programme – Administration by 24.72% and the Programme for Statistical Surveys by 14.89%.

Graph 6.
Budget funds in 2010, compared to 2009



1.1.5. Internal audit

In the SSO, internal audit functions as an independent, objective assurance and consulting activity, 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 on the reviewed activities, in order to contribute to the improvement of SSO's work.

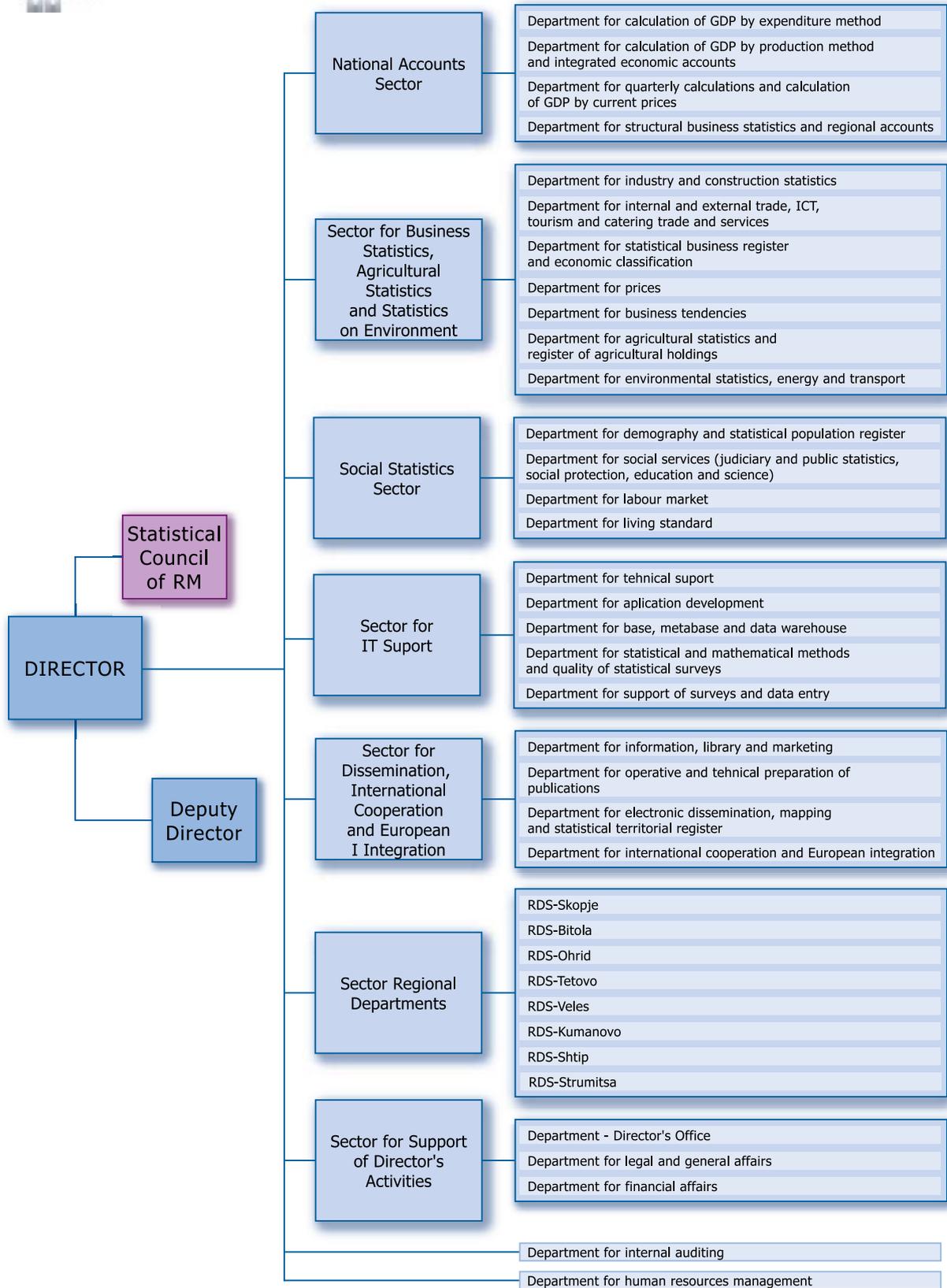
In the course of 2010, internal auditors performed five audits for which they prepared auditor's reports, based on the strategic plans, the internal audit annual plan and the plans for individual audits, in accordance with the International Standards for the Professional Practice of Internal Auditing.

In 2010, the Annual Report on the performed audits and activities of the internal audit for 2009 was prepared.

1.1.6. Organisational Scheme of the SSO



Republic of Macedonia
State Statistical Office



1.2. Support of the statistical outputs, technical infrastructure

1.2.1. Quality management

The Quality Management Strategy 2010-2012, supplemented with an Action Plan for its implementation, consistently follows the European Statistics Code of Practice. The advantage of this approach was confirmed by the Light Peer Review that was conducted in the SSO by a five-member panel of Eurostat experts and observers, during which the Strategy served as the basic document. The positive assessment is a result of the well-defined goals in the area of quality management and the efforts made for achieving those goals.

As regards the relationship between metadata and quality management, a link has been made between the two structures defined by Eurostat: for reference metadata (ESMS) and for quality reports.

Assuming that the central database of reference metadata would easily provide quality reports, the existing quality reporting model was mapped according to Euro SDMX. The electronic generation of quality reports from the ESMS database increases the efficiency in preparing reports and significantly reduces the burden on the responsible persons in the preparation of quality reports.

1.2.2. Metadata

For the purpose of strengthening the capacities for the method of implementation of a metadata system based on the Neuchatel Terminology model for Variables, ISO/IEC 11179 Metadata Registry Standard, a document was prepared in the SSO, which analyses metadata terminology from relevant statistical institutions, as a first step in defining and adopting a metadata terminology (in Macedonian and English) at the level of the State Statistical Office. As regards the activities for describing statistical variables, work was done on preparing preliminary lists of variable families, classification families and statistical units.

As part of meeting the preconditions for standardisation and integration of processes, the SSO prepared a document describing its statistical business process model, which is based on the generic statistical

business process model for documenting the processes of production of official statistics, defined by Eurostat and the United Nations Economic Commission for Europe. The phases, sub-processes and activities of the statistical business process model have been classified. Input and output metadata for each phase and sub-process have been defined as well. One of the major benefits of the adopted business process model and its comprehensive approach is that it enables better understanding of the work processes in the institution. This is particularly important for quick adaptation of new employees. Also, a better understanding of the processes is advantageous in the optimisation and integration of activities across various statistical areas.

By accepting and using the tools provided by Eurostat for data transmission through eDAMIS, the SDMX (Statistical Data and Metadata eXchange) standard for data transmission is automatically, continuously and gradually adopted for each area of statistics. In accordance with the adopted ESMS (Euro SDMX) structure, the SSO continuously works on collecting relevant reference metadata.

1.2.3. Decreasing the burden on the reporting units

Regarding the implementation of the Action plan for reducing respondent burden, the SSO has taken several initiatives.

Each data collection form also includes the time needed for filling out the form, which makes it possible, through quantitative indicators, to monitor the reduction of respondent burden, which is expected as a result of the additional measures put in place. For example, in the area of short-term statistics, before being distributed to reporting units, the forms are partially pre-filled with address data and product codes.

As regards the activity for introducing the enterprise group as a statistical unit in the Business Register, the SSO uses the available administrative sources.

1.2.4. Cost Calculation System

One of the priorities integrated into the Strategy of the SSO, as well as in NPAA, is to calculate the costs of the individual statistics, in total and by phases. For this purpose, the SSO began with the establishment of

the Cost Calculation System, as part of the Statistical Information System. In the area of establishment of the Cost Calculation System and the distribution in the proper cost unit, the following three modules were implemented:

- for recording printing costs,
- for recording photocopying costs, and
- for recording daily activities.

Also included in the Cost Calculation System in the SSO is the daily registration of time spent per activity. The pilot implementation of this module in the above-mentioned system started from 1 January 2009, resulting with a report that contains an analysis of the results.

Bearing in mind the fact that in 2009 the costs for employees' wages accounted for 61% of the budget of the SSO, it is of particular interest to monitor the usage of the working time. It is a fact that employees' wages constitute the largest cost in any statistical survey, and this system provides an insight into their share in the price of each individual survey. The analysis performed in 2010 showed some interesting findings.

The ratio between the direct time (spent on a particular survey) and indirect time (spent on activities auxiliary to most/all surveys) is 69.9% to 30.4%, which is close to European standards.

Regarding the cost units, according to records, the most working days have been spent on:

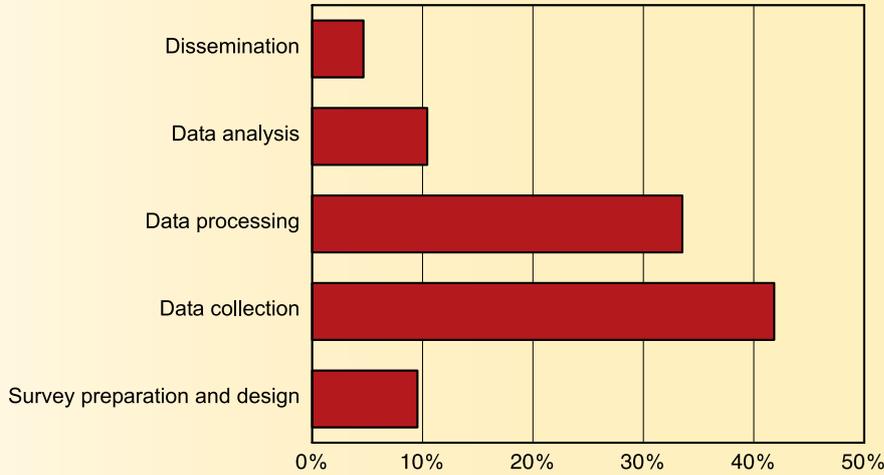
- Labour Force Survey, 2162 hours
- Monthly statistical survey on employees and wages, 2062 hours

Regarding the activities, records show that the most working days have been spent on:

- Conducting statistical surveys in the field – receipt and control of materials, 9112 hours
- Questionnaire coding and data entry, 7213 hours

The distribution of time dedicated to various stages of statistical production, according to the adopted business process model, is as follows:

Graph 7.
Percentage of registered time by individual stages of the business process model



1.2.5. Staff Satisfaction Survey

In December 2009, the second Staff Satisfaction Survey was conducted in the SSO, while the data were processed and the results presented in 2010.

The fact that a large number of employees completed the survey means that they are interested and believe that things can improve.

The analysis of the answers, the issues that are considered as key at the moment, and of the defined priorities of the SSO, should result in an action plan.

The analysis also served for undertaking concrete activities for improving the overall work atmosphere and the confidence in the institution.

The survey provided information on staff satisfaction with the management of the institution, staff competence, training opportunities, physical conditions of the work environment, relationship between employees, workload pressure, responsibility, trust, image of the institution and overall opinion about the SSO as a work environment.

As regards certain topics, employees generally have positive opinions.

According to the answers, it can be seen that employees-trainees and junior associates (employed less than 5 years at the SSO) have a very positive attitude regarding the survey questions.

According to the place of work, positive and negative opinions are almost equally distributed, with the exception of the question on training. In addition to the responses, free comments were analysed as well.

The suggestions and comments show that employees emphasised the improvement of hygiene conditions as a priority

1.2.6. Self-assessment according to the CAF model

CAF (Common Assessment Framework) is a tool for self-assessment used in European public-sector institutions. This tool uses quality management techniques to improve the performance of institutions.

The CAF has four main purposes:

1. To cover the unique characteristics of public-sector organisations;
2. To serve as an instrument for improvement of the functioning of public-sector organisations;
3. To act as a bridge across the various models used in quality management;
4. To facilitate bench learning between public-sector organisations.

The self-assessment framework is designed for use in all public-sector areas and is applicable to public-sector organisations at the national, regional and local level. In certain cases, in large organisations, self-assessment may be conducted only for a part of the organisation, e.g. a sector or a department.

The CAF model consists of nine criteria::

1. Leadership;
2. Strategy and planning;
3. Human resource management
4. Partnerships and resources
5. Process and change management
6. Customer oriented results
7. People (staff) results
8. Society results
9. Key performance results

The first five are enabler criteria, and the other four are result criteria. Each criterion is further broken down into sub-criteria that contain questions according to which the self-assessment is performed. Scores are awarded for each answer according to an enablers assessment panel and a results assessment panel. Average scores are calculated for each criterion, taking into account only those questions that are relevant to the corresponding institution.

The implementation of the CAF model for self-assessment has provided the State Statistical Office with a powerful framework for initiating the process of continuous improvement by enabling employees to learn more about themselves and about the areas where improvement is necessary and possible.

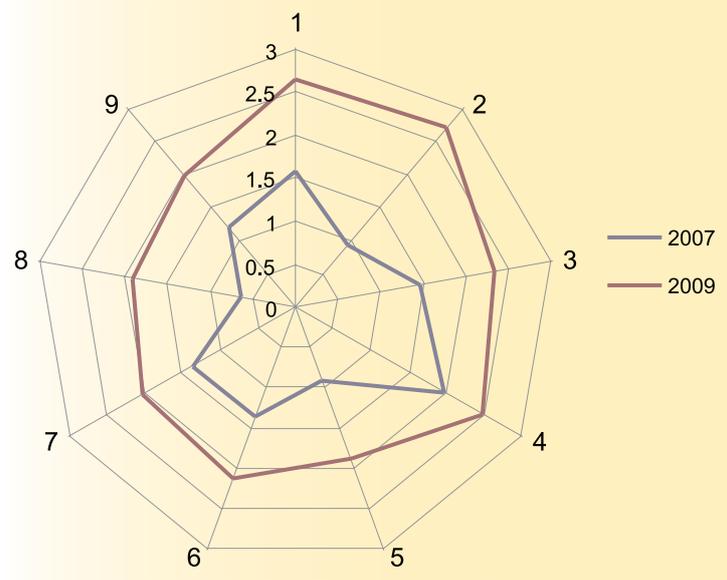
The SSO conducted the first CAF self-assessment in 2007, and the second at the end of 2009. In 2010, the Office performed an analysis of the second self-assessment and the progress achieved in comparison with 2007.

The State Statistical Office has made most progress in module 2 - Strategy and planning, which also had the highest score (2.7). Great progress was also made in modules 5 - Process and change management and 8 - Society results, but scores in these two areas are still the lowest (1.88 and 1.89, respectively).

The comparison of scores by module for 2007 and 2009 is given in the table and the graph below:

Table 1. Comparison of scores by module, by year

CAF modules	2007	2009
1. Leadership	1.57	2.62
2. Strategy and planning	0.95	2.70
3. Human resource management	1.45	2.33
4. Partnerships and resources	1.95	2.48
5. Process and change management	0.91	1.88
6. Customer oriented results	1.36	2.12
7. People (staff) results	1.37	2.04
8. Society results	0.63	1.89
9. Key performance results	1.19	1.98



Graph 8.
Self-assessment according to the CAF model

Based on this analysis, the SSO defined priority work areas in need of improvement, which have been included in the Strategic Plan 2011-2013.

1.2.7. Data security and statistical confidentiality

Data security and statistical confidentiality in the SSO are ensured via technical means, implementation of new technologies, supported by adequate management and procedures and rulebooks.

Parallel to the technical measures, improvements were also made in the organisational rules and measures in relation to statistical confidentiality

A Committee on Statistical Confidentiality was established at the State Statistical Office, as an advisory body to the Director-General of the SSO. The members of the Committee on Statistical Confidentiality are appointed by the Director-General of the Office from the ranks of employees of the SSO.

The Committee has the following tasks:

- to define microdata databases;
- to take care of the implementation of the procedures and measures for statistical data confidentiality;
- to consider all requests for access to microdata submitted to the SSO;
- to analyse specific situations and to advise the Director-General in cases not covered by the general rules on statistical confidentiality;
- to monitor the evolution of the rules on access to microdata;
- to define and, as needed, revise the procedures for access to microdata;
- to prescribe standard request forms for access to microdata;
- to prepare annual reports on the use of microdata.

In 2010, several activities were undertaken in the SSO regarding the finalisation of the policy and rules for granting the scientific research community access to microdata. Several members took part in three microdata-related missions through the IPA 2007 National Programme.

The members of the Committee on Statistical Confidentiality prepared the following documents:

- Policy for managing statistical confidentiality;
- Rulebook on the procedures and measures for protection of data collected within the Programme for Statistical Surveys of the SSO;
- Request for access to microdata;
- Agreement on providing and using microdata for research purposes.

On several occasions in 2010, the Committee on Statistical Confidentiality, tasked with taking care of the implementation of the procedures and measures for statistical data confidentiality, gave opinions regarding the requests for access to statistical data.

1.2.8. Using the collaborative infrastructure of Eurostat – data transmission through the Single Entry Point

The State Statistical Office regularly fulfils its obligation to transmit statistical data to Eurostat, in as wide scope as possible through the defined “Single Entry Point” and by using the available support tools offered by the eDAMIS system (eWA, eWP, eWF).

In 2010, data transmission through eDAMIS was made for the first time in the following areas:

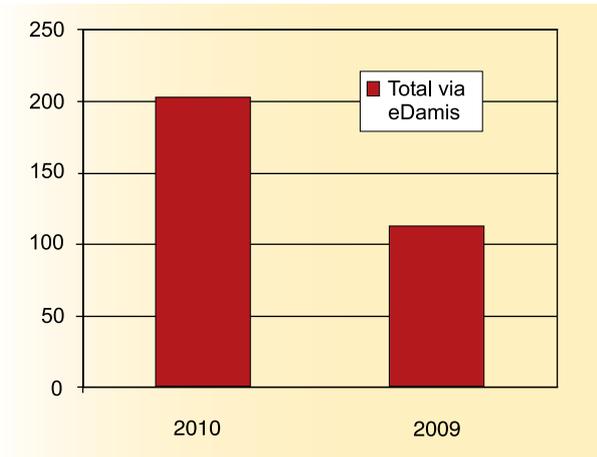
- PRODCOM, quality report on ICT (enterprises), data and quality report on waste from industry.

Through eDAMIS, statistical data from the following areas continue to be regularly transmitted:

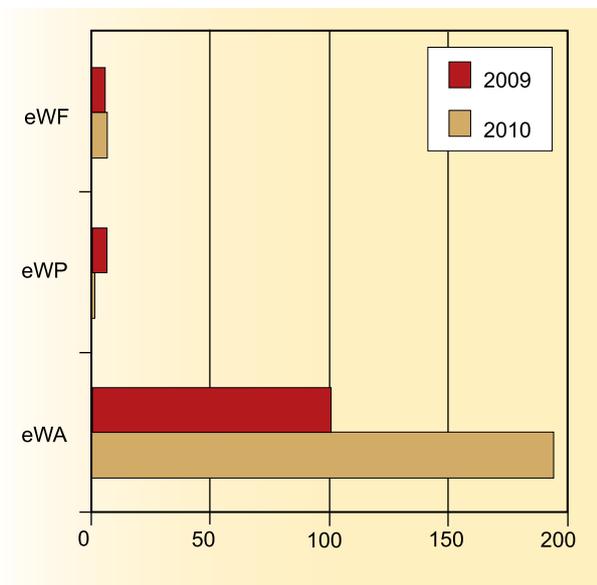
- ICT (households), tourism, air transport, freight transport, rail transport, internal and external trade, industrial production indices, indices of employees in industry, completed construction works and new orders, industrial producer price indices, economic accounts for agriculture and crop production.

The following graph shows the increase in the volume of data transmitted to Eurostat, which was 79% in 2010.

Graph 9.
Data transmitted to Eurostat (2010 compared to 2009)



Graph 10.
Data transmitted to Eurostat, by type of tool used (2010 compared to 2009)



Also, it is important to say that for the needs of data transmission to Eurostat, variables are regularly re-coded (transcodification) in accordance with the codes from the corresponding Eurostat regulations.

1.2.9. IT infrastructure

The information infrastructure was significantly improved as regards the hardware and networking at the central Office.

Servers and PCs were purchased and the vertical backbone of the local computer network was strengthened (1Gbps), through the EU-funded IPA 2007 project.

Within the same project, as part of the national contribution, 24 hand-held computers were purchased, which will be used for collecting price statistics data, as well as laptops intended primarily for giving presentations and other educational activities.

For providing adequate support to the seminars, workshops and other trainings held at the SSO, projection equipment and an interactive whiteboard were also purchased.

Due to lack of funds, communication with the regional departments is still performed via a 64 kbit/sec link, which is a substandard method for data transmission between the regional departments and the central Office.

In relation to application development, the SSO completely relies on its own resources when developing IT systems for statistical production support, and as development tool widely spread commercial software was used (Microsoft), but also specialised software for statistical needs, such as Blaise and SAS.

In 2010, the SSO faced the problem of the regular annual licencing of these two programmes, which are essential to the work of the SSO

1.3. Dissemination

1.3.1. Data dissemination

In order to ensure availability and accessibility of statistical information according to users' needs, a Dissemination Strategy was prepared, covering the period from 2010 to 2012.

The main objective of this strategy is to provide dissemination products and services that meet users' needs for official statistics.

The Internet will become the main channel for dissemination of statistical data and information. The users will firstly search for the required information on the website of the SSO.

Two procedures have been adopted, relating to the technical preparation of publication documents, statistical forms and all other accompanying documents that refer to the organisation of preparation and printing of this type of publication materials in the Printing House of the General and Common Affairs Service.

The purpose of the procedures is to define the steps in the preparation of materials, as well as the persons responsible for each stage of the preparation process, which will make it easier to monitor the process until its finalisation in the Printing House of the General and Common Affairs Service

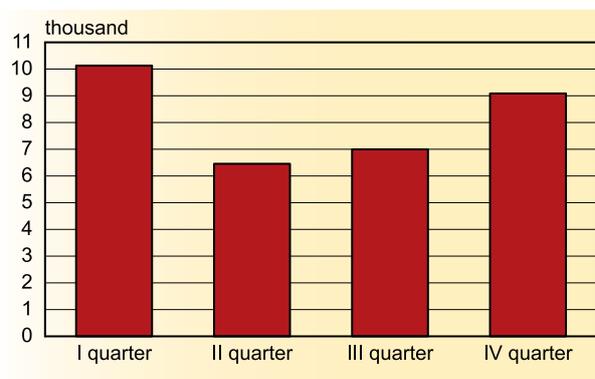
1.3.2. Statistical data available online – more data and more users

The website of the State Statistical Office is becoming the basic source of information about official statistics.

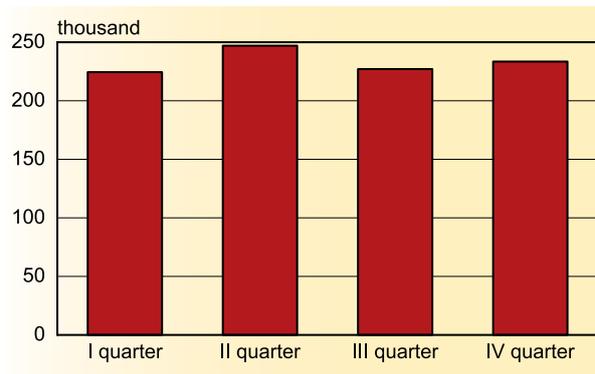
Through the website, users have access to the publications issued by the institution, as well as to the database that contains data from several thematic areas and data by regions.

From year to year, the number of visitors to the website is continuously growing. The increase in the number of visitors in 2010, compared to 2009, was 9.5%. The number of visitors to the web database is also increasing.

Graph 11.
Visits to the web database, 2010



Graph 12.
Number of visitors to the website of the SSO, 2010



In order to inform the public and promote the 2011 Census of Population, the State Statistical Office, on its website, opened a special section dedicated to the promotion of the Census and for informing the public about the Census-related activities.

It is an entirely new website, visually adjusted with the logo of the Census, in Macedonian and in English language.

For the first time, in order to get Census-related information across to the citizens, the website contains an informative section in the languages of the other ethnic communities in the Republic of Macedonia.

The Census website contains the following features:

- Home page – presenting the main information about the Census;
- About the censuses – giving an overview of censuses in the Republic of Macedonia, what is a Census, which data will be provided, etc.;
- CENSUS 2011 – presenting information about the organisation of the Census, the scope, Census units, necessary documents, Law on Census of Population, Households and Dwellings, UN/EUROSTAT Recommendations, information about and from the State Census Commission, and information about the Census Bureau.
- the section Media contains announcements to the public regarding the activities performed by the State Statistical Office;
- FAQ – contains answers to the most frequently asked questions related to the Census;
- Gallery and Contact information.

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. In 2010, the volume of issued statistical publications was almost the same as in the previous year.

Dissemination “statistics” show that the following results were achieved in 2010:

- 295 issues have been published in the “News Releases” edition,
- 29 issues have been published in the “Statistical Reviews” edition,
- 7 other publications have been published,
- there have been 672 written requests for data both from domestic and international users.

The following were published in 2010:

“**Women and Men in the Republic of Macedonia**” is a publication that contains data on the demographic characteristics of women and men in the Republic of

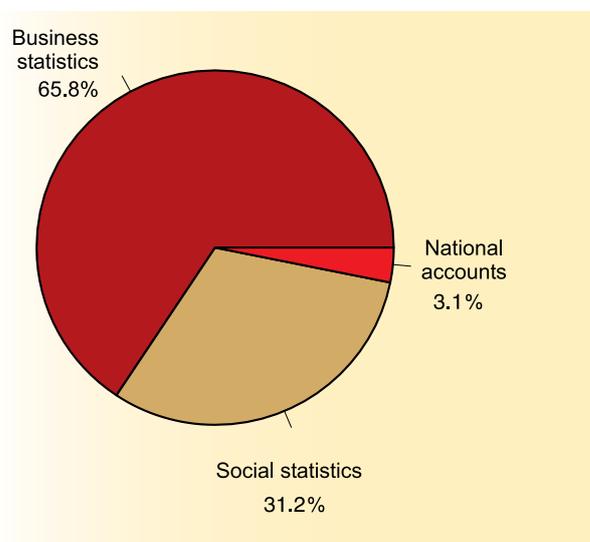
Macedonia, their participation in education, the judiciary, culture, the status of women and men in formal and informal employment, as well as their participation in the decision-making processes.

“**Macedonia in Figures**” – contains numerous data and interesting mini-facts about our country, and it represents a type of a small statistical yearbook. For the first time, this edition contains data about the Republic of Macedonia that are comparable with the EU member states and candidate countries.

“**Regions of the Republic of Macedonia**” is a publication that contains economic and socio-demographic data on the regions in the country. The statistical data on the regions represent an important link in the creation and monitoring of the country’s regional policy. In addition, they contribute to the fulfilment of the obligations of the Republic of Macedonia in the frame of the regional policy of the European Union.

“**Sustainable Development**” is a publication by 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.

Graph 13.
Publications issued, 2010



1.3.4. Preparation of data according to users' needs – simple delivery of data to the users

In the course of 2010, the SSO received 672 written requests, of which 86 or 13% were from domestic business entities.

Last year, international statistical and other organisations submitted 186 data requests, of which 5% were from Eurostat, but this number does not include the regular data transmission to Eurostat.

The total number of subscribers to statistical publications in 2010 was 78, of which 30% were domestic business entities.

The library of the Office was visited by 181 users, who used SSO's publications and other library materials. The processing of the library material continued in 2010, when 198 titles were processed in the COBISS tool.

1.3.5. Increased representation of statistical data in the media

Media are a very important part of the users of official statistical data, because through the media statistical data are available to the general public.

The edition "News Releases" is the most used medium by the journalists.

The State Statistical Office keeps track only of its coverage in print media, and according to the available data, 689 articles were published in 2010, of which around 65% referring to the interpretation of statistical data in the area of industry, population, and incomes, expenditures and prices.

1.4. Methodological improvements and novelties at the SSO

1.4.1. Methodological improvements in statistical surveys

In 2010, the State Statistical Office made several methodological improvements in the statistical surveys:

- methodological instruments have been prepared for conducting a Pilot Survey on Pesticide Use;
- a methodology was implemented for imputation for non-response in the total results of the industrial waste survey;

- a Road Traffic Census methodology has been prepared;
- a Rail Traffic Census methodology has been prepared;
- economic accounts for agriculture were calculated at previous year's prices, by using rebased input/output indices of agricultural products;
- for all surveys on information and communication technology, new questionnaires were designed and prepared according to Eurostat's methodology and recommendations for 2010;
- improvements were made to the monthly statistical survey Industrial Producer Prices on the Domestic Market (C.41) regarding the:
 - questionnaire,
 - sample of business entities, sample of specified industrial products;
 - rebasing all published indices by using 2005 as a base year, according to NKD Rev.2, at all levels for the period 2001-2010
- Data on structural statistics from Annex 1 to Regulation 295/2008 were prepared and transmitted to Eurostat. Preliminary data for 2008 will be published in the first quarter of 2011.
- GDP data for the series 2003-2007 were revised due to the implementation of Council Regulation (EC) No 448/98 and Commission Regulation (EC) No 1722/2005, with respect to the harmonisation of data with the ESA 95 methodology.

1.4.2. Novelties at the State Statistical Office

In a time of fast changes, and in order to adapt to the new needs, at the State Statistical Office for the first time:

- Preliminary data on structural statistics from Annex 1 to Regulation 295/2008 were transmitted to Eurostat;
- a Pilot Survey on Pesticide Use was conducted;

- data on industrial waste were published and transmitted to Eurostat via eDAMIS;
- a quality report from the industrial waste survey was prepared and submitted to Eurostat;
- Energy balances (2009) were published six months ahead of schedule (end of 2010);
- the questionnaire for autoproducer thermal power stations was adapted in order to cover the first CHP plant in the country in the energy statistics;
- the process of updating the Statistical Register of Agricultural Holdings from statistical sources has started; the acquired data and the procedures for updating the register from administrative sources have been analysed.
- a typology of agricultural holdings was established in accordance with European regulations and the Farm Structure Survey was conducted for the first time;

- preparations were made for implementing the Construction Cost Index:

- correspondence table Construction Materials / 2005 - Prodcod / 2008 - Customs Tariff,
- revision of the questionnaire for the statistical survey on construction materials/2010,
- preparation of weights

The SSO has been appointed as coordinator of the Special Data Dissemination Standard of the IMF, by which the SSO, the Ministry of Finance and the National Bank of the Republic of Macedonia are obliged to prepare data according to this standard. In that respect, a consultative mission was held by the IMF in order to prepare the joint calendar and the joint data page for macroeconomic, financial and monetary data.

2. CLASSIFICATIONS AND REGISTERS

2.1 Classifications

The revision of the National Classification of Occupations, NKZ-88, started at the beginning of 2010.

The revision is fully based on the structure of the International Standard Classification of Occupations, ISCO-08, down to the level of individual groups, i.e. the four-digit level. Two digits are added to individual groups at the national level, thereby differentiating and explaining in more detail the specifics of the occupations in the Republic of Macedonia.

The SSO regularly follows and implements the changes in the economic classifications. A Draft Classification of Occupations was prepared and submitted for consideration to ministries and other institutions.

In 2010, the Customs Tariff was updated with the latest changes and amendments made by the Customs Administration.

During the year, the changes in the ISO 3166 standard (country codes) and in the register of streets maintained by the Central Register are monitored on an ongoing basis and used for coding data in statistical surveys.

The Nomenclature of Raw Materials was prepared, in accordance with the Nomenclature of Industrial Products 2008.

2.2. Activities for releasing from administrative functions

2.2.1. Statistical Register of Territorial Units

The State Statistical Office adopted the Methodology for maintaining the Statistical Register of Territorial Units. The adoption of the Methodology, which was published and made available to the public, created the conditions for establishing the statistical Register of Territorial Units.

In cooperation with the Real Estate Cadastre Agency, the documents on the territorial units for the Census of Population, Households and Dwellings 2011 were revised in accordance with the Manual prepared by the State Statistical Office and the Real Estate Cadastre Agency.

2.2.3. Statistical Business Register

Data in the Statistical Business Register were reclassified in accordance with the National Classification of Activities NKD Rev.2.

The Statistical Business Register is regularly updated by using automated procedures for monthly and annual updating.

Data on business demography were published for the first time, in accordance with Regulation (EC) No 295/08.

There are still activities for introducing groups of enterprises in accordance with Regulation (EC) No 177/08.

2.2.4. Statistical Farm Register

As regards the activities related to the Statistical Farm Register, variables have been defined for updating with data from the regular statistical surveys in the area of agriculture and from administrative sources. Methodological bases have been prepared for the procedure of updating the Statistical Farm Register with the regular statistical surveys in the area of agricultural statistics. The process of updating the Statistical Farm Register from administrative sources has started.

Data on agricultural holdings from the SSO Farm Register database were linked with administrative data sources – Veterinary Administration, and obtained data for updating the register from administrative register were analysed.

The algorithm for the typology of agricultural holdings was also prepared.

A typology of agricultural holdings was established.

3. SECTOR STATISTICS

3.1 Social statistics

In the area of **social services**, during 2010, within NPAA, the State Statistical Office participated in the activities of the working group for the ESSPROS - European System of Integrated Social Protection Statistics. According to the ESSPROS manual, pilot programmes were prepared for obtaining data on the various functions: sickness/health care, disability, old age, family/children, unemployment, housing.

In the area of **standard of living**, during 2010, the experimental calculations of the Harmonised Index of Consumer Prices continued. The regulation for quality adjustment is also applied for prices of certain durable consumer goods, and there are plans to extend it to prices of other products by using different methods recommended by the EU.

In 2010, data on the Poverty Line were supplemented with data tables on child poverty, based on the Household Budget Survey.

In accordance with the Annual Programme for Statistical Surveys, for the first time, the State Statistical Office conducted the Survey on Income and Living Conditions (EU-SILC) as a regular survey, fully harmonised with the recommendations of Eurostat. The survey began in May, and data collection lasted 3 months, followed by control of materials and preparation of a data entry application.

The control of materials from the Time Use Survey, which was conducted in 2009, was performed in 2010.

In the area of **demography**, the planned surveys on vital statistics and migrations were conducted. Intensive activities began regarding the preparation of the Census of Population, Households and Dwellings 2011. The census instruments (enumeration forms) were prepared, for which the Statistical Council gave a positive opinion, as well as the methodology in accordance with the UN/Eurostat Recommendations for the 2010 Round of Censuses of Population and Housing in the UNECE Region (adopted by the Conference of European Statisticians). The SSO hosted a regional Workshop on Population Censuses, which was attended by representatives of statistical offices from the region

and by Eurostat experts. At the workshop, the course of preparatory activities regarding the census cartography was discussed.

The Law on Census of Population, Households and Dwellings 2011 was adopted and published in the Official Gazette of the Republic of Macedonia No. 156 of 6 December 2010. In accordance with the Law on Census 2011, a Census Bureau was established as an expert body of the State Statistical Office to monitor the activities related to the preparation, organisation and execution of the 2011 Census.

An Operational Plan for preparing, organising and executing the Census was also prepared.

For performing the activities and for operational and technical matters, in accordance with the Operational Plan, special work groups were created within the Census Bureau.

The first briefing with media representatives was held on 29.12.2010, where media were informed about the ongoing activities regarding the forthcoming 2011 Census and provided their opinion on the possible ways of cooperation between the State Statistical Office and the media regarding the Census.

Two monitoring missions were realised by the expert appointed by Eurostat, where the methodological aspects of the Census preparation were reviewed, as well as the organisation of informational activities to be performed by the State Statistical Office for the purpose of informing the public about the Census in a timely and adequate manner.

In the area of **labour market**, as regards statistical standards, a revision was made to the National Classification of Occupations.

A survey on reconciliation between work and family life was conducted as an annexe to the Labour Force Survey.

3.2. National accounts

In the area of **national accounts**, according to the Programme for Work for 2010, five surveys were conducted in the field, including the Purchasing Power Parity surveys, a Eurostat-led project. The analytical surveys are conducted as planned.

In accordance with the IPA 2008 Multi-Beneficiary Programme, a survey on investments of small entities was conducted, from which an analysis of data coverage will be performed, as well as of the possibility to make a model for estimating small-entity investments.

Within the Purchasing Power Parity project, all stages of the collection, verification and data transmission to Eurostat were completed, and additional GDP data on salaries, rents, etc. were provided.

3.3. Agricultural statistics

In the area of **agriculture, forestry, hunting and fishing**, during 2010, all planned statistical surveys were conducted.

In the period 1-15 June 2010, field activities were realised within the first Farm Structure Survey. Data were processed and published.

The algorithm for establishing the typology of agricultural holdings has been defined, types have been established, and the economic size of agricultural holdings, determined by the Agricultural Census 2007, was calculated.

A plan for selecting agricultural holdings for the purposes of the Farm Accountancy Data Network (FADN) has been prepared.

Methodological instructions for economic accounts for agriculture have been prepared, as well as for prices and price indices of agricultural products.

3.4. Business statistics

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

In accordance with the obligation to provide relevant statistical data in compliance with the EU regulation on PRODCOM (Nomenclature of Industrial Products), the SSO started with regular transmission of annual data on industrial production according to PRODCOM.

As a result, full harmonisation with Regulation 3294/91 on PRODCOM has been achieved.

NKD Rev.2 has been implemented in short-term statistics (single year – double coding) – industrial production.

NKD Rev.2 has been implemented in the calculation of industrial producer prices on the domestic market.

PRODCOM/2008 has been implemented in the collection and processing of industrial producer prices on the domestic market.

A short-term statistics database has been created in accordance with Council Regulation (EC) No 1165/98 (2010=100) for the survey on new orders and income from sales in industry.

The statistics on monthly monitoring of distributive trade have been revised and harmonised with the regulations on short-term and structural business statistics.

Statistics on environment, energy and transport

1. Environment statistics

- the regular annual survey on municipal waste was conducted, the results were published in the annual news release and submitted to Eurostat through eDAMIS;
- the news release on industrial waste was published, data were transmitted through eDAMIS, a quality report was prepared and submitted to Eurostat;
- a pilot survey on pesticide use was conducted;
- surveys were conducted in the area of water statistics, and the OECD questionnaire on water was submitted to Eurostat.

2. Energy statistics

- the regular annual surveys were conducted, energy balances for the country were prepared and published 6 months ahead of the Programme schedule, and annual data on energy statistics were submitted to Eurostat and IEA
- intensive analysis of monthly data is performed in order to align monthly reporting with European standards.

3. Transport statistics

- the regular annual surveys were conducted;
- activities were performed regarding the road and rail traffic Censuses.
- the methodological instruments, the sampling frame, sample selection and the method for collecting data from freight transport reporting units have been assessed in order to improve the quality of freight transport statistics.

3.5. Sector for Regional Departments

The Organisational Structure of the State Statistical Office comprises the central Office and eight regional departments throughout the country (Skopje, Tetovo, Kumanovo, Veles, Stip, Bitola, Ohrid and Strumica.).

The primary function of the regional departments is collecting statistical data, performing preliminary control of collected materials and questionnaire coding. In order to cut costs for collecting data in 2010, employees in the regional departments were also engaged as interviewers in the surveys.

According to the Annual Programme for Statistical Surveys 2010, 207 statistical surveys were planned to be conducted, for which data were collected in the field with various periodicity (monthly, quarterly, annual and multi-annual). For 62 surveys (29.95%), data collection was performed in the State Statistical Office, while for 145 (70.05%) in the regional departments and the State Statistical Office.

Administrative sources were used for collecting data in 33 surveys. Therefore, it can be concluded that, in the State Statistical Office, the primary method for data collection is still via statistical questionnaires.

In the regional departments, for most of the surveys, only data collection, coding and preliminary control are performed (120 surveys), while data entry and technical processing are performed for 5 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

SSO's employees actively participated in monitoring and updating the NPAA with regard to the objectives and activities foreseen to be achieved in 2010. The SSO, as bearer and coordinator of the Working Group 18 – Statistics, continuously organises and coordinates the work of the Working Group in order to allow regular, quality and timely monitoring and informing about the progress in adopting the Acquis, with weekly, monthly, quarterly and annual periodicity.

In December 2010, the final version of NPAA 2011 was submitted to the Secretariat for European Affairs.

The sixth meeting of the Sub-Committee on Economic and Financial Affairs and Statistics was held in March in Skopje, whereupon the European Commission (EC) praised the big progress the SSO has made since the previous meeting (2009).

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

In 2010, the State Statistical Office once again submitted and confirmed on time the assessment of the Republic of Macedonia in SMIS+ (Statistical Management Information System), a Eurostat internet software tool through which Eurostat monitors the harmonisation of the candidate countries and the potential candidate countries with EU legislation in statistical domain.

From 2 to 3 June 2010, Eurostat realised its regular annual mission in order to:

- monitor the progress since the last assessment mission (2009) and to assess the current situation of statistics in the statistical system of the Republic of Macedonia,
- discuss the process of data transmission;
- discuss the current and future Multi-Beneficiary Programmes and national projects financed by EC or other donors.

4.2. More important international meetings

The State Statistical Office has close cooperation with the United Nations Statistics Division.

In February 2010, the Director-General of the State Statistical Office, Mrs. Blagica Novkovska, MSc, attended the forum of the international statistical system – the 41st session of United Nations Statistical Commission.

The Director-General of the Office is member of:

- Conference of European Statisticians (CES), which in June 2010 held its 58th plenary session;
- International Association for Research in Income and Wealth (IARIW);
- Technical Coordination Group for Population Censuses in Southeast Europe;
- Steering Committee of the project “Assisting Montenegro in Approximating EU Standards in Statistics”, at the same time being engaged as a short-term expert in the area of institutional capacity building.

The State Statistical Office cooperates with international statistical associations, among which is the International Statistical Institute (ISI).

In May 2010, the Director-General of the State Statistical Office participated in the 4th International Conference of Balkans Demography - Spatial demography of the Balkans: trends and challenges. On the conference, the Director-General presented two papers: “Collecting and organising demographic data about the Republic of Macedonia” and “Planning and development challenges”.

In the period 3-6 May 2010, the Director-General also participated in the Conference on Quality in Official Statistics in Helsinki, Finland, which is held every two years. On the Conference, the Director-General presented the paper “Increased efficiency by harmonising metadata and quality”. The Office also prepared the paper “Population Dynamics and Demographic Future of the Regions in the Republic of Macedonia”.

In September 2010, the SSO hosted a study visit by the Statistical Office of Montenegro. The purpose of the visit was for the State Statistical Office to present its experience in the organising and conducting post-enumeration surveys.

In the period 2-5 November, the Light Peer Review of the State Statistical Office (SSO) was undertaken in order to determine the extent to which the work of the SSO is harmonised with principles 1-6 and 15 of the European Statistics Code of Practice. The review was headed by a team of two reviewers appointed by Eurostat, accompanied by one Eurostat observer and two observers from the statistical offices of Serbia and Turkey. The team of reviewers held meetings with the Executive Board of the SSO and with representatives of the management and junior associates in the Office. In addition, the team also met with representatives of the: Statistical Council, Ministry of Interior, Ministry of Labour and Social Policy, Ministry of Environment and Physical Planning, Ministry of Agriculture, Forestry and Water Economy, Ministry of Finance, National Bank of the Republic of Macedonia, Hydrometeorological Service, Faculty of Economics, Institute of Economics, Institute for Sociological, Political and Juridical Research, Economic Chamber, World Bank, SIDA, United Nations Population Fund, media – A1 TV, Sitel TV and MIA (Macedonian Information Agency). The review resulted with a Report containing the assessment of the harmonisation with the European Statistics Code of Practice, at the level of indicators and principles. The Report was prepared on the basis of information gathered during the mission and the materials previously submitted by the SSO.

In the Report, it was concluded that:

“The SSO produces and disseminates official statistics by upholding the principles of professional independence, statistical confidentiality, and impartiality and objectivity, in compliance with the Law on State Statistics.”

The Report gives recommendations for further improvements.

On December 22, the results of the project "Satellite Accounts for Cooperatives and Mutuals" were presented at the State Statistical Office. The project was co-financed by the European Union and conducted by the SSO in the period from March to December 2010. At the event, the Director-General of the State Statistical Office, Blagica Novkovska, MSc, gave an opening speech in which she discussed the importance of the project. The presentation was attended by a representative of the European Commission Directorate General for Enterprises and Industry, representatives of the Central Cooperative Association of Bulgaria and of the Association of Labour-Production Cooperatives, representatives of institutions from the Republic of Macedonia, as well as representatives of cooperatives and the Association of Cooperatives.

The SSO participates in UNICEF's project TransMONEE by providing demographic and macroeconomic data in a timely manner.

The necessary data in the area of demography were prepared and delivered on time for the Annual Report on Millennium Development Goals.

In 2010, the SSO also participated in the UNODC project conducted in the Western Balkan countries, the objective of which was to gather data on administrative corruption and similar forms of crime. The survey on the use of public services and integrity of public officials was conducted on a representative sample of 3500 households.

4.3. International projects where the SSO is included

4.3.1. Ongoing projects of the European Commission:

- National projects

IPA 2007 Technical Assistance to the State Statistical Office

As a result of the expert assistance received through the IPA 2007 National Project, the following results were achieved in 2010:

In the area of metadata – the statistical business process model of the SSO was defined and presented in detail in a document that was adopted by the Executive Board.

In the area of statistical confidentiality – several documents were prepared relating to the access to microdata for scientific research purposes, among which is the Rulebook on procedures and measures for protection of data collected within the Programme for Statistical Surveys in the State Statistical Office, which was adopted by the Executive Board.

In the area of national accounts – progress was made in the process of compiling sector accounts, which includes improvement in the balancing techniques through the supply and use tables. The entire process is performed by incorporating data from the Ministry of Finance and NBRM, which means confirming the sectorisation of units as a precondition for integrating macroeconomic, monetary and financial data into the submitted data for compiling the accounts.

Knowledge was gained in calculating quarterly GDP, in accordance with annual calculations, and the calculations of the value of fixed capital were improved as well.

The questionnaire for the quarterly survey on value added of non-financial enterprises was redesigned.

In the area of structural business statistics – through eDAMIS - the data transmission tool of Eurostat, datasets 13, 23, 33 and 43 were prepared and submitted, in accordance with Commission Regulation (EC) No 250/2009 of 11 March 2009, Annex 3, on double reporting according to NACE Rev.1.1. The dataset includes variables calculated according to the definitions of this Regulation, and referring to activities that belong to the following sectors: Industry (B, D, E), Construction (F), Trade (G) and Services (H, I, K).

In the area of distributive trade – a regular monthly statistical survey was established. Turnover is a very important short-term indicator of distributive trade and services, because there are only a few available indicators for this activity. The purpose of turnover index is to show the evolution of the goods and services market.

In the area of freight transport – in order to increase the coverage and quality of data, the data collection instruments, which are the basis for the pilot survey to be conducted in 2011, were revised.

In the area of prices – a new application was developed for industrial producer prices, based on the experience of the Statistical Office of Germany.

Based on the acquired knowledge about the models for calculating indices and sub-indices of construction costs, experimental calculations were made which show the movement of prices of the main factors of construction production, thereby achieving harmonisation with EU regulations on short-term statistics on construction costs (320), material costs (321) and labour costs (322).

The experience gained during the two workshops on the application of economic classifications in statistical surveys and in the business register was applied in the process of transition from NKD Rev.1 to NKD Rev.2

In the area of social statistics – in accordance with EU Regulations 1777/2003, 2553/2005 and 1791/2006, several missions were realised for harmonising the living standard survey. The questionnaires (household and individual) for the Survey on Income and Living Conditions (SILC) were evaluated, and recommendations were received for their improvement in the second year of the survey. Recommendations were also given on how to construct so-called serpentine, i.e. arrangement of settlements for the rotational panel in the sample.

Within the missions in the area of education, recommendations were received for the Continuous Vocational Training Survey – CVTS 4, for all stages, starting with the regulation, preparation of instruments, sample selection, to field execution and experiences from conducting this type of survey with interviewers. In Eurostat, the survey is conducted on the basis of Commission Regulation (EU) No 822/2010.

A special benefit is the transmission of datasets and tables on education – UOE 2010 (UNESCO/OECD/EUROSTAT joint questionnaire) to Eurostat via eDAMIS, which was performed for the first time with the help of the expert hired through the project. Harmonisation in this area is achieved on the basis of Regulation (EC) No 452/2008.

- Multi-beneficiary projects

IPA 2008 multi-beneficiary statistical cooperation programme

In 2010, within the Pilot Project on Job Vacancy Statistics, the draft questionnaire received from the expert was studied and the relevant regulations and methodological explanations were translated.

Within the Pilot Project on Business Registers, the following results were achieved::

- The situation of the Business Register was assessed with respect to the harmonisation with Regulation (EC) No 1777/2008 and the recommendations of the Business Register Methodological Manual.
- Activities for further development of the Business Register were defined:
 - Introduction of the statistical unit – enterprise groups;
 - Introduction of an ad hoc survey for updating the local units;
 - Introduction of a statistical survey of medium and large enterprises for the purpose of introducing the statistical unit – enterprise groups.

In 2010, within the Pilot Project on External Trade Statistics, the following results were achieved:

- Improvement of the methodological manual for external trade statistics and improvement of the quality of statistical data on foreign trade, through:
 - introduction of additional controls to be conducted in the Customs Administration and the SSO;
 - introduction of automated controls as regards the values and quantities;
 - introduction of data comparison with other countries.

In 2010, within the Pilot Project on Economic Accounts for Agriculture, including prices, the following results were achieved:

- Preliminary versions of the inventories for the economic accounts for agriculture were prepared and submitted;
- Final versions of the inventories were prepared and submitted by using a Eurostat questionnaire for economic accounts for agriculture, price indices and absolute prices of agricultural products, along with an additional table at the request of the experts (product inventories).

Within the Pilot Project for transmitting data from the Agricultural Census and the Farm Structure Survey, the following results were achieved in 2010:

- Standard output coefficients 2004, along with a short methodological explanation for their calculation, were submitted to Eurostat;

- the differences between the Agricultural Census questionnaire and EUROFARM requirements have been prepared and submitted;
- the matrix for transcodification of the 2007 Agricultural Census data was prepared and submitted;
- the code for programming the transcodification of the 2007 Agricultural Census data was prepared and submitted;
- the differences between the questionnaire for the Farm Structure Survey and EUROFARM requirements have been prepared and submitted;
- the matrix for transcodification of the Farm Structure Survey data was prepared and submitted

In 2010, within the PRODCOM Pilot Project, the following results were achieved::

- Within IPA 2008, an assessment was made of the quality of the statistical survey in the area of industry (PRODCOM). It was established that, for the most part, the SSO implements the recommendations of the Regulation on conducting the annual PRODCOM survey; the needs for including a rotational model for small enterprises have been identified, for the purpose of improving this survey. In order to implement the recommendations, a workshop was organised in Podgorica in October 2010.

Within the Pilot Project on National Accounts, the following results were achieved in 2010:

- A survey was conducted for gathering data on small enterprises in order to improve the data on gross fixed capital formation of these entities. The data from this survey were presented at a meeting in Eurostat.

Within the Pilot Project on Purchasing Power Parity, the following results were achieved in 2010:

- A market survey was conducted, retail prices were recorded, and calculations for construction were prepared. Also, additional data were calculated, which are necessary for calculating the purchasing power parity.

Within the Pilot Project on Structural Business Statistics, in 2010:

- A mission was realised by an expert from Eurostat, resulting in a report on the status of structural business statistics (SBS) in the SSO as regards the annexes to the SBS Regulation and the status of foreign affiliate statistics.

Within the Pilot Project on Harmonised Index of Consumer Prices (HICP), the following results were achieved in 2010:

- Experimental calculations of the harmonised index of consumer prices continued in 2010. This year, the calculations of this index started being performed on a monthly basis, parallel to the regular index. The regulation for quality adjustment is also applied for prices of certain durable consumer goods, and there are plans to extend it to prices of other products by using different methods recommended by the EU.
- The implementation of the regulation for seasonal adjustments should begin in 2011.
- In 2010, at the regional level, a HICP workshop was organised in Skopje.

Within the Pilot Project on Census of Population, Households and Dwellings, the following results were achieved in 2010:

- Three workshops were organised for monitoring the status of preparations for the upcoming population censuses in the countries of Southeast Europe. The 2011 Census in the Republic of Macedonia has been prepared according to the UNECE/Eurostat Recommendations for the 2010 Round of Censuses adopted by the Conference of European Statisticians in 2006.

Within IPA 2008, technical assistance was also received for introducing the Structure of Earnings Survey, and a pilot survey was conducted. This survey is conducted every four years in accordance with Council Regulation (EC) No 530/1999, Commission Regulation (EC) No 1916/2000 and Commission Regulation (EC) No 1738/2005.

IPA 2009 multi-beneficiary statistical cooperation programme

The project began on 1 December 2010 and will finish on 31 July 2011. The objectives of the project are improvement of the quality of statistical information and reinforcing confidence in the methods and professionalism, thus providing policy makers and the international community with unquestionable statistical data. The objectives also include continuation of the process of progressively integrating the State Statistical Office into the European Statistical System (ESS) and continuation of the support for sustainable capacity building.

4.3.2. Grants

Consumer Opinion Survey

Through the Grant, the SSO continued to conduct the statistical survey in the area of business tendencies, and obtained statistical data on consumer opinions about current conditions and short-term-expectations. The survey provides qualitative data for the purpose of monitoring the short-term economic policy of the country.

The aim of this survey is to obtain information from household members about the personal financial situation and plans for saving, as well as about their opinion on the general economic situation, planned expenses, and expectations for prices in the near future.

The collected statistical data are transmitted to the European Commission on a monthly basis, according to a defined calendar. The same data are published in a monthly news release and are available on the website of the SSO.

Labour Force Survey 2010, ad hoc module for reconciliation between work and family life

The objective of the module was to improve the awareness of the reconciliation between work and family life. The data would further be used for monitoring the European employment strategy.

Data collection for the module was performed in accordance with the methodological explanations and requirements of Commission Regulation (EC) No 20/2009.

The implementation of the module began on 1 January 2010, as an annexe to the Labour Force Survey, and was conducted throughout the entire year. The sample size was 5000 households, distributed throughout the year, which is 1/4 of the total number of interviewed households during the year. In each quarter, 1250 households were interviewed, covering only persons aged 15 to 64.

Satellite accounts for cooperatives and mutuals

This grant was realised in 2010. The collected data were prepared and published on the website of the SSO and presented before the representatives of the association of cooperatives. Within the project, a survey was conducted in the field, covering around 500 enterprises, i.e. cooperatives and mutuals, and accounts for the cooperatives were prepared. As the project was conducted in accordance with the Manual for drawing up the satellite accounts of companies in the social economy: cooperatives and mutual societies, it was a useful experience for employees with regard to gaining new knowledge for defining the units belonging to this activity, an opportunity for a comprehensive analysis of this part of the economy, as well as an opportunity for employee training for conducting projects of this kind.

4.3.3. Macedonian Swedish partnership in statistics 2009-2011

Activities are performed according to a previously established schedule, in the following four basic components: metadata, environment, agriculture and dissemination.

The following results were achieved:

- Working on a new interface of the application for the Farm Register;
- Basic knowledge gained in implementing the PC-Axis module and converting SAS tables into PC-Axis; the internet database was supplemented with new tables by municipalities, while the existing ones are updated.
- Data on industrial waste in the country were published for the first time and a quality report was prepared and submitted to Eurostat;
- A Pilot Survey on Pesticide Use was conducted.

4.3.4. The SSO as provider of foreign assistance

In 2010, as a result of the positive experiences gained within its international activity, the SSO, as a consortium partner with the ICON Institute in the project "Assisting Montenegro in Approximating EU Standards in Statistics", provided short-term expert assistance in the areas: strategic planning and national accounts.

4.4. Communication and cooperation with other state institutions

In the area of social statistics, the cooperation with the Ministry of Interior is of particular importance, especially as regards the novelties in the registration of migrations, which are used as administrative data in statistical surveys in the area of social statistics. There is also communication and cooperation with the Ministry of Labour and Social Policy, especially in the development of ESSPROS - European System of Integrated Social Protection Statistics. The SSO also cooperates with the Republic Institute for Health Protection, the National Bank, IMF, World Bank and other domestic and foreign institutions. The cooperation with UNICEF consists of providing statistical data for the TransMONEE database, which contains data on the social and economic situation and well-being of children.

There is continuous cooperation with the Employment Agency, both in certain joint projects and in mutual consultations and agreements.

“The State Statistical Office celebrated the 65th anniversary of its establishment”

On 1 June 2010, the State Statistical Office celebrated its 65th anniversary. Several activities were organised for the occasion.

- Sports games

The celebration of the anniversary began with the sports games on 30.05.2010. Teams from a number of state institutions participated in the event: the State Statistical Office, the Customs Administration, the Secretariat for European Affairs, Expert service of the Government of the Republic of Macedonia, the Secretariat for Implementation of the Ohrid Framework Agreement, the Real Estate Cadastre Agency, the Institute of National History, the National agency for European Education Programmes and Mobility, and the German ICON Institute.

The teams competed in several sports: men – football and basketball, women – darts.

- First Regional Conference on Agricultural Statistics

The State Statistical Office organised and hosted the first Regional Conference on Agricultural Statistics on 31.05.2010.

Representatives of the State Statistical Office, Eurostat, FAO and of several national statistical institutions from the region gave presentations at the Conference.

The quality of the presented papers and the organisation of the Conference were assessed positively by the participants from the national statistical institutions (Albania, Bulgaria, Montenegro, Hungary, Serbia, Croatia, Bosnia and Herzegovina, Turkey, Sweden, etc.), as well as by the representatives of the Ministry of Agriculture, Forestry and Water Economy.

- Formal academy on the occasion of the 65th anniversary of the establishment of the State Statistical Office

The central event of the celebration of the anniversary of the State Statistical Office was the Formal Academy, which was held on 1 June 2010.

The achievements of the State Statistical Office in the last five years and the challenges ahead of the institution were addressed in the speech of the Director-General of the State Statistical Office, Blagica Novkovska, MSc. Among other things, it was stressed that:

“... Official statistical data help the population and the governments understand the world we live in and make decisions about the future based on relevant information. Statistical data are the basic source of information in the “knowledge-based economy”...”

“... In order to provide macroeconomic data in accordance with European and world standards, we have made several changes to the system of national accounts over the last years, including the changes in the procedures for producing data and assessing the quality of data sources.

The changes that occurred in the Macedonian industry, construction and the energy sector represented a challenge for further developing the existing and introducing new surveys, for the purpose of obtaining timely, relevant, comprehensive and quality data on all these phenomena...”

“...adhering to the European and international recommendations, we introduced a set of statistical surveys that have enabled the production of data on information technology usage in the business entities and the households, as well as the production of a larger number of indicators about the communications market in the country...”

“...The labour market is a very important area that is monitored in the State Statistical Office through the statistical surveys on wages and employment and the Labour Force Survey. Within the frame of the existing statistical surveys on wages and employment, several improvements were made to the quality and clarity of the forms, and they were harmonized with the concept of gross and net wages...”

“...we significantly increased the statistical production in the country by introducing new statistical surveys in several other areas. The environment is an area that in the last several years has been the subject of interest of the Macedonian public, and for which, until recently, there were practically no statistical data...”

“...Macroeconomic statistics were also enriched with the production and calculation of the supply and use tables, compilation of input-output tables, and with the calculation of regional gross domestic product...”

“...In 2007, the State Statistical Office conducted the Census of Agriculture for the first time after almost 40 years. In 2008 we conducted three censuses in the field of business statistics: Census of Retail Trade Capacities, Census of Catering Trade Capacities and Census of Business Entities. The preparations for the upcoming Census of Population began by completely adhering to the Recommendations for the 2010 Censuses of Population of the United Nations Statistics Division and EUROSTAT...”

“...we have established the Statistical Business Register, the Statistical Register of Spatial Units, and intensive efforts are underway for developing the Statistical Population Register and the Farm Register. We expect the functioning of the statistical registers to improve significantly the input in the statistical surveys, which will reflect positively on reducing the burden on business entities and individual persons by making the statistical forms easier to fill out ...”

“...Today, the statistical production in the Republic of Macedonia is based on the application of the National

Classification of Activities, which is based on the European Classification of Activities - NACE, the Classification of Products by Activity and the Classification of Non-Profit Institutions Serving Households. We also revised the national Nomenclature of Industrial Products, which is based on the PRODCOM list, and we implemented the new Nomenclature of Territorial Units, which is harmonised with the European nomenclature NUTS...”

“...the State Statistical Office began transmitting data to EUROSTAT according to a defined format. For the time being, regularly transmitted are data from several areas: demography, Labour Force Survey, Labour Cost Survey, industry, construction, external trade and prices of industrial products...”

“...In order to ensure the application of European standards in the statistical processes, it is of crucial importance to ensure the application of European standards for managing the institution as well. In this area, the State Statistical Office realized a number of activities that began with the preparation of a three-year Strategy of the institution and the adoption of annual plans for monitoring the implementation of the Strategy, followed by the implementation of two self-assessments (CAF) according to the standards of the European Foundation for Quality Management (EFQM) and two employee satisfaction surveys, defining a Quality Strategy and preparing quality reports for the statistical surveys, and the implementation a cost calculation system...”

The significance of official statistics for science was presented by Prof. Blagoja Markoski, PhD, President of the Statistical Council.

“...Statistics as a scientific methodology through statistical theories, statistical techniques and statistical analyses provides various data from the areas of social statistics, business statistics, national accounts, agriculture, environment and so on.

The production of official statistics in the Republic of Macedonia goes on through several institutions in the national statistical system of the country among which the State Statistical Office has the central role...”

“...The production of the State Statistical Office includes statistical data on various phenomena in the area of demography, education, labour market, culture, judiciary, industry, construction, energy, trade, transport, agriculture, gross-national product, investments and other areas.

All these areas are spheres of scientific interest in our, as well as in the international scientific community. The detailed scientific data produced by the State Statistical Office are a starting point when conducting econometric, sociological, geographical and other researches...”

“...the practice of the State Statistical Office to publish a short description of the used methodology together with the data, as well as the publishing of the basic classifications, nomenclatures and methodologies it uses, considerably facilitates the work of the scientific community in the country...”

“...The statistical data also give an image of the historical development of a country. Therefore, today on the celebration of the 65 years of the establishment of the State Statistical Office, it should be noted that the past work of our statisticians is an integral part of the Macedonian science and history, and the State Statistical Office of the Republic of Macedonia is a respected institution in European and world frames...”

The level of harmonisation of Macedonian statistics with the EU standards and the assistance by Eurostat and the EFTA Statistical Office were presented by Mr. Pieter Everaers, Eurostat Director, and Mr. Gabriel Gamez, Head of the EFTA Statistical Office.

“...For over 10 years Eurostat and the European Union are supporting the State Statistical Office in its development – until a few years ago via the so-called national and regional Cards programmes, currently via the national and regional IPA programmes. Eurostat is strongly involved in the Multi-Beneficiary Regional Programmes and in supporting DG Enlargement in the development and implementation of the national IPA Programmes and for example the programmes under the technical assistance to the countries of the former Yugoslavia.

In this over the years, the first priority has been the creation of a sustainable institutional environment for statistics. This includes the basic statistical infrastructure, involving the Law on Statistics, the quality of the management of the Office, the relations with other stakeholders in the country. When this level is reached, after a few years, this changes in supporting to relevant domain specific statistics.

In this process the State Statistical Office has shown to be a good and quick learner. By reviewing the recent yearly assessments on the state of readiness of the statistics this progress is clearly illustrated...” (P. Everaers)

“... It is evident that future Member States at the moment of accession have to be fully compliant with this level of making statistics. Therefore, in the process of becoming a candidate and next a member country the readiness of a country is – among others – assessed in the field of statistics... for the candidate countries the first priority should be with the basic sustainable infrastructure and further with those statistics that are considered important in the context of the statistics as described in Chapter 18 for the accession negotiations. This chapter defines the harmonisation with the EU standards and rules and which has to be implemented in the pre-accession period...” (P. Everaers, Eurostat)

“...Impartial and reliable statistical data are widely considered as a prerequisite for a democratic society and a necessary condition for the smooth running of a competitive market economy... EFTA and the European Union have a common interest in assisting neighbourhood countries of the enlarged European Economic Area to develop their statistical capacity and to harmonise statistical methods and standards with international norms. The joint EFTA-Eurostat Technical Cooperation Programme is based on a Memorandum of Understanding... the Memorandum of Understanding gives priority to countries that have concluded declarations on co-operation or free trade agreements with EFTA... Technical cooperation in the field of statistics: Comparability, conformity and harmonisation of statistics; Strengthening and increasing the efficiency of national statistical systems and their institutional framework; Strengthening and improving the quality of national data collection; Statistical information necessary for the establishment of free trade areas; Statistical information necessary for the support of regional policies, particularly in the area of environment and movement of population; Human resources development and training; Exchange of information, use of new technologies...” (G. Gamez, EFTA)

Globalisation as a challenge to official statistics was treated in the address of Mr. Carsten Hansen, UNECE Statistical Division. He spoke of what globalisation represents, how it affects national statistical institutions, and the demands arising from globalisation:

“...demands from international users, demands for international comparable statistics, online dissemination of data and metadata...new ways of electronic communication...how globalisation affects the conditions in national statistical institutions...”

The Academy was attended by a large number of representatives of the state and public administration, the business community, media, embassies in the country, as well as by heads and representatives of the national statistical institutions of Albania, Bulgaria, Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Slovenia, Turkey, Hungary, Romania and Sweden.

4.5. Problems the SSO faced with

Some of the problems the SSO was facing in 2009 were also present in 2010.

A particular problem for the Office is the more and more difficult obtaining of the reports from the reporting units. As a result, there is a tendency of increased costs for telephone and written reactions, which have less and less effect. The non-existence of adequate services for filling in statistical forms and the growing number of accounting bureaus that have unresolved bilateral issues with the companies additionally increase the resistance to fill in the forms.

Concerning the release from administrative functions, the methodological and technical updating of the Election List was supposed to be taken over by the State Election Commission. However, the transfer has not yet been done, but the SSO expects to be released from this administrative function in the near future.

**Annexe 1:
Overview of the implementation of the Programme for Statistical Surveys in 2010.**

Sector of Social Statistics

Periodicity – area	Number of surveys
Department of Living Standard	
Monthly	1
Annual	4
Total	5
Department of Social Services	
Annual	47
Three-year	1
Five-year	1
Total	49
Department of Demography and Population Register	
Annual	7
Total	7
Department of Labour Market	
Monthly	1
Annual	1
Continuous quarterly	1
Total	3
Total Sector	64

Sector of National Accounts

Periodicity – area	Number of surveys
Sector of National Accounts	
Annual	3 ¹⁾
Quarterly	1
According to Eurostat's survey programme	1
Analytical	27
Total Sector	32

1) Including Purchasing Power Parity

Sector of Business Statistics, Agricultural Statistics and Statistics on Environment

Periodicity – area	Number of surveys
Department of Environment, Energy and Transport	
Energy	
Annual	13
Monthly	13
Semiannual	2
Total	28
Transport	
Annual	13
Five-year	1
Monthly	4
Quarterly	1
Total	19
Environment (water, waste)	
Water Economy	
Annual	6
Waste	
Annual	1
Two-year	1
Total	8
Total Department	55
Department of Agricultural Statistics and Farm Register	
Agriculture – general	
Three-year	1
Annual	2
Monthly	2
Weekly	3
Crop production	
Annual	13
Livestock production	
Annual	2
Quarterly	1
Forestry	
Annual	7
Quarterly	1
Hunting and fishing	
Annual	2
Agricultural prices	
Monthly	2
Quarterly	1
Economic accounts for agriculture	
Annual	1
Total Department	38

Periodicity – area	Number of surveys
Department of Industry and Construction	
Construction	
Annual	6
Semiannual	1
Quarterly	1
Monthly	3
Total	11
Industry	
Monthly	2
Annual	1
Total	3
Department of Business Tendencies	
Monthly	2
Quarterly	2
Semiannual	1
Annual	1
Total	6
Department of Internal and External Trade, ICT, Tourism and Catering	
ICT	
Annual	7
Monthly	3
Total	10
External trade	
Monthly	1
Quarterly	1
Total	2
Internal trade	
Annual	1
Quarterly	1
Monthly	3
Two-year	2
Total	7
Catering and tourism	
Annual	2
Quarterly	1
Monthly	2
Total	5
Department of Prices	
Monthly	1
Total	1
Department of Statistical Business Register and Economic Classifications	
-	-
Total Business Statistics	45
Total Sector	138



Conclusion:

On the session held on 15.11.2011, the Government of the Republic of Macedonia reviewed and adopted the Report on the work of the State Statistical Office in 2010.