

REPUBLIC OF MACEDONIA
State Statistical Office

**ANNUAL REPORT
2015**

Skopje, May 2016

CONTENTS

INTRODUCTION

- 1. STATISTICAL INFRASTRUCTURE**
- 2. STATISTICS BY SECTOR**
- 3. CLASSIFICATIONS AND REGISTERS**
- 4. EUROPEAN INTEGRATION AND INTERNATIONAL ACTIVITY**
- 5. CHALLENGES THAT THE SSO WAS FACING**
- 6. COORDINATION OF THE STATISTICAL SYSTEM AND AUTHORISED BODIES**

INTRODUCTION

Pursuant to Article 21 of the Law on State Statistics, the State Statistical Office (hereinafter: the Office) prepared an Annual Report on the work done and the implementation of the Programme of Statistical Surveys 2013-2017, in terms of the statistical surveys carried out by the Office in 2015, as well as by other institutions that are authorised to conduct statistical surveys under the Programme. The report on the statistical surveys conducted by authorised bodies is prepared for the first time and it covers certain aspects of the operation of the authorised bodies regarding the exercise of their competence defined in the Law on State Statistics, other legislation and the Programme of Statistical Surveys.

The Annual Report is for the most part dedicated to the activities carried out by the SSO in 2015 as the SSO, according to the Law on State Statistics, is coordinator of the statistical system of the Republic of Macedonia, with the highest authority, and in accordance with this role has the greatest responsibility for the effective functioning and quality of the statistical system of the Republic of Macedonia.

The report consists of six sections, five of which are related to the activities of the SSO, and one section covering the activities of the authorised bodies (total 6) in terms of the implementation of the statistical surveys in the Programme for which they are responsible.

The first section of the report covers the statistical infrastructure of the SSO, and it contains information about the human and financial resources, professional development of staff, the institutional environment of the SSO, the support of statistical outputs and information technology. The statistical infrastructure covers the comprehensive and complex activity of data dissemination of the SSO in 2015.

The second section of the report contains information about the activities carried out by the SSO with regard to sector statistics, in the Sector of Business Statistics, the Sector of Social Statistics and the Sector of National Accounts.

The third section provides information about the activities of the SSO with respect to the statistical registers under its jurisdiction and the statistical standards, nomenclatures and classifications adopted by the Government of the Republic of Macedonia in 2015.

Of particular importance for the SSO were the observance of European standards and the international activity of the SSO during 2015. The international activity of the SSO was implemented through direct involvement in the process of European integration of the country, as well as by participation in several international projects as part of the foreign aid that was provided to the SSO. The fourth section of the report describes the international activities carried out in 2015.

The fifth section contains information about the challenges the SSO was faced with in 2015.

The sixth section of the report contains a brief overview of the coordination of the statistical system of the country and the implementation of the Programme of Statistical Surveys by the authorised bodies in the statistical system: National Bank of the Republic of Macedonia, Ministry of Finance, Ministry of Justice, Ministry of Interior, Pension and Disability Insurance Fund, Employment Agency, Hydrometeorological Service and Institute of Public Health.

1. STATISTICAL INFRASTRUCTURE

The statistical infrastructure is an essential precondition for achieving the objectives of official statistics as defined in the Law on State Statistics and other laws, and further operationalised in the Strategic Plan of the SSO and other documents adopted by the SSO.

1.1. Administrative capacities

The basic law governing the role, position and authority of the State Statistical Office within the statistical system of the Republic of Macedonia is the Law on State Statistics. This Law also regulates the position and powers of the authorised bodies with regard to statistics. The Law was adopted in 1997 (Official Gazette of the Republic of Macedonia No. 54/97). Over the years, the Law was amended five times. In November 2015, as part of the alignment with the new Law on Misdemeanours, in November, the Assembly of the Republic of Macedonia passed the Law Amending the Law on State Statistics (Official Gazette No.192/15). The amendments to the Law were aimed at reducing the fines for violators of the Law on State Statistics, in particular the provisions relating to the obligation of reporting units to submit the required data to the SSO.

The second most important document adopted by the Government of the Republic of Macedonia on proposal of the SSO is the Programme of Statistical Surveys. The Programme specifies the statistical surveys conducted by the SSO and the authorised bodies during a five-year period. The current Programme of Statistical Surveys covers the period 2013-2017 (Official Gazette of the Republic of Macedonia No. 24/2014).

In January 2015, the Government of the Republic of Macedonia passed amendments to the Programme of Statistical Surveys 2013-2017 (Official Gazette No. 13/15), which is the third modification of the Programme since 2014.

In December 2015, pursuant to the legal obligation laid down in the Law on Public Sector Employees and the Law on Administrative Officers, the Director of the SSO, upon prior approval of the Ministry of Information Society and Administration, passed the Rulebook on Internal Organisation and the Rulebook on Systematisation of Work Posts in the State Statistical Office.

In 2015, the SSO adopted the Strategic Plan 2016-2018, which defines the values, priorities and the strategic goals of the Office. This is a basic document containing the main activities to be performed in the upcoming period in order to achieve harmonisation of national statistics with EU legislation.

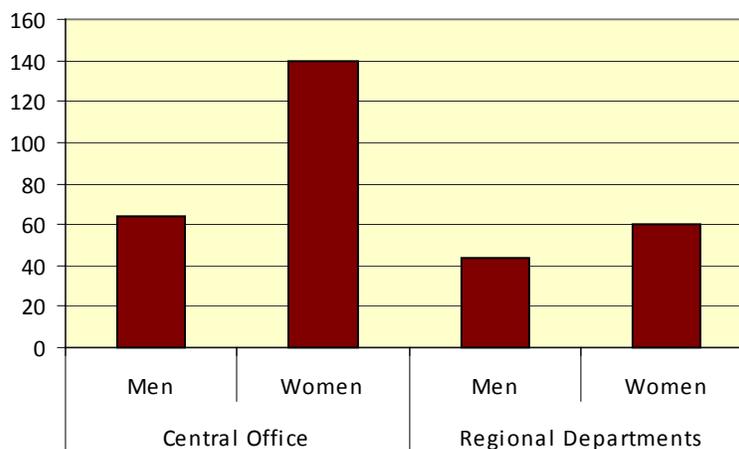
1.1.1. Human resources

The organisational structure and powers of the SSO are laid down in the Rulebook on Internal Organisation of the SSO. According to the Rulebook, adopted by the Director of the State Statistical Office in December 2015, the SSO is organised in seven sectors and 36 departments. Of these departments, three are independent and not part of any

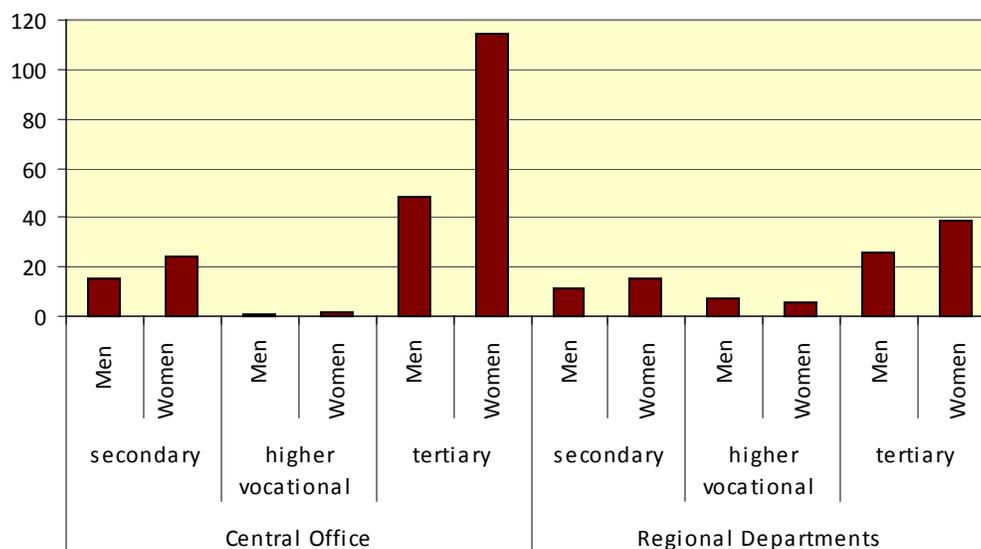
sector, while eight are regional statistical departments throughout the Republic of Macedonia (Stip, Veles, Strumica, Kumanovo, Tetovo, Ohrid, Bitola and Skopje).

The number of employees at the State Statistical Office, as at 31 December 2015, was 308 persons. The central Office employs 205 people, while the regional departments (8) have 103 employees.

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



Graph 2. SSO employees, by location and education



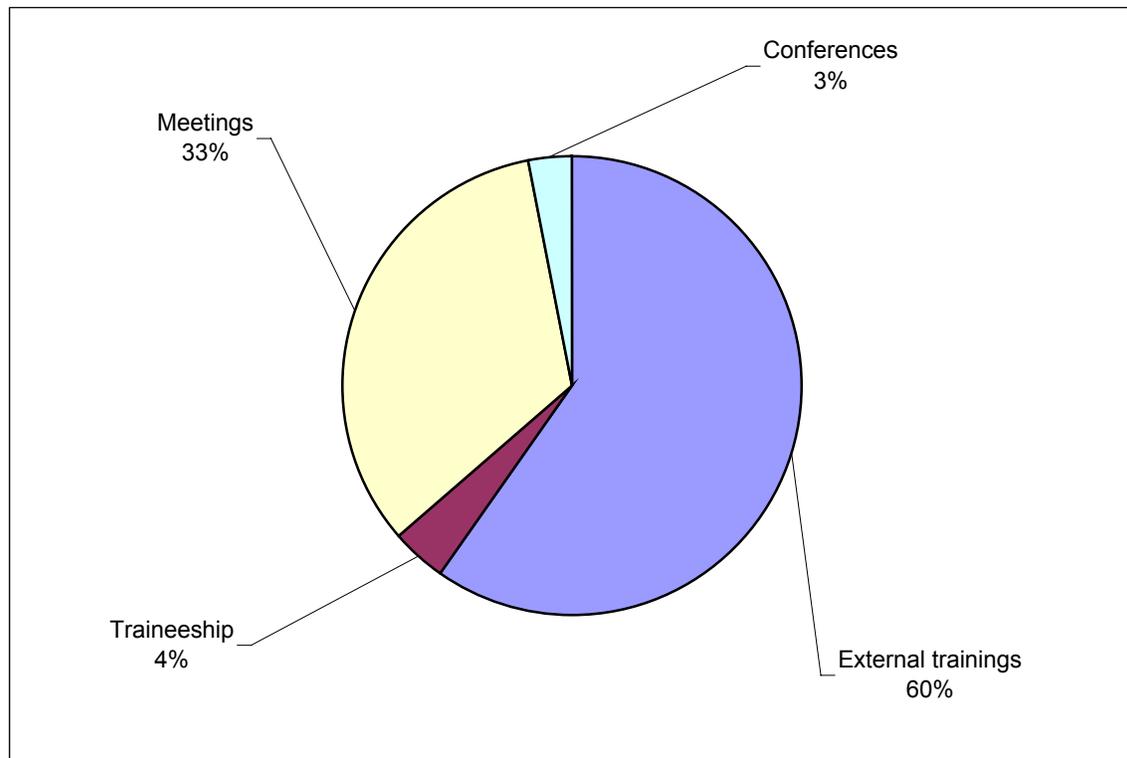
1.1.2. Professional training of employees

The professional development of SSO employees is a precondition for creating professional, competent and highly motivated employees who are ready to meet the needs not only of the SSO in terms of producing high-quality and reliable statistical data,

comparable statistics with the developed EU countries, but also the needs of a wider range of users in the country. Professional development and training of SSO staff is a continuous activity to which the senior management of the SSO pays great attention. There are two types of training in the SSO: generic training courses, mostly organised by the Administration Agency, and specialised statistical training courses carried out by foreign experts as part of the numerous projects.

In 2015, 7 persons from the SSO participated in 6 international conferences, and 78 SSO representatives took part in 63 Eurostat meetings. Also, a total of 394 persons from the SSO attended 113 external training events (expert missions, study visits, workshops, seminars, courses, summer schools, etc.) organised by external experts. Seven SSO employees participated in several-month traineeships, of which five in Eurostat, one in the National Institute for Statistics and Economic Studies of France, and one in the National Statistical Institute of Portugal.

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



In 2015, the SSO had 14 presentations at international events, on invitation from the organisers, where it presented the achievements of the Office in various areas.

In accordance with the training plan, the SSO continued with the practice of organising lectures given by the employees themselves. A total of 27 in-house training courses were held, which were attended by a total of 534 persons, or 20 persons per lecture on average. Of these, 14 were generic and 13 were specialised lectures.

- The topics of the lectures were: Working with eStat for reporting units; MS Access – basics; Experience from the Eurostat traineeship – data transmission through the SDMX tool; Sectorisation of units in the economy, importance of the Government sector; Combining data from various sources and modules; Course on dissemination and communication; Sharing experiences from the Eurostat traineeship; Populations that are hard to survey; Improving the quality of data collection in the field of business statistics, Workshop on Labour Force Survey methodology; Jdemetra; Employees and wages; PX-Edit and updating of the database on the website, Automatic generation of questionnaires; Training for peer review; Sample design and weight construction; Reported, accused and convicted adult and juvenile offenders, Culture and public information; Preparations for the next cycle of LPR; Social and child protection.

Also, 53 employees of various departments received MS Excel 2013 training.

1.1.3. Budget of the State Statistical Office

The total budget of the SSO in 2015 was 165 263 000 denars, which grew by 12 408 000 denars with the budget amendments. The budget of the SSO for performing regular activities in 2015, in comparison with the previous year, was higher by 14.26%.

The largest portion of the budget was allocated to Programme 20 – Statistical Surveys, 97.58%, followed by Programme MA – EU Integration with 1.70%, and Programme 10 – Administration with 0.71%.

In the funds approved for Programme 20 – Statistical Surveys, salaries and contributions for SSO employees had the highest share with 71.76%, utility services 10.04%, funds for conducting statistical surveys accounted for 7.80%, while capital expenditures participated with 6.00%. The remainder of funds for this programme (4.39%) was composed of travelling expenses and daily allowances 0.03%, materials and office supplies 0.33%, repairs and maintenance 3.76%, other current expenditures 0.13% and subsidies and transfers 0.14%. The above budget parameters show its unfavourable structure, primarily in terms of the predominance of employee salaries in relation to the funds for implementation of statistical surveys of the Five-Year Programme of Statistical Surveys.

In 2015, the budget amendments provided an additional amount of 6 000 000 denars for capital expenditures, for investments and non-financial assets, which enabled the payment of overdue license fees for software, as the main tool for the preparation of samples for statistical surveys and tables with aggregate data.

The larger budget allowed for payment of arrears for electricity and heating for 2014, and the budget reallocation made it possible to pay off the debt for the period March 2013 - December 2014 for cleaning services for the central Office.

1.1.4. Internal audit

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

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

Internal audit at the State Statistical Office is carried out in accordance with the principles of legality, independence, objectivity, competency, professionalism, integrity and confidentiality.

During 2015, the State Statistical Office started the process of establishment of the Financial Management and Control (FMC) system. The task of internal audit is to give recommendations to strengthen the FMC for transparent, regular, economical, efficient and effective use of available funds.

In the course of 2015, internal auditors performed 6 audits for which they prepared auditor's reports, based on the strategic plan, the internal audit annual plan and the plans for individual audits, in accordance with the International Standards for the Professional Practice of Internal Auditing. A total of 31 recommendations were given in the specified period.

In 2015, an Annual Report was prepared about the performed audits and activities of the internal audit for 2014.

1.1.5. Statistical Council of the Republic of Macedonia

The Statistical Council of the Republic of Macedonia is an expert advisory body for state statistics, whose position and responsibilities are defined in Articles 10, 11 and 12 of the Law on State Statistics.

The current Statistical Council was established by Decision No. 07-2155/1 of the Assembly of the Republic of Macedonia of 30 April 2012 (fourth Council). During 2015, the Council held 8 sessions in total. In accordance with its responsibilities defined in the Law on State Statistics, the Council reviewed several materials in the field of state statistics, as follows:

- Report on the work of the Statistical Council for the period January-December 2014;
- Draft work programme of the State Statistical Office for 2015;

- Information on the programme for celebration of 70 years of Macedonian statistics;
- Proposals for the Standard Classification of Institutional Sectors;
- Proposals for the National Classification of Occupations – NKZ;
- Consideration of the Classification of Products by Activity - KPD 2015;
- Annual report on the work of the State Statistical Office for 2014;
- Draft rulebook on internal organisation of the SSO;
- Consideration of the draft strategic plan of the SSO for the period 2016-2018;
- Amendments to the Five-Year Programme of Statistical Surveys 2013-2017;
- Consideration of the Report of the European Commission on the progress of the Republic of Macedonia – Chapter 18 Statistics;
- Draft work programme of the Statistical Council of the Republic of Macedonia for 2016;
- Draft financial plan of the Statistical Council for 2016.

1.2. Support of statistical outputs, technical infrastructure

1.2.1. Quality management

The quality management framework in the SSO is based on the quality standards established in the European Statistical System (ESS) and expressed in the Quality Declaration of the ESS and the European Statistics Code of Practice (hereinafter: the Code). The Office continuously works on implementation of the principles of the Code, while periodically checking the level of compliance via a self-assessment process. In 2015, this activity was conducted in the context of preparations for the second peer review by Eurostat. Preparations began in March 2015 with the adoption of a decision by the Director of the SSO for establishment of a Working Group. Among other activities, this Working Group also provides support to the other authorised bodies in the national statistical system in the process of their alignment with the Code.

The Working Group reviewed the best practices, applied methods and tools that exist in the SSO, aimed at compliance with the principles of the Code and fulfilment of the indicators for assessment of the level of compliance. This was done systematically for each principle and indicator and for the recommended methods and tools at the institutional level and at product level. Pending approval and adoption are: new procedures, guidelines, policies and bylaws.

1.2.2 Use of administrative data sources

By decision of the Director of the SSO, an Intersectoral Working Group was established in December 2015 and an action plan was made to explore the possibilities of using administrative data sets for statistical purposes. In accordance with the action plan, a number of meetings and discussions were held with several ministries and institutions, as well as with the Association of the Units of Local Self-Government (ZELS) as an institution of civil society, about the content, form and method of updating the data sets. The activities should be completed by the end of May 2016 by preparing information about the findings. Afterwards, additional measures and actions will be taken to harmonise the methods of collecting data from the holders of administrative data sets that would be used for statistical purposes.

One survey (Structure of Earnings Survey) was conducted with combined use of data from administrative sources and data collected in the field. Also, there have been other analyses regarding the content, quality, comprehensiveness, comparability and other characteristics of data from various administrative data sets, and comparison of the definitions and standards applied in these data sets with those of the statistical surveys. This is a continuous activity carried out in the SSO aiming at greater use of data from administrative sources for statistical purposes, partial or total replacement of data collection in the field, and quality control of the collected data.

1.2.3. New methods and tools for data processing:

1. New version of the Eurostat software for seasonal adjustment (JDemetra+)
2. New method of calculation of standard error for sample-based enterprise surveys
3. Comparison between the calibration software used by the SSO (CALMAR) and other available software with the same purpose (CALIF). Both programmes use the same calibration methods, but CALIF has a more practical user interface in terms of setting and testing boundaries to get an optimal result.
4. SAS macro programme that largely automates the processing of data from the Labour Force Survey.

1.2.4. Metainformation system and electronic data collection

The State Statistical Office is always committed to modernisation of its work methods that lead to reduction of respondent burden and operating costs. The introduction of the eStat system – metadata-based system for online data collection is one of the novelties for modernisation of some of the phases of the statistical business process model ("Design", "Build", "Collect" and part of the phase "Process"). The system incorporates an infrastructure for automatic metadata-based creation of questionnaires and, at the same time, it represents a centralised repository of structural metadata.

The system is used for management of metadata, statistical microdata, reporting units, and for mass mailing of electronic notifications.

The system has been operational for twenty months and its application supports the criteria and strengthens the pillars of the Quality Policy:

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

In 2015, eStat included 11 surveys: 3 in the area of social statistics, 7 in business statistics and 1 in national accounts. In terms of periodicity, 2 surveys are monthly, 3 quarterly, 5 annual, and one survey is multi-annual.

1.2.5. Reducing the burden on reporting units

Within the priority "Strengthening the cooperation with providers of data and holders of data sets" from the Strategic Plan of the SSO, one of the objectives is the need to reduce respondent burden by examining the possibilities of using administrative data sources for statistical purposes in various areas.

The activity that started in previous years continued in 2015, when three memoranda and agreements were signed, and amendments were made in two agreements, with:

- Civil Registry Office
- Ministry of Agriculture, Forestry and Water Economy
- Central Register of the Republic of Macedonia
- Annex to the agreement with the National Bank of the Republic of Macedonia (NBRM)
- Annex to the cooperation agreement with the Public Revenue Office (PRO)

Significant reduction of the burden on respondents-business entities is achieved with the use of the electronic data collection system - eStat, whereby reporting units can submit data via web questionnaires. In addition to moderate burden, eStat significantly decreases questionnaire printing and mailing costs, both for the SSO and for data providers.

1.2.6. Data security and statistical confidentiality

The State Statistical Office, in accordance with the Law on State Statistics, the Law on Personal Data Protection, EU regulations and the Fundamental Principles of Official Statistics, has an obligation to protect confidential data in its possession from unauthorised access and unlawful use by third parties. At the same time, the SSO is obliged to provide access to individual data, without identification information, for the needs of the scientific research community. To accomplish these two goals, the SSO has

prepared a set of guidelines and rules, and it is implementing new information technologies and tools.

During 2015, the SSO continued the implementation of statistical disclosure protection methods by developing custom software applications; there has also been an increase in the range of users from the scientific research community interested in using individual data available at the SSO for scientific research purposes.

1.2.7. Use of the collaborative infrastructure of Eurostat – data transmission through the “Single Entry Point”

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

In 2015, there were a total of 1013 data transmissions with 684 data sets transmitted.

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

1.2.8. IT infrastructure

The renewed IT infrastructure in the SSO has contributed significantly to improving data security. Daily backups are made in accordance with the archiving and backup policy and procedures, and after the completion of each statistical survey there is a defined procedure for archiving data and applications. In 2015, the SSO prepared several guidelines for implementation of the policy and procedures. The centralised storage provides security and protection of documents and other materials prepared on local workstations, which are also subject to regular backup. The system allows employees to restore previous versions of documents in case of incidents, without intervention of the technical support department.

1.3. DISSEMINATION

1.3.1. Data dissemination

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

The website is the main channel for dissemination of statistical data and information. In 2015, the homepage of the website was redesigned, making it clearer and easier to use. Furthermore, great efforts were made by SSO employees for preparing new data tables and for updating the existing data tables with longer time series in the MakStat database.

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

The website of the State Statistical Office is the basic source of official statistics. Through the website, users have access to the publications issued by the institution, as well as to the MakStat database, which contains data from several thematic areas and data by regions and municipalities. In 2015, the website of the SSO was visited 1 219 695 times.

The reduced number of visits compared to 2014 (-10.3%) is due to the redesign of the homepage in 2015, which provided better organisation and easier access to more content with the introduction of "quick links". This is all reflected in the website visit statistics, which means that users find what they are looking for by visiting fewer pages (an average of 5 pages per session, compared to 6 pages per session in 2014). At the same time, the number of sessions in 2015 increased by 8.3%, indicating that more users visited fewer pages compared to 2014.

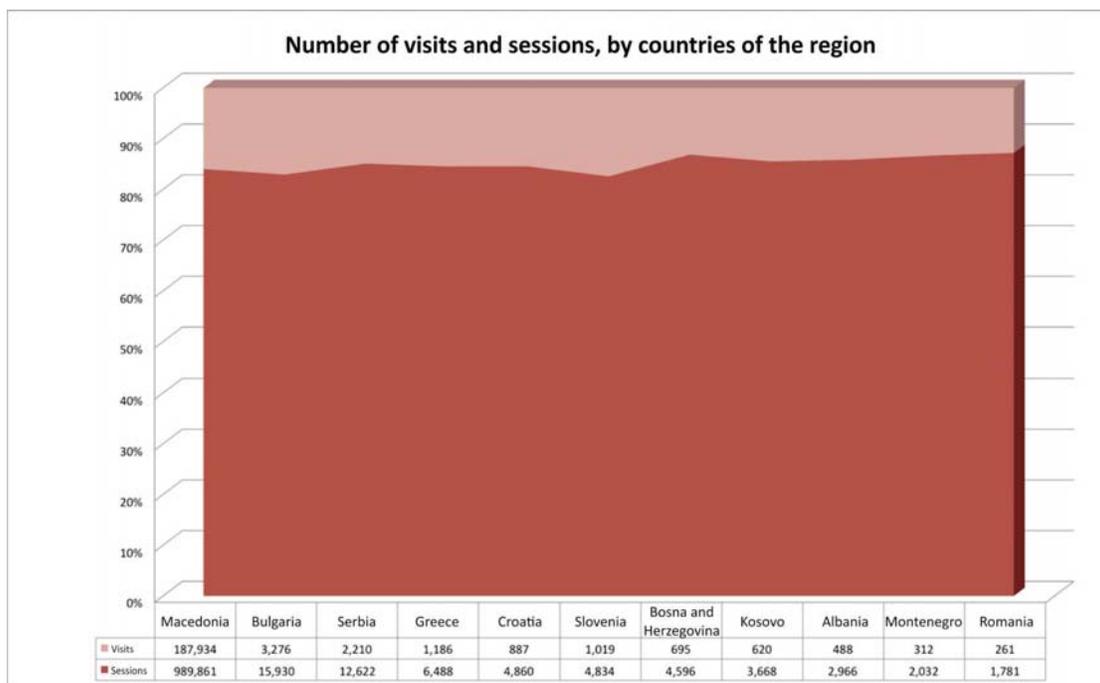
Graph 4. Number of visits and sessions, by pages



The current website of the State Statistical Office, which became operational in 2011, has been designed according to user needs and in line with European standards. The MakStat database is becoming the main channel for data dissemination and, to that end, the SSO tested a new version of the PX-Web software that provides better accessibility, possibility for selection and outputs in different formats, as well as possibility of automated access to data in the MakStat database. The new version was posted on the website at the beginning of 2016. From January to December 2015, the tables in the database were visited 68 163 times in total, a decrease of 23.8% compared to 2014.

New data tables and time series are constantly added to the MakStat database. The amount of data organised in Excel spreadsheets is steadily growing, and data users can access tables of the statistical reviews and the Statistical Yearbook in Excel format. Information about the statistical products and activities of the SSO is regularly published on Twitter.

Graph 5. Number of visits and sessions, by countries of the region



Statistics on visits by countries of the region show that the website is mostly visited by domestic users, while the ratio of visits to sessions is similar across all countries, indicating a similar number of pages viewed per session for all users of the website.

In early 2015, a user satisfaction survey was carried out for the third time in order to obtain user feedback about the products and services of the State Statistical Office and to collect information about the habits of users in the utilisation of statistics, their opinion on the statistical data, the principles of the European Statistics Code of Practice, the helpfulness of employees in providing data and information, the website, as well as basic demographic data about the survey participants.

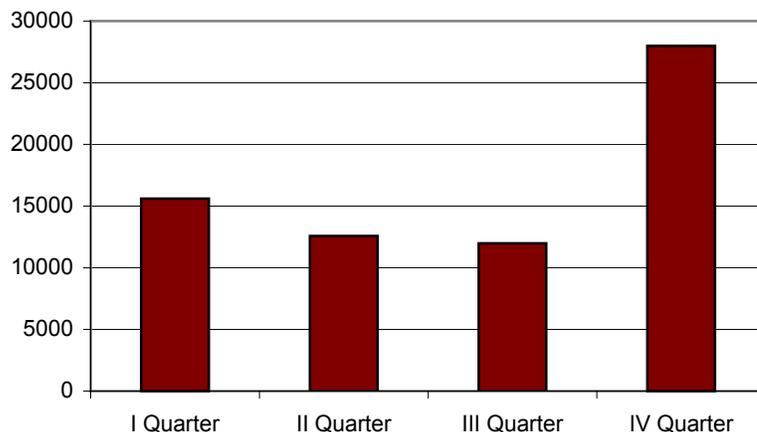
1.3.3. Publication activity of the institution

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

Dissemination statistics show that the following results were achieved in 2015:

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

Graph 6. Visits to the web database of the SSO, 2015



The following were published by the SSO in 2015: "Statistical Yearbook of the Republic of Macedonia" – a publication containing statistical data on the demographic, social and economic situation in the Republic of Macedonia, as well as data for a longer period of time. A separate chapter contains data comparable with other countries in Europe and the world.

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

"Sustainable Development" – publication 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.

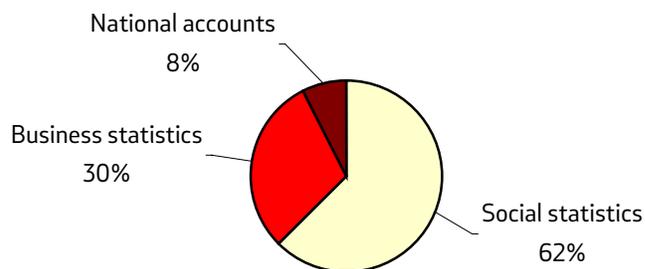
"Regions of the Republic of Macedonia" – sixth edition (2015) of the State Statistical Office which contains the latest economic and socio-demographic data about the regions in the country. Statistical data about the regions contribute to the fulfilment of the obligations of the Republic of Macedonia in the context of the regional policy of the European Union. Through clear and simple tables, maps and charts, this publication presents the statistical regions in several statistical areas, while the short comments allow for easy identification of the characteristics, differences and similarities between the regions.

"Women and men in the Republic of Macedonia" – eighth edition (2015) of the publication, containing gender indicators that are used for monitoring the process of providing equal opportunities and equal treatment of women and men in various areas of life: education, employment, judiciary, culture, social protection, etc.

"Better Data. Better Lives" - As part of the activities for celebration of World Statistics Day, the State Statistical Office issued a promotional brochure 'Better Data. Better Lives'. The brochure presents the areas for which data are published in order to facilitate the decision-making process. It contains interesting indicators, and for each area there is a link to the website of the State Statistical Office with relevant data. The brochure was distributed to the institutions and major companies that the Office cooperates with, as well as to students who attended lectures organised by the Office.

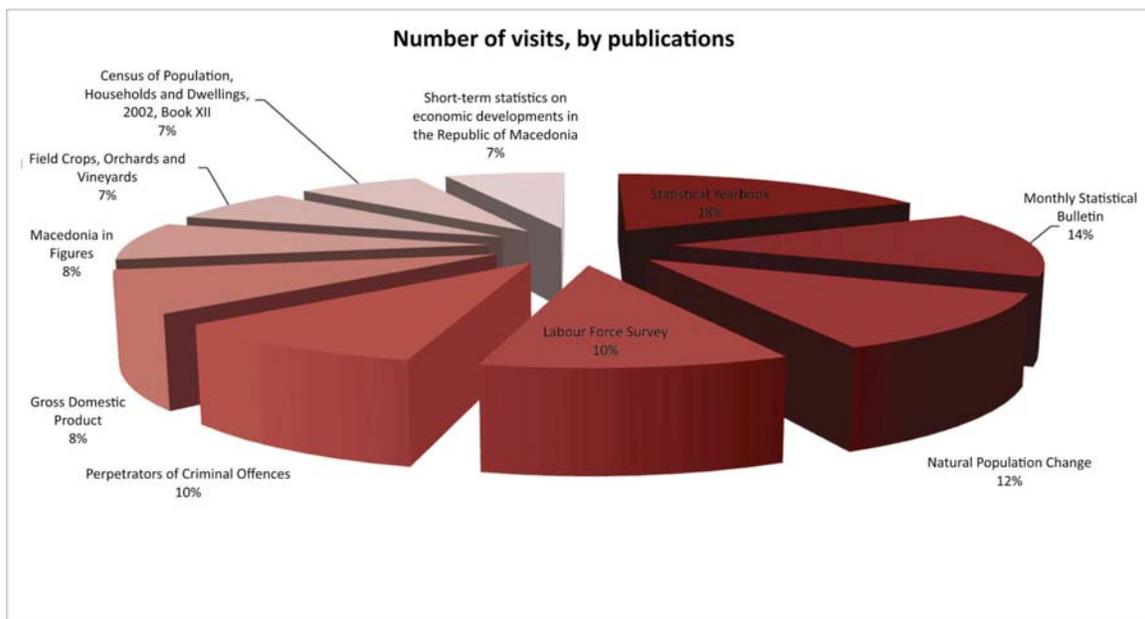
"70 years State Statistical Office" – a publication issued in celebration of the anniversary, 70 years since the establishment of the State Statistical Office. The monograph presents the long road of development of Macedonian statistics, the challenges along the way and the achievements of many generations of statisticians who have left their mark on statistics in the Republic of Macedonia.

Graph 7. Issued publications in 2015

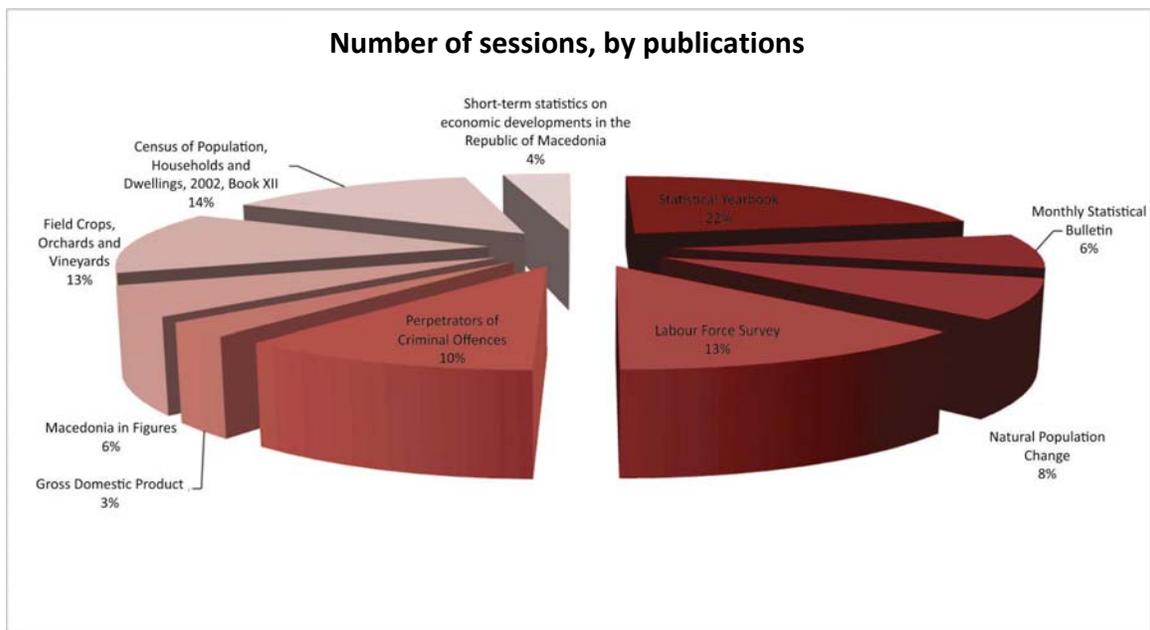


All publications are available on the website of the State Statistical Office: <http://www.stat.gov.mk/>

Graph 8. Number of visits, by publications

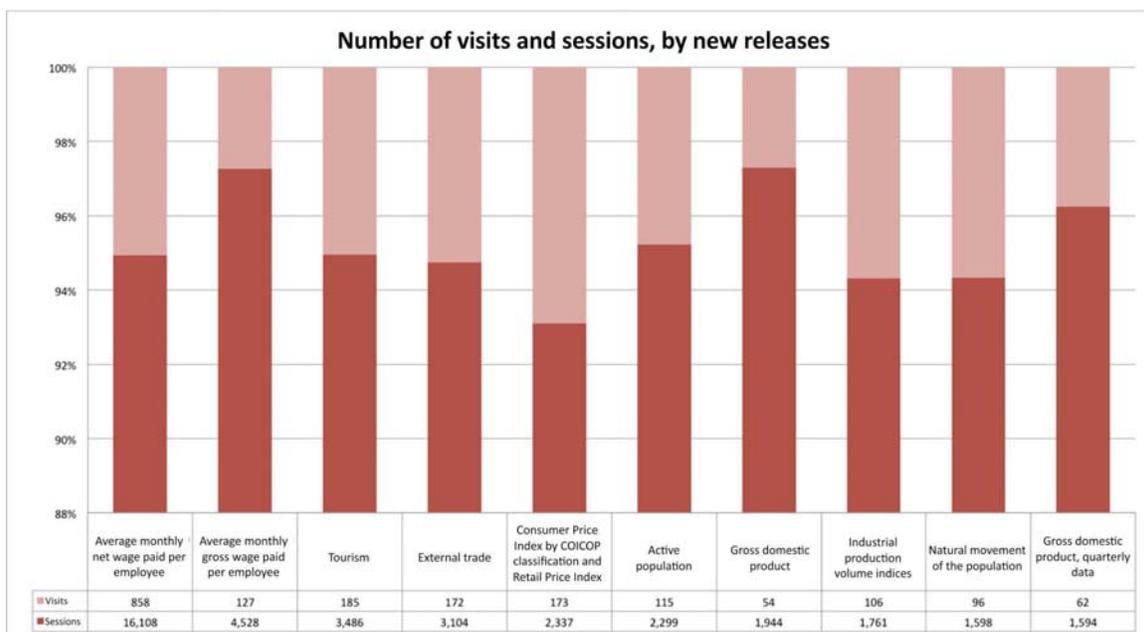


Graph 9. Number of sessions, by publications



Of the issued publications, according to website visitor statistics, the Statistical Yearbook was the most visited publication in 2015.

Graph 10. Number of visits and sessions, by news releases



In 2015, the most visited news release was "Average monthly net wage paid per employee", which stands out from other news releases with 16 108 visits.

The news releases "Average monthly gross wage paid per employee", "Tourism", "External trade" and "Consumer Price Index by COICOP classification and Retail Price Index" make up the remainder of the list of 5 most visited news releases in 2015.

1.3.4. Simple delivery of data to users

In addition to the data and information available on the website, users may also submit requests for data and information or visit the library of the Office. In 2015, the SSO responded to 919 requests for statistical data, most of which via e-mail, and to around 650 data queries via telephone.

The library of the Office was visited by 25 users, who used SSO's publications and other library materials. Processing of library material continued in 2015, when 86 titles were processed in the COBISS tool.

1.3.5. Greater representation of statistical data in the media

Media constitute a very important segment of users of official statistics, because through the media statistical data are available to the general public. The "News Releases" edition is the most often used medium by the journalists. The State Statistical Office keeps track of its coverage in print media and web portals, and according to the available data, 638 articles were published in print media in 2015, most of which referring to the interpretation of statistical data in the area of industry, population, incomes, expenditures and prices.

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

2. STATISTICS BY SECTOR

2.1. Social statistics

In the Sector of Social Statistics, in 2015, progress was made in the following areas:

In the area of vital statistics, from January 2015, in accordance with EU Regulation No. 1260/2013, the SSO started collecting data by country of birth of parents of newborns, of deceased persons, of mothers of deceased infants, and of spouses.

In the field of social services and child protection, changes were made in all statistical forms for the surveys in 2015 in accordance with the amendments to the Law on Child Protection and the Law on Social Protection.

ESPROSS data for 2011, 2012 and 2013 were obtained from all institutions. An analysis was made and Eurostat's opinion was requested regarding the qualitative data.

For the first time, in 2015, quality reports were prepared and delivered to Eurostat for the following surveys: scientific research activity, innovation and GBAORD.

In the sphere of labour market statistics, the Public Revenue Office submitted data for the Structure of Earnings Survey with reference date October 2014. The database of employed persons, prepared with data from the Public Revenue Office and the Employment Agency of the Republic of Macedonia, served for comparison of data collected in the field. Analyses were made in accordance with the methodological definitions, as well as a comparative analysis of the field data from the Structure of

Earnings Survey with the database from administrative sources, the Public Revenue Office and the Employment Agency. Data processing, calculations and verification were carried out. According to the planned activities, in accordance with the Annual Work Programme of the SSO, a news release with data from the Structure of Earnings Survey was published on 23 December 2015.

The SSO signed Annex No. 2 to the Memorandum of data exchange with the Public Revenue Office, according to which data on employees and business entities are submitted on a daily basis for the purposes of the survey on average gross and net wages. There is continuous communication with the Public Revenue Office in order to resolve any additional issues arising from the cooperation.

In May 2015, the SSO started activities for registration and checking of primary and secondary sampling units in selected enumeration areas for the surveys in the field of social statistics. The resulting data are incorporated in the sample design.

In 2015, Laeken indicators of poverty for 2013 and 2014 were published in a news release. Revised data for the cross-sectional and longitudinal databases for SILC 2013 and 2014 were delivered to Eurostat. A publication on income and living conditions for 2013 was also published in this area. The 2015 Survey on Income and Living Conditions (SILC) included the compulsory variables from the recommended modules.

The standards from the Guidelines on Harmonised European Time Use Surveys (HETUS) were implemented in the Time Use Survey. Also, the national methodology for this survey was improved, the questionnaires were upgraded, and the International Standard Classification of Education ISCED 2011 was implemented in the survey. The SSO issued the publication "Time Use Survey 2014-2015".

Commission Regulation (EU) No. 119/2013, as regards establishing harmonised indices of consumer prices at constant tax rates, was also implemented. HICP (Harmonised Index of Consumer Prices) inventory was prepared for the first time. The experimental calculations of HICP-CT, the experimental lists of administered prices and the HICP inventory were submitted to Eurostat.

Methodological improvements in statistical surveys

The standards from the Guidelines on Harmonised European Time Use Surveys (HETUS) were implemented in the Time Use Survey, and the national methodology for this survey was improved.

HICP (Harmonised Index of Consumer Prices) inventory was prepared for the first time.

Within the IPA projects, recommendations were given for methodological improvements in the surveys covered by the projects.

2.2. National accounts

In the area of national accounts, appropriate activities were undertaken in 2015 in order to continue the implementation of the ESA 2010 methodology. Data on gross domestic product are published regularly, on a quarterly and annual basis at national and regional

level, as well as supply and use tables. Also, national accounts data are regularly sent to Eurostat and other international institutions. Activities are underway for preparing final data on sector accounts for 2014, as well as for harmonisation of data according to ESA 2010 for the period 2008-2011. Work continued on the preparation of non-financial sector accounts. All planned activities for 2015 related to the Purchasing Power Parity were performed as scheduled.

In accordance with the established plan and schedule, activities took place regarding the sectorisation of units in institutional sectors.

Cooperation continued with the Ministry of Finance and the National Bank of the Republic of Macedonia for providing data for preparation of excessive deficit tables.

As part of external trade statistics, results were published for the first time from the new survey on External Trade by Enterprise Characteristics for the period 2009-2013 (http://www.stat.gov.mk/PrikaziSoopstenie_en.aspx?rbtxt=124). Detailed data for each table are displayed in the web database. The methodological guidelines for the survey have been updated with new knowledge acquired during the processing of data and have been published on the website of the SSO

(http://www.stat.gov.mk/Metodologii_en.aspx?id=33).

The regular news release on external trade has been expanded with values expressed in Macedonian denars and euros, in addition to US dollars. The news release has also been improved with new tables – external trade by the Classification of Products by Activity (CPA) and external trade by Broad Economic Categories (BEC).

Methodological improvements in statistical surveys

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

Novelties

Within the IPA 2012 Multi-Beneficiary Programme, the description of sources and methods for national accounts calculations has been successfully prepared. In June 2015, a technical mission was carried out by Eurostat regarding the EDP tables.

Opinions were obtained from the Ministry of Finance, the National Bank, the Central Register and the Secretariat for Legislation about the changes to the Classification of Institutional Sectors in line with ESA 2010 recommendations, as one of the basic principles of ESA 2010 for classification of institutional units.

Cooperation continued with the National Bank and the Ministry of Finance for improving the data sources for national accounts and sector accounts.

2.3. Business statistics, agricultural statistics and environmental statistics

In 2015, the SSO resumed the activities initiated in previous years for improving business statistics, agricultural and environmental statistics and for harmonisation with European regulations. Special emphasis was given to the process of including more statistical information through the electronic system in the SSO (eStat).

2.3.1. Business statistics

As regards the statistical surveys in the field of business statistics (collection, processing and dissemination) the following activities were carried out in 2015:

- Preliminary data on Structural Business Statistics (SBS) for the reference year 2014 were prepared, published on the website of the SSO and transmitted to Eurostat. For improving the level of compliance with the Regulation on structural business statistics (Annex 8), a pilot survey on services in the business sector was prepared and conducted in 2015;
- Monthly data collection for the survey on turnover in industry - IND.2 began through eStat;
- Monthly data collection for the survey on the value of completed and contracted construction works, total number of employees and effective hours worked - GRAD.21 began through eStat.

2.3.2. Agricultural statistics

As regards the statistical surveys in the field of agricultural statistics (collection, processing and dissemination), the following activities were carried out in 2015:

- Improvements were made to agri-monetary statistics by including calculations for prices of agricultural land and rents;
- Quality reports for economic accounts for agriculture and prices of agricultural products were prepared and transmitted to Eurostat in September 2015;
- Improvements were made in animal production statistics by implementing a regular annual survey on milk and dairy products;
- Data from the Farm Structure Survey were delivered to Eurostat;
- Based on the available data from the administrative database of the Ministry of Agriculture, Forestry and Water Economy, early estimates of crop production were provided and transmitted to Eurostat;
- Final data on the structure of agricultural holdings along with the farm typology were published in 2015.

2.3.3. Statistics on environment, energy and transport

As regards the statistical surveys on the environment, energy and transport (collection, processing and dissemination), the following activities were carried out in 2015:

- Changes in EU regulations on transport, energy and trade are followed on a regular basis;
- Data on environmentally related taxes were obtained from the Ministry of Finance. The data were analysed and included in the environmental accounts in accordance with Regulation (EU) No. 691/2011. A data series was prepared from the available sources for the period 2011-2013 for the environmentally related taxes module of the environmental accounts and transmitted to Eurostat. Data for the third module of environmental accounts – material flow accounts (2011-2013) were also developed, prepared and delivered to Eurostat;
- In May 2015, a survey on energy consumption in households was carried out for the first time, in accordance with the Statistical Business Process Model - (specifying needs, preparing instruments, training interviewers, field work, data entry, processing and analysis of data). The survey results were presented to the scientific community and the public and are available on the website of the SSO.

Methodological improvements in statistical surveys

New questionnaires were designed and prepared for all surveys relating to information and communication technology, in accordance with the methodology and recommendations of Eurostat for 2015.

Within the IPA projects, recommendations were given for methodological improvements in the surveys covered by the projects.

Novelties

For the first time, the SSO introduced calculations of prices of agricultural land and rents in the economic accounts for agriculture and delivered to Eurostat data on the share of energy from renewable sources in gross final energy consumption.

2.4. Sector for Regional Departments

In accordance with the Rulebook on Internal Organisation, the State Statistical Office comprises the Central Office in Skopje and eight regional departments throughout the country (Skopje, Tetovo, Kumanovo, Veles, Stip, Bitola, Ohrid and Strumica).

The main role of the regional departments is collecting data, coding and preliminary control of the statistical forms collected from reporting units. For some statistical surveys (in the field of demography), data entry and processing are also performed in

the regional departments. In addition to these responsibilities, the regional departments also have an important role in developing and updating the network of interviewers. The regional departments are instrumental in the process of registration and selection of candidates for interviewers that make up the SSO network of interviewers, as well as in maintaining daily contact with them in carrying out the surveys.

Given that the reporting units are still the primary sources of data collected in the field via statistical forms, the SSO regional departments, despite the growing importance of administrative data sources, will still have a major role in collecting statistical data from the field.

Administrative sources were used for collecting data in 35 surveys. Therefore, it can be concluded that reporting units are still the main source for data collection via statistical surveys conducted in the field.

3. CLASSIFICATIONS AND REGISTERS

3.1. Classifications

The Classification of Products by Activity, KPD 2015, was adopted by the Government and published in Official Gazette No. 126/2015 of 27 July 2015 and No. 135/2015 (correction) of 7 August 2015.

The Decision on amending the Decision on establishing the National Classification of Occupations as a national standard was published in Official Gazette No. 178/15.

The revision of the National Classification of Occupations is fully based on the structure of ISCO-08 at the unit group level. The purpose of the revision is to supplement the National Classification of Occupations at the national level with occupations which should be made separate units within the unit groups.

Activities were launched for development of the Classification of Institutional Sectors in line with ESA 2010.

3.2. Statistical registers

Statistical registers represent an important instrument of the State Statistical Office for fulfilment of its statutory responsibilities. Taking this into account, and in order to complete the process of establishment of statistical registers in the SSO, a working group was set up in 2015 to examine the availability and possibility of using administrative data sets for statistical purposes.

3.2.1. Statistical Register of Territorial Units

During 2015, web cartography was introduced on the website of the State Statistical Office, developed in the SSO with Open Source software. Also, in cooperation with the

Agency for Real Estate Cadastre (AREC), and for the purposes of the Labour Force Survey, enumeration districts with new buildings were identified based on the analysis of AREC data.

3.2. 2. Statistical Business Register

The enterprise groups database was updated with data from new administrative data sources – the Central Securities Depository. This improved the scope and quality of data on enterprise groups.

In order to further improve the scope and quality of data on enterprise groups, within the IPA 2014 project "Business statistics – profiling", activities began for testing the profiling methodology.

3.2.3. Statistical Farm Register

The Statistical Farm Register is updated regularly with data from the statistical surveys on crop and animal production. The Farm Register is also updated from administrative data sources from the Food and Veterinary Agency. The regular updating of the Farm Register improves the quality of statistical surveys as it is used as a sampling frame for statistical surveys in the field of agriculture.

3.2.4 Data warehouse for agricultural statistics

A data warehouse for agricultural statistics was set up, and data from the warehouse are used for agri-monetary statistics, for which an automated calculation process was developed. The data warehouse for agricultural statistics contains the basic classifications and the required ETL (extract, transform and load) processes, data, metadata and address lists for the statistical surveys on crop production and animal production. The data warehouse also includes data from all agricultural surveys in accordance with the plan and time frame for loading data in the warehouse and the established procedures for data processing.

3.2.5 Data warehouse for national accounts

One of the main activities in the upcoming period is upgrading the data warehouse for national accounts and the creation of inputs and outputs for the warehouse.

As a result of the signed service contract for "Tailor-made software development for data warehouse for economic statistics", specifications were developed based on which tender documents will be prepared in 2016 for redesign of the data warehouse for national accounts under the IPA 2013 project.

4. EUROPEAN INTEGRATION AND INTERNATIONAL ACTIVITY

4.1. European integration

The process of European integration of the Republic of Macedonia in the field of statistics is carried out in close cooperation with Eurostat, which provides aid and support to the SSO, as the national coordinator of the statistical system of the country, in the process of harmonisation of national statistical standards and data with international statistical standards and data, especially from EU Member States.

The SSO, as coordinator of the Working Group 18 – Statistics, organises and coordinates the activities of the Working Group for the purpose of regular, quality and timely monitoring and reporting about the progress in adopting the Acquis, with weekly, monthly, quarterly and annual periodicity.

In December 2015, the final version of the National Programme for Adoption of the Acquis (NPAA) 2016 was submitted to the Secretariat for European Affairs.

The eleventh meeting of the Sub-Committee on Economic and Financial Affairs and Statistics was held in May 2015 in Brussels. The European Commission, as in the previous year, praised the progress of the SSO in the period between the two meetings.

In April 2015, an annual Eurostat mission was held in the State Statistical Office, where the future plans and needs for support of the SSO were presented.

The cooperation between Eurostat and the SSO in the application of EU legislation is carried out through continuous consultations, assessments and recommendations by Eurostat.

4.2. International projects where the SSO was included

4.2.1. Ongoing projects of the European Commission

- National projects

IPA 2012/2013 National Programme

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

The twinning project fiche was prepared within the IPA 2012 programme.

Furthermore, as a result of the signed service contract for "Tailor-made software development for data warehouse for economic statistics", development of specifications began based on which tender documents will be prepared in 2016 for redesign of the data warehouse for national accounts under the IPA 2013 project. Also, preparation of specifications for purchase of personal computers is in progress.

4.2.2. IPA 2012 Multi-Beneficiary Statistical Cooperation Programme

The implementation of the contract started on 1 January 2014 and ended on 30 November 2015.

The main objectives of this project were:

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

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

- National accounts methodology
- Agri-monetary statistics
- Annual crop statistics
- Animal production statistics
- Structure of earnings
- Education statistics - implementation of ISCED 2011
- Research and development statistics
- Environmental statistics
- Short-term business statistics
- International trade in goods statistics
- Purchasing power parity
- Harmonised index of consumer prices
- Ad hoc project 1 - Time use survey
- Ad hoc project 2 - Structural business statistics on services
- Ad hoc project 3 - Improvement of the existing IT system for metadata-driven creation of questionnaires and on-line data collection.

During the project, 164 SSO employees and 13 people from other institutions in the country participated in 133 international events. Within 15 projects for data collection, approximately 150 activities were carried out, 73 products were supplied and 58 results were achieved.

4.2.3. IPA 2014 Multi-Beneficiary Statistical Cooperation Programme

As part of its international activities, in May 2015, the SSO applied for the IPA 2014 Multi-Beneficiary Statistical Cooperation Programme. In July 2015, a grant contract was signed under the IPA 2014 Multi-Beneficiary Statistical Cooperation Programme.

The grant contract covers the implementation of 13 pilot projects:

1. National accounts methodology;
2. European System of Accounts – Transmission programme; Quarterly national accounts;
3. Government finance statistics;
4. Price statistics – PPP;
5. Business statistics – profiling;
6. International trade in goods statistics;
7. Adult education survey;
8. ICT usage in households, by individuals and in enterprises;
9. Short-term business statistics;
10. Price statistics – harmonised index of consumer prices;
11. Crop production statistics;
12. Animal production statistics;
13. Ad hoc – Farm structure survey.

The implementation of the programme started on 1 October 2015, and will end on 31 August 2017.

4.3. Communication and cooperation with other institutions

In 2015, in order to reduce respondent burden, the State Statistical Office signed memoranda of cooperation with the holders of administrative registers (Civil Registry Office, Ministry of Agriculture, Forestry and Water Economy and Central Register of the Republic of Macedonia). In 2015, the SSO also signed memoranda of cooperation with the Faculty of Economics in Prilep, the Macedonian Chambers of Commerce and the Economic Chamber of Northwest Macedonia.

In November 2015, a round table was organised with representatives of companies, data providers and representatives of the three economic chambers: Economic Chamber of Macedonia, Macedonian Chambers of Commerce and Economic Chamber of Northwest Macedonia.

There were also several presentations in the field of statistics for secondary schools and higher education institutions in the country.

In October 2015, a conference was held in Ohrid with the authorised bodies in the national statistical system on the subject “Statistical System of the Republic of Macedonia - achievements and challenges”.

In 2015, the SSO celebrated its 70th anniversary and the World Statistics Day. The events were marked by special celebrations, and the SSO awarded plaques for long-lasting cooperation to the major holders of data sets on the occasion of its 70th anniversary.

5. CHALLENGES THAT THE SSO WAS FACING

The main challenges of the SSO in 2015 were as follows:

- Modernisation of statistical production;
- Failure to submit, inaccurate and late submission of data from some reporting units;
- The coordinating role of the SSO in the statistical system in the country, and
- The condition of the SSO premises.

The structure of the SSO budget for 2015 is unfavourable (paragraph 1.1.3). The largest portion of the budget is dedicated to salaries of employees for implementation of statistical surveys in the Five-Year Programme of Statistical Surveys, resulting in a lack of finances for modernisation of statistical production in terms of the methods of collecting and processing data. The SSO is also faced with the problem of outdated hardware and software used in day-to-day operations by employees.

The problem of failure to submit and inaccurate and late submission of data by some reporting units (business entities) results from the lack of statistical culture and awareness of business entities, reporting units, and the fact that due to the non-existence of adequate departments for filling in statistical forms in the companies and the unresolved business issues between the accounting bureaus that complete statistical forms on behalf of the companies, statistical reports are not delivered to the SSO. To overcome this problem, SSO employees made extra efforts (distributing the promotional brochure "Better Data. Better Lives", sending reminders, making telephone calls, etc.), and made direct visits to reporting units. Furthermore, the State Statistical Office, in direct communication with business entities and by organising meetings with the economic chambers, raised awareness about the importance of statistical data for the business entities and the purpose and manner of using official statistics. In order to overcome this problem, procedures will be initiated in the coming period against violators of the Law on State Statistics and businesses that fail to submit statistical data to the SSO.

Regarding the inability of the SSO to fully execute its coordinating role in the statistical system, the problem still remains of incomplete exercise of the legal competence of the authorised bodies defined in the Law on State Statistics (item 6.7. of the Report).

The condition of the building and the overall installations (heating system, electrical wiring, etc.), of the premises of the State Statistical Office are still a serious problem that continues to disrupt the working processes of the SSO and the regional department in

Skopje. This issue was mitigated by greater financial investment in repairs and maintenance of the building. The problem with workspace will be completely resolved by taking over the office premises of the Ministry of Transport and Communications and relocation of employees and equipment from the Regional Department in Skopje to the Central Office. Also, a complete renovation of the building will be necessary in the coming period.

6. COORDINATION OF THE STATISTICAL SYSTEM AND AUTHORISED BODIES

The national statistical system of the Republic of Macedonia was established by the Law on State Statistics in 1997, and it follows the examples of the European Union countries. The participants in the statistical system, in addition to the SSO, were defined with the adoption of the first Five-Year Programme of Statistical Surveys for the period 2008-2012.

The contents of the above Law implied that the SSO is the coordinator of the statistical system, while the SSO was formally established with the adoption of the Law on Amending the Law on State Statistics (Official Gazette No. 104/13).

The coordinating role of the SSO is fulfilled through the preparation of the Five-Year Programme of Statistical Surveys in cooperation with the authorised bodies and through the coordination of international statistical cooperation.

In accordance with Article 21 of the Law on State Statistics, the State Statistical Office, as coordinator of the statistical system, prepares a report on the activities of authorised bodies in relation to the implementation of the Programme of Statistical Surveys 2013-2017. The reports obtained from the authorised bodies are integrated in the report that the SSO prepares for its operation and submits to the Government of the Republic of Macedonia. The entities that have the status of authorised bodies are determined in the Law on State Statistics and the Five-Year Programme of Statistical Surveys. In addition to the National Bank of the Republic of Macedonia, other authorised bodies are: Ministry of Finance, Employment Agency, Pension and Disability Insurance Fund, Ministry of Justice, Ministry of Interior, Hydrometeorological Service and Institute of Public Health. The current Programme of Statistical Surveys covers the period 2013-2017.

For the first time, within the statutory deadline, written requests were sent to the authorised bodies to prepare brief reports on the implementation of the statistical surveys in 2015 under their jurisdiction, and to provide additional information on the potential methodological improvements in statistical surveys and the implemented innovations, the number of employees working on the statistical surveys, data dissemination, international statistical activities and foreign assistance. The authorised bodies were also required to submit information on the problems they faced in the implementation of the statistical surveys.

Reports were received from all authorised bodies, except the Ministry of Justice and the Institute of Public Health.

6.1. National Bank of the Republic of Macedonia

In 2015, as in 2014, the National Bank of the Republic of Macedonia conducted a total of 27 statistical surveys, in accordance with the planned surveys defined in the five-year programme. Of the conducted statistical surveys, 14 are monthly, 11 are quarterly and 2 are annual surveys.

In terms of methodological improvements in statistical surveys, the following was achieved:

As regards the "Balance sheet and survey of other financial institutions", the National Bank published monetary reports including data on leasing companies and financial associations. This resulted in almost complete coverage of the "Other financial institutions" sector for the needs of monetary statistics. Data about these financial institutions are available from the beginning of 2014.

Concerning the statistical survey "Weighted interest rates on outstanding denar and foreign currency (total and new) deposits and loans of banks", the mid-term project for alignment of statistics on interest rates with European regulations was completed with the publication of new data series.

In the "Balance of payments" and "Foreign direct investment flows" surveys, the coverage of data on direct investment abroad was improved at the end of September 2015. The incorporation of data on reinvested earnings and short-term trade credits between domestic direct investors and foreign subsidiaries resulted in uniform application of international standards regarding FDI assets and liabilities. Furthermore, the National Bank began collecting detailed data on trade credits in line with the latest statistical requirements for their breakdown according to the type of direct investment relationship with non-residents.

With regard to the statistical surveys "Report on the number of accounts through which payments are made; Report on the usage of payment instruments; Report on the usage of payment cards and devices in the country", based on the conducted survey on specification of statistics on payment operations, general recommendations were given at the beginning of 2015 to data reporters about the manner of specifying individual data categories in order to achieve better uniformity of payment statistics.

The following novelties were introduced in the statistical surveys:

"Financial soundness indicators of the banking system of the Republic of Macedonia - FSI" – improvements were made by expanding the list of financial soundness indicators with indicators of liquidity of financial markets in the Republic of Macedonia, whose calculation is planned with the IMF Guide for calculating financial soundness indicators. This pertains to defining indicators on bid-ask spread and turnover ratio for certain financial instruments that are traded on individual secondary financial markets. The indicators are calculated on a daily basis and published quarterly, and a daily time series is available.

Regarding the "Financial account" survey, several activities were undertaken in 2015 for rational use of existing and establishment of new data sources for financial accounts. As part of these activities, a new data source was set up by supplementing the existing set of data collected with the annual accounts of business entities. Moreover, based on the close cooperation with the Ministry of Finance, a new quarterly report was designed pertaining to the stock and flow of financial assets and liabilities of the Government sector. In addition, for providing information about securities, reporting began for investments of residents in foreign securities markets, by applying the principle of individual reporting for each security. At the same time, data sources were defined for investment in securities on the domestic market by residents and non-residents, and data collection will begin in 2016.

With respect to the "Gross external debt" and "Gross external claims" surveys, new bylaws were passed for recording credit operations with non-residents, which simplify the recording procedure and reduce the volume of documents submitted to the National Bank in order to reduce reporting burden.

National Bank employees working on statistical surveys

A total of 50 National Bank employees work on statistical surveys, as follows:

-6 employees work on the inflation expectations survey, bank lending survey and real estate prices;

-5 employees work on calculation of financial soundness indicators.

-37 employees work on statistical surveys in the field of monetary and financial statistics, as well as external statistics;

Regarding the dissemination of statistical data, the following has been accomplished:

Data from the statistical surveys of the National Bank are published on the website of the National Bank in accordance with the periodicity and publication deadlines set out in the Programme.

For the statistical survey "Balance sheet and survey of other financial institutions", the National Bank released details about other financial institutions, by sub-sectors.

As regards the "Financial soundness indicators of the banking system of the Republic of Macedonia – FSI" survey, the expanded list of indicators of financial soundness with indicators of the liquidity of financial markets in the Republic of Macedonia was published on the website of the National Bank for the first time.

With respect to the "Balance of payments" and "Foreign direct investment flows" surveys, new data series for the period from 2012 onwards were published on the website of the National Bank at the end of September 2015.

International activities and foreign aid:

In 2015, the National Bank continued the practice of improvement of statistical capacities via training courses and cooperation with the central banks of EU Member States through the Instrument for Pre-Accession Assistance to candidate countries for EU membership - TAIEX and the IMF technical mission on monetary statistics. More specifically, the following activities were carried out:

- IMF technical mission on monetary statistics, organised in February 2015;
- Study visit on financial accounts statistics - data on transactions and balances, held in December 2015 in Zagreb, Croatia, in cooperation with the Croatian National Bank and financed through TAIEX;
- Expert mission on securities statistics for the needs of monetary and financial accounts statistics, which took place in March 2016 in cooperation with the Bank of Italy and financed through TAIEX;
- Expert mission on the data collection system for monetary statistics and for supervisory purposes, held in November 2015 as part of the bilateral cooperation with the Croatian National Bank;
- Study visit on payment statistics of the National Bank of the Republic of Macedonia and further alignment with the payment statistics of the ECB, which took place in October 2015 in Zagreb, Croatia, in cooperation with the Croatian National Bank and financed by TAIEX.

5.2. Employment Agency of the Republic of Macedonia

In 2015, the Employment Agency carried out three statistical surveys with monthly periodicity.

One employee of the Agency works on statistical surveys. Data from the statistical surveys are regularly published on the website of the Employment Agency.

Information about methodological improvements, innovations in statistical surveys, international activities, foreign assistance and about the problems the Agency faced in 2015 was not delivered.

5.3. Ministry of Finance

In 2015, the Ministry of Finance conducted a total of 18 statistical surveys, or 6 surveys less than in 2014. Of these surveys, 12 are monthly, 4 are quarterly and 2 are annual surveys.

The Ministry has six employees engaged in conducting statistical surveys. Data from the surveys are regularly published on the website of the Ministry according to the release calendar. International activities and foreign assistance are implemented within the Regional Project of the IMF and the GFS/ESA methodology.

Information about methodological improvements, innovations in statistical surveys and about the problems the Ministry faced in 2015 was not delivered.

5.4. Pension and Disability Insurance Fund

In 2015, as in 2014, the Pension and Disability Insurance Fund implemented a total of 5 annual statistical surveys.

Two employees of the Fund work on statistical surveys.

Data from the statistical surveys are regularly published on the website of the Pension and Disability Insurance Fund.

Information about methodological improvements, innovations in statistical surveys, international activities, foreign assistance and about the problems the Fund faced in 2015 was not delivered.

5.5. Ministry of Interior

In 2015, as in 2014, the Ministry of Interior carried out a total of 3 statistical surveys, of which 1 monthly and 2 annual surveys.

The Ministry has 5 employees working on statistical surveys.

Data from the statistical surveys are regularly published on the website of the Ministry of Interior, and submitted to the State Statistical Office on monthly and annual basis.

Information about methodological improvements, innovations in statistical surveys, international activities, foreign assistance and about the problems the Ministry of Interior faced in 2015 was not delivered.

5.6. Hydrometeorological Service

In 2015, the Hydrometeorological Service conducted a total of 6 statistical surveys, of which 3 are monthly and 3 are annual. The number of surveys is the same as in 2014.

A total of 15 employees of the Hydrometeorological Service are engaged in conducting statistical surveys. Dissemination is carried out via publication of data, preparation of information to the media and various data users, monthly and annual reports on the quality of surface water to the Ministry of Environment and Physical Planning (MOEPP).

International activities and foreign assistance are implemented through GIZ (German Technical Assistance) within the project Adapting to Climate Change in the Drim Basin.

The following problems have been noted by the Hydrometeorological Service regarding the implementation of their activities, which are in direct correlation with the quality of the data from the surveys:

- shortage of skilled staff;
- lack of budget funds for effective maintenance of the meteorological and hydrological monitoring system;
- need for utility vehicles for operational activities and maintenance of the meteorological and hydrological monitoring system;
- lack of budget funds for maintaining and upgrading the climate database and adequate statistical software;
- need for adequate databases;
- need for adequate training.

5.7. Observations of the State Statistical Office

The SSO is the coordinator of the statistical system of the Republic of Macedonia, and this role is primarily fulfilled through the process of preparing and monitoring the implementation of the Programme of Statistical Surveys. The Office, in cooperation with the authorised bodies, prepares the Programme of Statistical Surveys and submits it to the Government for adoption. The State Statistical Office is also the primary institution in charge of the adoption and use of uniform statistical standards applied by all entities in the statistical system of the country. The Office is also responsible for implementing the principles set out in the European Statistics Code of Practice, which should also be applied by the authorised bodies.

From the submitted reports, it may be concluded that some authorised bodies (except the National Bank and the Ministry of Finance) fail to fully meet the required criteria and responsibilities prescribed in the Law on State Statistics and the Programme of Statistical Surveys. This is due to the fact that the statistical surveys are carried out by employees who are inadequately trained or for whom statistics represent an additional work activity. For these reasons, additional funding is required for training, in order to improve their involvement in the implementation of statistical standards and methodologies, the collection, processing and dissemination of statistical data, and the protection of confidentiality of data at their disposal.

All this affects the quality of statistical data provided by some of the authorised bodies, bearing in mind that the data resulting from the statistical surveys contained in the Five-Year Programme of Statistical Surveys represent official statistics. The authorised bodies will require additional staffing and regular training to facilitate the implementation and observance of European methodologies and standards, as well as planning of new forms of cooperation.

In the coming period (in 2016 and 2017), the SSO will take appropriate actions in cooperation with the authorised bodies and other stakeholders in the statistical system of the country, particularly in the process of preparing the new Programme of Statistical Surveys for the period 2018-2022, in order to overcome these problems and to implement the European standards in the field of statistics.

Annex 1:

Overview of the implementation of the Programme of Statistical Surveys
(2015 compared to 2014)

1. Sector of Social Statistics

Periodicity - area	Number of surveys in 2015	Number of surveys in 2014
Department of Living Standard		
monthly	1	1
annual	2	2
analytical	1	1
five-year	-	-
total	4	4
Department of Social Services		
annual	47	47
biennial		1
three-year	1	1
five-year		
total	48	49
Department of Demography and Population Register		
annual	7	7
total	7	7
Department of Labour Market		
monthly	1	1
annual	1	1
quarterly	2	2

four-year		1
total	4	5
Total Sector of Social Statistics	63	65

2. Sector of National Accounts

Periodicity - area	Number of surveys in 2015	Number of surveys in 2014
Sector of National Accounts		
annual	2	2
quarterly	1	1
according to Eurostat's survey programme	6 ¹⁾	6 ¹⁾
analytical	27	27
Total Sector of National Accounts	36	36

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

Periodicity - area	Number of surveys in 2015	Number of surveys in 2014
Department of Environment, Energy and Transport		
Energy		
annual	12	12
monthly	12	12
semi-annual	2	2
Transport		
annual	11	11

¹ Purchasing Power Parity survey

five-year	3	-
monthly	2	2
quarterly	2	2
Environment (water, waste)		
Water Economy		
annual	1	1
multi-annual	5	5
Waste		
annual	2	2
biennial	-	
Total	52	49
Department of Agricultural Statistics and Farm Register		
Agriculture – general		
three-year	1	-
annual	2	2
monthly	2	2
weekly	-	-
Crop production		
annual	13	13
Livestock production		
annual	2	2
monthly	1	1
Forestry		
annual	7	7

quarterly	1	1
Hunting and fishing		
annual	2	2
Agricultural prices		
monthly	2	2
quarterly	1	1
Economic accounts for agriculture		
annual	3	3
Total	37	36

Periodicity - area	Number of surveys in 2015	Number of surveys in 2014
Department of Industry, Construction Statistics and Business Tendencies		
Construction		
annual	5	5
semi-annual	1	1
quarterly	1	1
monthly	3	3
Industry		
monthly	2	2
annual	1	1
Business tendencies		
monthly	1	1
quarterly	3	3

semi-annual	1	1
annual	1	1
Total	19	19
Department of Internal and External Trade, ICT, Tourism and Hospitality		
ICT		
annual	5	5
quarterly	2	2
monthly	1	1
External trade		
monthly	1	1
quarterly	-	-
Internal trade		
annual	1	1
quarterly	-	-
monthly	2	2
biennial	-	-
Hospitality and tourism		
annual	2	2
quarterly	1	1
monthly	2	2
Total	17	17
Department of Prices		
monthly	4	4
quarterly	1	1

Total	5	5
Department of Statistical Business Register and Economic Classifications		
-	-	
Total Sector of Business Statistics, Agricultural Statistics and Environmental Statistics	130	126

Total Programme of Statistical Surveys	229	227
--	-----	-----

The Programme of Statistical Surveys in 2015 was executed in accordance with the planned schedule and the available funds.

Abbreviations:

SSO – State Statistical Office

COICOP – Classification of Individual Consumption According to Purpose - EU

IPA – Instrument for Pre-Accession Assistance

Eurostat – Statistical Office of the European Union

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

IMF – International Monetary Fund

ESS – European Statistical System

ISCED – International Standard Classification of Education

IT – Information Technology

eDamis – Electronic Data files Administration and Management Information System

ESSPROS – European System of Integrated Social Protection Statistics

NKD – National Classification of Activities Rev.2

GDP – Gross Domestic Product

FISIM – Financial Intermediation Services Indirectly Measured

SILC – Survey on Income and Living Conditions

RD – Regional Departments

NIP – Nomenclature of Industrial Products

NBRM – National Bank of the Republic of Macedonia

NPAA – National Programme for Adoption of the Acquis

NRME – National Reference Metadata Editor

PIM – Perpetual Inventory Method

SMIS+ – Statistical Management Information System

SBPM – Statistical Business Process Model

SDDS – Special Data Dissemination Standard

SDMX – Statistical Data and Metadata Exchange

CATI – Computer Assisted Telephone Interviewing

HICP – Harmonised Index of Consumer Prices

PR – Peer Review