



**STATISTICAL OFFICE OF
MONTENEGRO**

METHODOLOGICAL GUIDELINES

INDICES OF INDUSTRIAL PRODUCTION AND TURNOVER

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Legal basis

The legal basis for the implementation of monthly survey changes of industrial production and turnover is the Law on Official Statistics and Official Statistical System of Montenegro ("Official Gazette of Montenegro", No. 18/12 and 47/19) and Annual Plan for statistical surveys.

The aim of statistical survey

The aim of the monthly survey on industrial production and turnover is to provide data on industrial production and turnover.

The data are used to monitor the volume and dynamics of movement of the physical volume of industrial production, turnover, analysis of the scope and changes in the structure of industrial production, analysis of the seasonal characteristics of the production's overall economic developments

Sources and methods of data collection

Method of data collection is sample-based survey.

Data are collected from reporting units that represent the movement of total industrial production and turnover in the industry, and therefore the results obtained on the basis of this study are changes in industrial production and turnover, as well as the most important variables collected in this survey.

The monthly survey of industry data collection applies to the reporting method. Each reporting unit itself fills a report on the IND-1 based on the accounting and other records.

Questionnaire and instructions reporting unit receives from the competent statistical service.

Observation units

Observation units for calculation index of industrial production are enterprises (companies) with 5 or more employees, with a turnover reported in the balance sheet for the previous year, whose main activity is industrial production (ie registered in sectors B, C and D of Nace Rev.2 Classification), as well as KAU of companies which carrying out the industrial production.

Observation units for calculation index of industrial turnover are enterprises (companies) with 5 or more employees, with a turnover reported in the balance sheet for the previous year, whose main activity is industrial production (ie registered in sectors B and C of Nace Rev.2 Classification), as well as KAU of companies which carrying out the industrial production.

Coverage of survey

Framework was established on the basis of data from the Statistical Business Register, which includes all active businesses in the industry (sections B, C and D of Activity Classification) as well as KAU of companies which carrying out the industrial production. From the frames are excluded companies whose turnover is equal to zero.

Covered geographical area: *The territory of Montenegro*

Definitions of main indicators

Total turnover – are defined as the income from the sale of goods and services minus returns and discounts, subsidies and VAT. The value is expressed in thousands of EUR and filled in the reference month.

Domestic turnover is turnover from sales of industrial products and services in the domestic market. The value is expressed in thousands EUR.

Non-domestic turnover is turnover sales of industrial products and services to foreign markets. The value is expressed in thousands EUR.

Turnover of other activities generated from other activities. The value is expressed in thousands EUR.

Finished production is presented for the reporting month and represents the amount of product that they have reached an appropriate level of treatment, so that the code and the name of the product is defined by the current most important products. The term product is used both for products that have a physical dimension, and industrial services. The product is finished when its correctness checking product quality control. Defective products are not considered as finished products.

Indices of industrial production are calculated in two steps toward Laspeyre's formula. In the first step, indices are calculated from data on the quantities of products and the corresponding weighting coefficient, which represents an estimated value added of individual products, for groups, branches and divisions. In the second step, based on the index divisions level and weights coefficients per divisions calculate the index for the total industry and sections of NACE classifications.

The Industrial Production Index is a fixed base year Laspeyres (volume) index (current base 2015=100) whose weights are changed every five years.

$$K^t = \frac{\sum_{ij} V_{ij}^t \cdot U_{ij}^b}{\sum_{t \in B} \sum_{ij} V_{ij}^t \cdot U_{ij}^b} \times 1200$$

Where:

B is the reference period and summation occurs overall products and industries.

V_{ij}^t = the volume of production (in physical units at time t)

U_{ij}^b = the weight in 2015.

Method of weighting: Gross production values at product level and value added at aggregated level.

Indices value of total turnover in the industry are calculated, for all levels of aggregation, weighting with the share in turnover value established for industrial activities for each indicator. They represent the relative change in the turnover value in the reference period relative to the turnover value in the base period.

Industry turnover index measures changes in the value of sales of products, goods and services, at the level of total turnover as well as at the level of domestic and foreign turnover.

Turnover indices represent the value of turnover in current prices.

Harmonization with EU regulations and recommendations

The survey of industrial production and turnover are harmonized with the regulation of European Union No. 1165/98, Classification of activities NACE Rev.2 and current PRODCOM list of products.

Confidentiality

Data obtained from reporting units represent an official secret and used only for statistical purposes and cannot be published or made available to any user. The results of the survey are published at the aggregated level and the privacy of the individual data is completely ensured.

Organisation of survey

In accordance with the Plan and Program of Statistical Surveys, the organization of the survey refers to preparation of questionnaires and instructions to the reporting units, collection, processing and dissemination of data.

Dissemination

Index of industrial production and turnover are published according to Statistical Release Calendar in Quarterly release of industrial production and turnover, Monthly statistical review, Statistical Yearbook, in the publication "Montenegro in the Figures" and on web site of Statistical Office of Montenegro.

Revision of data

Statistical Office has adopted the revision policy and it is available on the website <http://www.monstat.org/userfiles/file/o%20nama/2017/Revision%20policy.pdf>.

This survey uses regular revisions. Large and unplanned audits are only used in the specific cases defined by the revision policy.