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**QUALITY REPORT 2017**

**Gross National Income**

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## **1. Introduction – Basic information about the survey**

### **1.1 Purpose, goal and subject of the survey**

Gross National Income at market prices is equal to GDP plus the primary income which resident units receive from the rest of the world less primary income payments from resident units to the rest of the world. Those are compensations of employees that residents receive from non-residents and pay to non-residents and property income receivable by residents and payable to non-residents.

### **1.2 Legal basis**

The Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12) defines provisions for collection, processing, and dissemination of data. The Law provides to the Statistical Office clear and wide legal powers to collect and access the data necessary for the implementation of Programme and Annual Plan. The Law gives a priority to the use of administrative data and right of access to individual data that are a result of survey of other official statistical producers. As an annex to legal provisions, Statistical Office has signed several memoranda on cooperation with administrative data providers.

### **1.3 Statistical units**

For the calculation of Gross National Income at market prices data from various statistical sources are combined, and therefore there is no common reference framework for the sample.

European System of Accounts (ESA 2010) distinguishes two types of units and two ways of division of economy which serve to various analytical objectives:

- by grouping institutional units into sectors on the basis of their principal functions, behavior and objectives;
- by grouping of local business units in the activities on the basis of their activities.

### **1.4 Coverage and scope of survey**

#### ***1.4.1 Sectors***

The total national economy and the Rest of the world sector.

#### ***1.4.2 Statistical population***

The concept of statistical population cannot be strictly applied in the context of National Accounts because National Accounts combine data from different data sources.

### **1.5 Referent geographical area**

Montenegro.

### **1.6 Concepts and definitions**

GDP - Gross Domestic Product at market prices is the final result of the production activity of resident producers and is defined in three ways:

1. GDP by production approach is the sum of Gross Value Added in all NACE sectors + Taxes less subsidies on products.  
Gross Value Added (GVA) = gross output minus the intermediate consumption.
2. GDP by expenditure approach is the sum of expenditure categories:
  - a) Final consumption of households and non-profit institutions serving households
  - b) Government final consumption
  - c) Gross fixed capital formation
  - d) Changes in inventories
  - e) Exports of goods and services - Imports of goods and services.

3. GDP by income approach: Compensations of employees + Gross operating surplus and mixed income + Taxes less subsidies on production and imports.

The transition from Gross Domestic Product (GDP) to Gross National Income (GNI) is possible using data on primary incomes between residents and non-residents. Those are compensations of employees that residents receive from non-residents and pay to non-residents and property income receivable by residents and payable to non-residents. Transitional items from GDP to GNI are identical to the components of income in the Balance of Payments (BPM6).

Compensation of employees represents the total remuneration, in cash or in kind, which the employer pays to the employee for work that the employee has done during the accounting period.

Property income is created when the owners of financial assets and natural resources give financial and natural resources at the disposal to the other institutional units. Income that occurs using the financial assets is called investment income, while income by the use of natural resources is called the rent. Property income is the sum of investment income and rent.

## 1.7 Classifications

The adopted standard is the European System of Accounts (ESA 2010). This is the most recent internationally compatible accounting framework for a systematic and detailed description of the economy.

KD 2010, which is harmonized with the European classification NACE Rev.2.

Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).

## 1.8 Frequency of data collection

Annual.

## 1.9 Frequency of data dissemination

Annual.

## 1.10 Methodology

<https://www.monstat.org/eng/page.php?id=1001&pageid=1>

## 1.11 Base period

Not relevant.

## 1.12 Unit of measure

The data are published in thousands of euros.

## 1.13 Source of data

In the production of Gross National Income, data on Gross Domestic Product and data from the primary income account of Balance of Payments are used.

## 2. Relevance – Data users

### 2.1 User needs

International users:

- Eurostat,
- World Bank,
- UN organizations,
- International Monetary Fund

National users:

- Ministries and other public administration bodies,
- Local government, and other local government bodies.
- Non-governmental organizations,
- Students,
- Researchers,
- Media.

## **2.2 User satisfaction**

The Statistical Office has adopted the Quality Management Strategy, the Guidebook to the Implementation of the Quality Management Strategy, as well as the Plan for the Implementation of the Quality Policy. In order to measure the degree to which fulfills obligations towards users and within the new quality policy, the Statistical Office conducted User satisfaction survey. Data collection was carried out through a web survey, in the period from 1 September to 20 October, 2017. The results of the survey are available on the Statistical Office website, link: <http://www.monstat.org/userfiles/file/KVALITET/Izvjestaj%20o%20zadovoljstvu%20korisnika%20eng.pdf>.

## **3. Accuracy and reliability**

### **3.1 Accuracy – Overall remark**

The compilation of National Accounts is a complex task that involves many different data sources and therefore it is not possible to provide simple measures of accuracy estimate. Accuracy and reliability are ensured by the application of methodological instructions in accordance with the methodology of National Accounts.

### **3.2 Sampling error**

Not relevant.

*Indicators of sampling error*

Not relevant.

### **3.3 Non-sampling error**

Not relevant.

#### **3.3.1 Coverage error**

Not relevant.

*Indicators of coverage error*

Not relevant.

#### **3.3.2 Error of measurement**

Not relevant.

*Nonresponse rate*

Not relevant.

### **3.4 Seasonal adjustment**

Not available.

### **3.5 Data revision**

### **3.5.1 Data revision policy**

Statistical Office has adopted the revision policy and it is available on the website:

<http://www.monstat.org/eng/page.php?id=1411&pageid=1411>

### **3.5.2 Data revision practice**

National Accounts represent a wide range of data on different areas that are integrated into the National Accounts system so that a change in one area will have an impact elsewhere, and therefore the revision of one part of National Accounts can lead to a revision of the data of the entire system of National Accounts.

### **3.5.3 Data revision - average size**

Not available.

## **4. Timeliness and punctuality**

### **4.1 Timeliness**

Data are published in accordance with the Annual Plan of Statistical Surveys and Statistical Release Calendar. The deadline for publishing data is the end of September of the current year for the previous year.

*Time lag of the first results*

Not relevant.

*Time lag of the final results*

Final results are available 9 months after the end of the reference period.

### **4.2 Punctuality**

Not available.

## **5. Availability and clarity**

### **5.1 Release**

Press release of the Gross National Income of Montenegro:

<http://www.monstat.org/eng/page.php?id=1310&pageid=17>

### **5.2 Publication**

All publication published by Statistical Office are available at the following link:

<http://monstat.org/eng/publikacije.php>

### **5.3 Availability of microdata**

The Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12) regulates rules under which external users can obtain an access to individual data for needs of research. Article 58 defines types of scientific and research organizations that can obtain such data. Providing individual data without identifier is possible only upon a written request of scientific and research institutions, with purpose of performing scientific and research activities as well as international statistical organizations and statistical producers from other countries. Research entity signs the agreement with Statistical Office, and it signs the statement on respecting the confidentiality principle. Official statistical producers keeps a separate records on users and purpose of using the statistical data given to these users

## **6. Comparability**

### **6.1 Comparability - geographical**

Applying the Regulation (EC) No 549/2013 which prescribes the application of ESA 2010 methodology as well as other international manuals and methodological recommendations, enables the geographical comparability of data between Montenegro and other countries.

### **6.2 Comparability - over time**

The data are comparable for the time series 2010-2017 by ESA 2010 methodology.