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QUALITY REPORT 2016

Quarterly survey on the turnover in services

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1. Introduction – Basic information about the survey

1.1 Purpose, goal and subject of the survey

The purpose of the statistical survey on turnover in other services is the quarterly statistical monitoring of turnover (income from sale of goods and services) in service activities as well as the measuring of the dynamics of its change. The quarterly compilation of the turnover index is intended for a simple monitoring of change flows in economic development. It is suitable for short-term observations and analyses of the economic development. Just like in other short-term conjunctive statistics, the basic purpose is not the level of a particular phenomenon but rather it's dynamic of change.

1.2 Legal basics

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 services survey the reporting and observation unit are the same. Units of statistical observation and reporting for which data are provided, are enterprises with main activity in the Statistical Business Register is in Divisions: G, H, I, J, K, L, M, N, P, Q, R and S NACE Rev2.

1.4 Coverage and scope of survey

1.4.1 Sectors

The survey on turnover in service sector includes all business entities (legal units, tradesmen and free lances) if their prevailing activity is one of the following: G, H, I, J, K, L, M, N, P, K, R and S NACE Rev.2. Entrepreneurs and enterprises with turnover = 0 are excluded. Data are broken down by number of employees:

- Class 1: 0–9
- Class 2: 10–49
- Class3: 50–249
- Class 4: >250

1.4.2 Statistical population

The sample frame was based on the data from the Business Register of the Statistical Office of Montenegro and includes all active businesses in the areas of H, I, J, K, L, M, N, P, Q, R and S Nace Rev.2. Enterprises are excluded from the scope of entrepreneurs and businesses that have turnover = 0 For sampling classes are determined by turnover of companies:

- Class 1: 0-24 999 €
- Class 2: 25 000-199 999 €
- Class 3: 200 000-999 999 €
- Class 4: 1 000 000-4 999 999 €
- Class 5: more than 5 000 000 €

The sample includes all companies in the class 4 and 5 and the rest is determined by random sampling.

1.5 Referent geographical area

The whole territory of Montenegro.

1.6 Concepts and definitions

Indices of turnover in other services show the dynamics of the turnover in the observed sector.

Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties.

Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-a-vis its customer and other similar deductible taxes directly linked to turnover.

Number of employees - defined as the total number of employees who work in the observation unit (including working proprietors, partners working regularly and unpaid family workers).

Hours worked including working hours which employees are held in operating activities during the reporting quarter.

1.7 Classifications

NACE Rev. 2

1.8 Frequency of data collection

Quarterly.

1.9 Frequency of data dissemination

Quarterly.

1.10 Methodology

Methodology of other services survey is available on MONSTAT website:

http://www.monstat.org/userfiles/file/Ostale%20usluge/Others%20services_Methodology.pdf

1.11 Base period

The base year is 2010.

1.12 Unit of measure

Turnover - in Euro

Number of employees - counted numerically

Changes compared to the previous periods – indices numbers

1.13 Source of data

Survey is done on the basis of a sample includes companies that are registered in sections G, H, I, J, K, L, M, N, P, Q, R and S NACE Rev. 2. Company filled information based on accounting records.

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.
- Central bank,
- Non-governmental organizations,
- Students,
- Researchers,
- Media.

2.2 User satisfaction

With purpose of determining user satisfaction with quality data and defining their needs, Statistical Office for the first time carried out the User Satisfaction Survey in 2017. The survey was done from 1 September to 20 October. The survey link was sent to users that sent request to the official email address in period 2013-2017. Additionally, the questionnaire is put on the website of Statistical Office. The processing of data obtained by the mentioned survey is ongoing, while final result are ready until the end of year, both for total users satisfaction, and by domains.

3. Accuracy and reliability

3.1 Accuracy – Overall remark

The quarterly other services survey results are based on a sample of reporting units and are subject to the usual types of errors associated with sampling techniques, as well as non-sampling errors, measurement errors, processing errors and non-response.

3.2 Sampling error

Since the survey does not include all units of a target population but rather a randomly selected sample of units, there are sample errors that may occur in estimations. A variation coefficient is a relative measure (percentage) of the accuracy of an estimate. Along with these measures, a lower and upper limit of a confidence interval is calculated.

Indicators of sampling error

Quarterly survey of other services is done on a sample basis, so it is logical that there is an error in random sampling. Sampling error is regularly calculated for each quarter and was about 0.01 as like as coefficient of variance.

3.3 Non-sampling error

Non-sampling errors are tied to other errors that are not related to the sample. Non-sampling errors include: Coverage errors, Measurement errors, Processing errors and Non-response errors.

3.3.1 Coverage error

Coverage error is the divergence between the frame population and the target population. The coverage errors include: over – coverage and under – coverage.

Indicators of coverage error

Over - coverage is appearing when a company which is registered in services deliver information to deal with the some other activity and in case when the company is closed. Only 1.5% of the units in the sample in 2016 are defined as over - coverage, which did not affect the final result. Under - coverage can cause an underestimation, because those units that have remained outside the frame can affect the final result. For this reason, the real impact assessment units which are not included in the coverage. The under - coverage includes units engaged in services, and are registered in other activities, as well as those companies which are registered in the course of the observed year, and beyond the frame for the choosing of the sample. Share of under - coverage in 2016 was 2.3%

3.3.2 Error of measurement

Measurement errors are errors that occur during data collection and cause recorded values of variables to be different from the true ones. Indirect analysis based on the results on editing phase is implemented for correction. Every year, from reporting units is required the same variables, which facilitates filling out the questionnaire.

3.3.3 Non - response error

Non-response errors occur when the survey fails to get response to one, or possibly to all questions of the survey. Non-response errors include: unit non response and item non response.

Nonresponse rate

The unit non response rate is calculated as the ratio of the number of units which did not responded to the total number of eligible units (unweight rate). Average unit non response rate in 2016 was about 5.6%.

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

Typical revisions are minimal. Significant revisions are used only if there is a methodological changes. As there is no official policy revisions, the Other services Survey used the following measures:

- For significant revisions (such as changing the base year) are converted to all series, but the changes have not been announced. A claim that there is a change is published together with edited data.
- If the error occurs, it is corrected in the shortest possible time and in the next release.
- All information is viewed as preliminary until the next release when preliminary data become final.

3.5.3 Data revision - average size

Not available.

4 Timeliness and punctuality

4.1 Timeliness

The first results are published 50 days after the end of the reference quarter.

Time lag of the first results

The number of days (or weeks or months) from the last day of the reference period to the day of publication of first results:

$T1 = d_{\text{first}} - d_{\text{ref}}$,

$T1 = 505 \text{ days } d_{\text{first}} - \text{release date of first results}$

d_{ref} -last day (date) of the reference period of the statistics.

Deadlines for publication retail trade data during 2016 are published according to the Release Calendar. The Release Calendar is available on the Monstate website: <http://www.monstat.org/eng/page.php?id=12&pageid=12>

Time lag of the final results

The number of days (or weeks or months) from the last day of the reference period to the day of publication of complete and final results. Services data are published 50 days after the end of the reference period in accordance with release calendar. Information on the new release are treated as preliminary until the next release. Time gap of publication of final data in the services releases is 110 days.

4.2 Punctuality

Not relevant.

5. Availability and clarity

5.1 Release

New release are available on the MONSTAT website: <http://www.monstat.org/eng/page.php?id=1287&pageid=33>

5.2 Publication

Statistical Office publishes the following regular publications:

1. Monthly Statistical Review,
2. Statistical Yearbook,
3. Montenegro in Numbers,
4. Annual Statistics of Transport, Storage and Connections,
5. Number and Structure of Business Entities.

In addition to the above regular ones, Statistical Office publishes also additionally publications. Some of the most important additional publications are as it follows:

1. Women and Men in Montenegro,
2. Children in Montenegro,
3. The most often used statistical data.

All publication published by Statistical Office are available at the following link: <http://monstat.org/eng/publikacije.php>

5.3 Availability of micro data

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

Methodology of services survey is the same as in other European countries that is the reason why our data are comparable geographically with data of other EU countries.

6.2 Comparability - over time

Comparable data have been published since 2010.