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I. The legal basis

The legal basis for the implementation of this statistical survey from 2012, the Law on Official Statistics and Official Statistical System of Montenegro "Official Gazette of Montenegro" no. 18 from 30. 03. 2012.

This survey is supported in its work, in addition to this Act, on the National Classification of Economic Activities (KD2010) that complies with the European classification NACE rev. 2.

Regulation which defines the methodology of collecting, calculating, checking and publication of data on business entities is Regulation 295/2008.

Other regulations that supplement and / or change the methodological framework set by regulation 295/2008 are:

- Regulation 250/2009 which defines the variables that are collected in this research, technical format that must be respected in the transmission of data and reporting to the Classification of Economic Activities (NACE rev 2).
- Regulation 251/2009 complements the previous regulation in the series of data to be produced for structural business statistics.
- Regulation 275/2010 defines the criteria for assessing the quality of the research.

The legal basis for the implementation of this statistical research until 2012 was the Law on Statistics and Statistical System of Montenegro "Official Gazette of Montenegro" no. 69/2005.

This survey relied on the work, apart from this Act, on the National Classification of Activities, which is harmonized with the European NACE rev. 1.1.

The basic regulation which defines the methodology of collecting, calculating, checking and publication of data on business entities was the EU Regulation 58/97.

Other regulations which are supplemented and / or changing methodological framework set by regulation 58/97 are:

- Regulation (EU) No 2700/98 which relates to the definition of the variables in the SBS survey.
- Regulation (EU) No 2701/98 concerning a series of data which will include SBS survey.
- Regulation (EU) No 2702/98 which relates to the format in which data is sent to Eurostat.

Regulation (EC) No.1618 / 99 which relates on the evaluation criteria of quality SBS research.
II. **Methodological guidelines**

a) **The aim and object of research**

The purpose of the survey Structural business statistics (SBS) is calculation of the indicators that are needed to analyze the structure of the company activities, structure of inputs and outputs in the production process, business success and competitiveness of economic subjects at a certain level of activity. The aim of the research is to describe the economy through monitoring the activities of units engaged in economic activity as well as the analysis of the results of business operations, performance, efficiency and profitability.

b) **Sources, methods and periodicity of data collection**

In order to reduce the burden of reporting units, reduction of burden for the department to collect data, shortening the period of data collection from 2013 is moved to system of collecting data from available sources.

The most important administrative data sources are the financial statements of business entities and statistical annex (Tax Administration of Montenegro). Other sources are statistical surveys within Monstat:

- investment,
- labor market research,
- Research on revenues, expenditures and inventories (PRZ)
- short-term statistics (research in the field of construction, trade and industry), and
- as well as available data from the Business Register.

Periodicity of this survey is annual, and the data are published at the end of the current year for the previous year.

Until 2012, data were collected through a special questionnaire formed for the purposes of this study. Unit used for reporting were economic entities which is listed in accordance with the requirements of statisticians took from the business register. Subsequently, the method of stratified sampling determined sample, ie a list of companies that were real units for reporting.

The questionnaire can be found at the Bureau of Statistics:

c) Reporting units

The main observation units that are used for structural business survey are business entities. Each business entity as a whole is assigned a code of the National Classification of Activities under the main activity that it carries out. The main activity is establishing and updating by Business Register of Statistical Office of Montenegro.

According forms of performing economic activity in this research are covered the companies and forms of Company Law of the Republic of Montenegro, as follows:

- Partnership (partnership)
- Limited partnership
- Joint Stock Company
- a limited liability company.
### d) Coverage

1. **Covered sectors according to NACE:**

   In accordance with the new classification of activities from 2012 include all economic entities that are under the Classification of Activities (CA 2010), which is in line with the European NACE Rev 2, registered in the following sectors:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Mining and quarrying</td>
</tr>
<tr>
<td>C</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>D</td>
<td>Electricity, gas, steam and air conditioning supply</td>
</tr>
<tr>
<td>E</td>
<td>Water supply, sewerage, waste management and remediation activities</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
</tr>
<tr>
<td>G</td>
<td>Wholesale and retail trade: repair of motor vehicles, motorcycles</td>
</tr>
<tr>
<td>H</td>
<td>Transportation and storage</td>
</tr>
<tr>
<td>I</td>
<td>Accommodation and food service activities</td>
</tr>
<tr>
<td>J</td>
<td>Information and communication</td>
</tr>
<tr>
<td>L</td>
<td>Real estate activities</td>
</tr>
<tr>
<td>M</td>
<td>Professional, scientific and technical activities</td>
</tr>
<tr>
<td>N</td>
<td>Administrative and support service activities</td>
</tr>
<tr>
<td>P</td>
<td>Education</td>
</tr>
<tr>
<td>Q</td>
<td>Human health and social work activities</td>
</tr>
<tr>
<td>R</td>
<td>Arts, entertainment and recreation</td>
</tr>
<tr>
<td>S</td>
<td>Other service activities</td>
</tr>
</tbody>
</table>
Up to 2011 they included all economic entities that are under the Classification activity, which is in line with the European NACE Rev 1.1, were registered in the following sectors:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Mining and quarrying</td>
</tr>
<tr>
<td>D</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>E</td>
<td>Electricity, gas and water supply</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
</tr>
<tr>
<td>G</td>
<td>Wholesale and retail trade: repair of motor vehicles, motorcycles and personal and household goods</td>
</tr>
<tr>
<td>H</td>
<td>Hotels and restaurants</td>
</tr>
<tr>
<td>I</td>
<td>Transport, storage and communications</td>
</tr>
<tr>
<td>K</td>
<td>Real estate, renting and business activities</td>
</tr>
<tr>
<td>M</td>
<td>Education</td>
</tr>
<tr>
<td>N</td>
<td>Health and social work</td>
</tr>
<tr>
<td>O</td>
<td>Other community, social and personal services activities</td>
</tr>
</tbody>
</table>

2. The covered geographical area

21 municipalities:

- Andrijevica, Bar, Budva, Bijelo Polje, Berane, Crikvenica, Zabljak, Kolasin, Kotor, Mojkovac, Nikšić, Plav, plužine, Pljevlja, Podgorica, rožaje, Tivat, Ulcinj, Herceg Novi, Cetinje and Šavnik.

Given that Montenegro is one region on the all three NUTS levels, the reporting obligation is reduced to reporting obligations at the national level. (Reg. 251/2009);
3. Coverage by size class

According to a group of employees, classes of enterprises are divided into:

Class 1 - Small Business: 1 to 49 employees,

Class 2 - Medium Enterprises: 50 to 249 employees,

Class 3 - large companies: more than 250 employees.

e) Confidentiality

Law on Official Statistics and the system of official statistics reporting units are obliged to give information and individual data obtained in the survey, are protected and used only for statistical purposes.

Aggregated data for which there is a reason for confidentiality (due to the small number of units, the rule of dominance or secondary confidentiality), in accordance with the Law on Official Statistics and the system of official statistics and the Regulation 250/2009 of the European Commission, are treated as confidential and shall not be disclosed (Article 60).

f) Definitions of variables

The number of enterprises (V11110) is the number of registered enterprises corrected in accordance with the requirements of Regulation 295/2008. Include all companies that are active, which had a turnover and employed at least part of the reference period.

Turnover (V12110) includes accrued income from sales of products, goods and services, excluding VAT.

Value of production (V12120) measures the amount actually produced goods and services in a unit, based on the sales, including changes in stocks of goods and services as well as their resale.

Gross margin (V12130) corresponds to the difference between the turnover from trade activity and total purchases of goods and services, taking into account the change in inventories of those goods and services.
Gross operating surplus (V12170) is the surplus generated from operating activities since the compensation costs of effort.

Total purchases of goods and services (V13110) include the value of all goods and services purchased during the accounting period for resale or consumption in the production process. Goods and services can be resold with or without further processing, fully utilized in the production process or left as stocks.

Staff costs (V13310) the total wages paid to employees (regular, temporary employees, and employees of households), by employers, for previously performed work during the reference period. Personnel costs also include taxes and social security contributions of employees in the company, as well as mandatory and voluntary social contributions for employers.

Gross investment in tangible assets (V15120) include all realized investments in new and used tangible assets in the reporting period, whose life is longer than one year.

Gross investment in existing buildings and other structures (V15130) include the purchase of existing, used buildings and other buildings during the reference period.

Gross investment in machinery and equipment (V15150) includes investment in new and used machines, equipment and means of transportation, and the improvement and renewal that extends the life and increases productivity.

Supply of energy (V20110) includes procurement of all energy sources during the reference period, only if they are purchased to be used as fuel.

Units of measurement

- number
- euro
- thousands of Euro
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