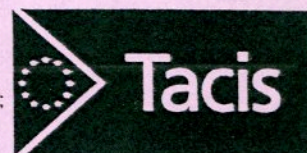




EUROPEAN COMMISSION
EUROSTAT

Directorate A: Statistical information systems; research and data analysis;
technical co-operation with Phare and Tacis countries
Unit A-5: Technical co-operation with Phare and Tacis countries



2001 COUNTRY REPORTS

OVERVIEW OF THE STATISTICAL SYSTEMS OF THE TACIS COUNTRIES



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2001 COUNTRY REPORTS

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OVERVIEW OF THE STATISTICAL SYSTEMS OF THE TACIS COUNTRIES

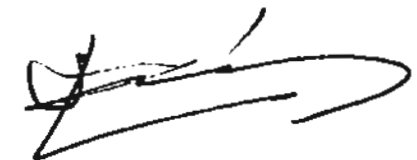
FOREWORD

It is now for the second time that Eurostat presents an overview of the statistical system of some of the Tacis countries. It has changed in so far that some new countries were added and in some of the existing reports new chapters have been included.

The update of the already available reports was done in close co-operation between the countries, the semi-residents and Eurostat. Quite some efforts were deployed by all countries but especially by those countries for which the report was put together for the first time. I would like to express my gratitude to all those involved in the process of developing and updating the reports.

After the last years' reports in some countries good experience exist in using the reports for various purposes. The reports were used for negotiating with the government for increased resources to fill in the gaps identified in the overview. They were also utilised for defining further support to the development of the statistical system be it Tacis funds of the European Commission, bilateral funds of the Member States or other donors. The European Commission used them for various purposes like defining needs for future assistance, better focusing of its assistance programmes and also demonstrating the cost-benefit effect to budgetary authorities and auditing experts.

I hope that the existing overviews will be used and will bring the benefit that was expected during their drafting. Everybody who has been involved in this co-operation is invited to contribute to this objective.



Photis NANOPOULOS
Director of Directorate A
Eurostat

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ARMENIA

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1 INSTITUTIONAL ASPECTS

1.1 Mission

The mission of the National Statistical Service (NSS) is to compile and publish statistics for government and public use.

Name of the Statistical Office: National Statistical Service of the Republic of Armenia (NSS)

Head of the Office: President of the National Statistical Service of RA

The supreme body of governance: State Council on Statistics.

Main functions/terms of references of the NSS:

- to collect, process, summarise, analyse and publish statistical data,
- to co-operate with related ministries and government departments in the collection of statistical information,
- to develop methodologies for statistical work,
- to co-ordinate the information and data collection according to the unified classification and coding system based on international standards,
- to organise statistical surveys,
- to carry out Population census every 10 years,
- to establish maintain and update the Business- Register,
- to provide users with statistical information,
- to ensure the transparency and accessibility of summary statistical information,
- to co-operate with international organisations and other national statistical services.

1.2 Structure and organisational aspects

- Internal organisation of the NSI

The statistical system of the Republic of Armenia is completely centralised and financed from the state budget. It is comprised of the Central Office, the Yerevan City Agency, 10 Regional Agencies (in the marzes). There are 24 statistical departments and 11 administrative departments (excluding divisions of the Population Census Department) within the structure of the NSS of Armenia (for more detailed information see annexes 1 and 2).

- Appointment procedures

The **Head of the NSS** and 6 members of the State Council on Statistics are appointed by the President of the Republic with a term of 6 years.

The President of NSS at the same time holds the post of the Chairman of the State Council on Statistics.

6 members of the State Council on Statistics should have skills in the following fields of statistics:

- demography, sociology and public activity
- regional governance and local self -governance
- financial-credit and banking statistics

- ecology
- management of entrepreneurial activity
- information technologies

Deputy: Vice President.

The deputy is appointed by the State Council on Statistics on proposal of the President of NSS. The regulations and structure of NSS and its regional and functional units are confirmed by the State Council on Statistics.

The Heads of the regional and functional units are appointed by the President of NSS.

- Regional structure

Central Office, Yerevan City Agency, 10 Regional Statistical Agencies (named: "marz agencies"), 37 local offices.

The regional (marz) agencies are financed from the budget of the NSS.

The Heads of regional (marz) statistical agencies are appointed by the President. Other staff is appointed by the Heads of the regional (marz) agencies. Number of staff in the agencies varies from 10-25. Usually at least one PC is available in each agency

The main responsibilities of the regional agencies include data collection, data input into the PCs and some times logical control. They also disseminate publications received from the NSS in their region. Once a quarter the regional agencies prepare and disseminate aggregated data about the region.

- Scientific institutes

A scientific institute under supervision of the Statistical Office does not exist.

A course on statistics is taught at the State Economic Institute. At the same institute there is a Department of Statistics, where 15 teachers work. 25 students educated in statistics graduate annually. The top management of the NSS gives lectures at the Institute.

There is no statistical society yet.

- Organisation and Working conditions

The State Council on Statistics adopted a new regulation of the NSS in August 2000. It contains the following elements:

1. General provisions
2. Main tasks of the Service
3. Main functions of the Service
4. Authorities of the Service
5. Responsibilities of the Service
6. Governance and Work Organisation of the Service

The central building of the NSS is located on the 5th, 6th and 7th floors of the Government House N3, Republic avenue, Yerevan city. There are 6 other organisations in the same building. 55 offices (including the offices of the leaders and offices of the auxiliary service) are occupied by the NSS. In average 3,8 staff members share one office.

Offices are in bad conditions because they have not been renovated since 1979. Though at the moment corridors and 12 offices are under repair. Special doors have been installed on each floor for computer protection.

Telephone communication is bad and due to insufficient and irregular financing big debts to the telecommunication company for previous years have been accrued. The international statistical co-operation division has the only right for international telephone calls.

The Main Computing Centre within the NSS was abolished in January 1996. A new unit called "Information Technology Division" was created in February 1998 and is responsible for purchase and installation of equipment, software and training.

1.3 Legal setting

- Law on State Statistics

The strategy, objectives and tasks of Statistics are based on the law of Armenia „*On State Statistics*“, which entered into force as of 10 May 2000. It was developed based on the pattern of a statistical Law provided by Eurostat.

According to the new Law the Ministry of Statistics was transformed into the National Statistical Service (NSS). It has received the status of an institution serving public interest and being independent from government bodies and local self-government.

The new Law also regulates the establishment and maintenance of statistical registers, introduces widely the principle of statistical confidentiality and puts more emphasise on the involvement of users into statistical programming.

- Other relevant administrative regulations

The law "On Population Census" (adopted on October 12th, 1999) entered into force in November 1999. It gave the guidelines for the population census, which was organised in 2001. The preparation of the law was supported by the Tacis programme.

The Law defines the tasks, requirements and responsibilities of all institutions involved in the preparation and implementation of the population census. It also regulates financial means, rights and duties of citizens as well as the confidentiality of individual data gathered during the population census.

A Law on Civil Servants does not yet exist. Its draft has been developed and submitted to the Parliament for adoption.

- Data confidentiality

The RA Law on State Statistics defines the confidentiality principle and responsibility in case of its violation. In practice the NSS does not provide individual data to anybody.

Individual data can only be published with prior written agreement of the data provider. In case of legal units this agreement should be given by their executive body or any other body having the appropriate authorisation according to the regulation. The agreement can contain restrictions concerning the use of data. In case of information reflecting monopoly activities (e.g. zoo, state opera house) the confidentiality principle is not strictly applied. In cases where completeness of information should be guaranteed the decision on dissemination of the data is taken by the Council.

For scientific research work confidential data may be used or published in exceptional cases in such a form that does not allow the direct identification of individual data. Again the Council takes the decision.

Providing of individual data to staff-members of an institution carrying out a statistical survey and to persons rendering services to this institution is not considered as publication of confidential data if:

- a) data are necessary for statistical purposes,
- b) these persons abstain from publication of the data.

The institution implementing statistical work according to the order established by the Council takes measures for the appropriate protection of the data.

- Statistical work programmes

The three year statistical work programme is approved by the Parliament of RA together with the principle obligation to provide the necessary budget for its implementation. However, the size of the budget is decided when the annual state budget is defined.

Based on the three year statistical work programme the State Council on Statistics develops the annual programme.

- Regulations of the State Council on Statistics and other normative acts

The Supreme body of Governance of the NSS is the State Council on Statistics consisting of 7 members. It is authorised to accept normative acts with legal character in the field of statistics.

- Registers

The former Ministry of Statistics, State Register and Analysis of RA was responsible for the State (administrative) Register. The NSS is legally not responsible for it anymore (see point 2.3).

1.4 Relationship with Central and Local Governments

- Role of the NSI in the government

The National Statistical Service of RA as an institution targeted at serving the public interest is independent from the state and local self-government bodies in its statistical activities. The NSS has to report to the Parliament about the implementation of the annual and three year statistical programmes.

The NSS has some co-ordinating role for the statistical system in the country. Other Ministries or government institutions have to agree upon methodology with the NSS when carrying out own specific statistical surveys. Survey results can be published independently from the NSS. There are also cases when differing data on the same subject are provided by different Ministries.

Data provided by the NSS are recognised by the government as being official statistics. There are no attempts from the government to influence data delivered by the NSS.

The President of the NSS participates in the meetings of the Cabinet of Ministers with the right of advisory vote.

- Relations and Links at central level with Ministries

In accordance with the annual statistical work programme, which has a status of a normative act, the NSS receives data from the Ministry of Finance and Economy of RA (government finance statistics), the Customs Committee (external trade data), the Ministry of State Revenues (the tax register), the Ministry of Social Security (data on unemployment), and the Central Bank of RA (banking statistics) that also has an agreement concluded with the NSS on data delivery.

- Protection of NSI independence

The Law on State Statistics contains the following stipulations:

- The independence of the members of State Council on Statistics
- The adoption of the three year programme by the Parliament includes a principle obligation to provide the necessary budget for its implementation
- The NSS has the right to render paid services, though the relevant procedures have not been developed so far, because in compliance with the Law of RA on Governmental Authorities, only national duties may be collected in payment for services rendered.

- Relations and Links at regional level with Local Governments

The regional agencies operate independently from the local government. They also provide statistical information to the local authorities.

1.5 Relationship with users and dissemination policies

- Relationship with users

The NSS is responsible for providing statistical information to the users within the framework of the statistical work programme. Based on the users' needs the annual statistical work programme includes:

- the periodicity of presentation of statistical indicators,
- the list of surveys to be implemented by the NSS,
- the list of publications,
- the list of fresh and extraordinary statistical news,
- a list of information provided free of charge,
- the order of presentation.

The address of the NSS Website: <http://www.sciam/armstat>

e-mail address: armstat@sci.am

- Dissemination and marketing policy

The NSS publishes regular *monthly reports* in Armenian and Russian on the economic and social situation of the country.

The existence of a separate publication department has streamlined the process of dissemination. Quite a number of publications are already available in English (see annex 3).

Since 1998 Tacis assistance in *dissemination and publication of statistical information* has allowed for remarkable improvements in publication policy. The publication programme was expanded. The structure, content and design of publications were improved and relations with users of statistical information were intensified. The Statistical Yearbooks 1997, 1998 and 1999, 2000 were published in Armenian, Russian and English. The Statistical Yearbook of the South Caucasus, containing data till 1998, was presented in May 2000 in Tbilisi. At present the Statistical Yearbook of the South Caucasus containing data for 1999-2000 is under preparation for publication. It provides a huge bulk of data for all the three countries.

The development of a marketing policy is the topic for future Tacis co-operation.

The NSS has applied to the IMF Statistics Department with a request for subscription to the General Data Dissemination System (GDDS). As a result, Armenia has become a subscriber to GDDS since 29 March 2001.

- Relations with the press

NSS publishes in detail the information on social and economic situation of the country in the main newspapers every quarter. Related to this publication press releases are issued and press conferences are organised.

Staff-members of NSS appear on the radio and TV on a regular basis with the mission to explain metadata to the public and inform about changes taking place in the field of statistics.

A calendar of publications exists and is part of the annual statistical work programme. Moreover, the catalogue of publications for the next year is also made public. It contains the type of publication, time, language and brief description of its content.

- Publication of sensitive data

All the sensitive data as GDP, inflation and unemployment rate are included in the monthly publications. All categories of clients receive the press release at the same time. The dates of the publication of such press releases are fixed and known to the public.

- Monitoring the demand for statistics

The management of the NSS tries to follow up of the different requests for statistical information in the country.

Since 1998 monitoring of user needs has been implemented. It covers state institutions, mass media and international organisations. As a result, the state statistical work programme is adopted and relations with users are clarified.

In addition to this, within the Tacis Project on Statistics Users in 2001 a survey of statistical data users was conducted. The results of the survey showed that the most important demands are related to methodological development, new fields of statistical accounting, use of new indicators, more quick and efficient delivery of statistical data, more extensive use of modern data dissemination techniques (electronic data media, CD-ROMs and Internet), more frequent press-conferences and user training courses, etc. The monitoring of user needs is performed by the methodological division and division of information with the aim of considering them during the development of the draft annual statistical work programme.

Afterwards the draft statistical work programme is distributed to a big number of users of statistical data. Recommendations and comments are received from state bodies and local self-government, public organisations, scientific and educational institutions, mass media, international organisations, representatives of big and small business and others.

1.6 Relationship with data suppliers

- Access to administrative sources

The administrative State register was transferred to the Ministry of Justice and the NSS has access to it for updating its business register. It has also access to the tax and social security registers.

The NSS receives data from the Ministry of Finance and Economy of RA, the Central Bank (Balance of Payments), other Ministries maintaining own registers and the National Labour Market Office (unemployment).

- Relations with reporting units

All the reporting units are obliged to take part in statistical surveys and present a complete and good quality data set if the Council had decided upon this in the statistical work programme.

Response rate for economic surveys is in average 95% of the total number of active economic units surveyed.

Response rate for household surveys is about 97,6%, for migration surveys about 91% and for other social surveys about 90-95%.

In case of non-response all methods are used in order to keep track of the suppliers. The NSS endeavours to establish good relations with the reporting units by giving feedback and disseminating statistical information and methodology to them. The law on statistics also foresees administrative and financial penalties for non-response.

For households surveys the reporting units are reimbursed for their efforts.

- Interviewer network

An interviewer network exists for price, household and agriculture surveys covering 424 persons. The network covers all regions (marzes) of Armenia. The enumerators are paid by the state budget. For financial reasons there is no training for the interviewers at present.

For ad-hoc and Tacis paid surveys interviewers are hired on a contract basis.

1.7 Planning and programming

- Planning process

A long-term multi-annual integrated statistics development plan ("Three year State Statistical Work Programme of the statistical system of the Republic of Armenia in 2001-2003") was developed by the Council in co-operation with all the staff of the NSS.

The programme was as well discussed and agreed with all categories of users. On 13 March 2001 it was adopted by the Parliament of Armenia as a law. At present the NSS is in the stage of approval of the annual work programme for 2002.

Within a month after the adoption of the Law of RA on State Budget the State Statistics Council approves the annual statistical work programme.

Both the long-term and the annual programmes are designed taking into account the problems, needs and weak points in the statistical system, user needs and international requests.

The implementation of both programmes is monitored by the Council, which reports on the fulfilment of the three-year statistical work programme to the Parliament.

- Adoption procedures

After the approval of the three year programme by the Parliament the Council designs and confirms the annual statistical programme. This takes place one month after the adoption of the State Budget of the Republic of Armenia thus backing the annual programme with the necessary resources. However, there are certain problems for the NSS to acquire the necessary budget in reality.

All the adoption procedures are described in the new law and implemented in the practice.

- Scientific board/Advisory board

A Scientific Council exists. Previously it influenced, on a consulting basis, the decision making in the methodology. After the reorganisation of the NSS its tasks and role have not changed.

- Reference to the list of surveys

Questionnaires for surveys are prepared by the appropriate units of NSS jointly with the methodology division. They take into account recommendations of the SNA division. In other cases the draft questionnaires are agreed with the data suppliers as well as with the main users (state institutions, banks, etc.). Usually survey questionnaires are tested in some well known enterprises.

A huge number of different surveys still exist although the NSS has reduced them already in the past. At the same time lots of old type indicators were abolished from the surveys.

1.8 Finance and budgeting

- National budget

It is assumed that the national budget is sufficient to support the payments of the actual salary and operational costs. Equipment and large field operations are covered by external funds until now.

The share of the budget allocated to the NSS fails to meet its current needs and decreases every year. The 2000 global budget accounted for 382,5 Mln. Dram (= 708,9 Thousand USD), excluding the Population Census expenditures.

71,2 % of the budget goes to personnel costs (including social insurance expenditures), 22,8 % to operational costs (electricity, heating, telephones, etc.), 32,1% of the budget goes to the Headquarters (including the Population Census Department) and the remaining 67,9 % to the regional statistical agencies.

Assistance received from the bilateral and multilateral donors (List of co-operation projects given in annex 4)

- UNDP/UNFPA/USAID (organised through the US Bureau of Census), DFID, World Bank, Swiss government (Swiss Agency for Development and Co-operation), the Netherlands, and Greece - preparation of the 2001 Population Census
- USAID (organised through MACRO International Inc.) - financing the Demographic and Health Survey (DHS)
- USAID/PADCO (Social Programme of the Transition Period of Armenia) - improvement of the Household Income and Expenditures Survey and Labour Force Survey (only workshops on the methodology, sampling and software development, interviewer training, and computer support)
- USAID/PADCO (Social Programme of the Transition Period of Armenia) - implementation of the survey of 1300 households
- World Bank - financing the survey of 1500 households within the Project on Strengthening of Social Protection
- World Bank - Institutional Development Fund (IDF) - Grant for Strengthening the Statistical System of Armenia

- UNICEF – the 2001 Regional Monitoring Report of the MONEE series (NSS involved in preparing the Armenian chapter, to be included in the regional MONEE report)
- UNICEF – project “National Survey of Infant Mortality
- UNICEF – project “National Survey of Schools”

Good experience has been accumulated in co-ordination of all tasks related to the preparation and introduction of the population census.

1.9 Staffing, staff recruitment and development

- Main characteristics of the staff

The NSS employs 356 people, whereof 161 are employed at the headquarters and 195 in the regional agencies. 133 persons out of the central staff have higher education, including 3 candidates of science. The general level of statistical knowledge is relatively high, through not totally up to date. 63,4 % are women.

Salaries are relatively low compared to the commercial sector. Payment of salaries is done regularly.

- Recruitment procedures

Central body: Heads of divisions are appointed by the President on proposal of the relevant Member of the State Council on Statistics. Other staff is appointed by the Vice President on proposal of the relevant Head of division.

Regional agencies: heads of regional (marz) agencies are appointed by the President. Other staff is appointed by the heads of the regional (marz) agencies.

- Management style

The management style has improved a lot during the last three years. More attention has been given to co-ordination and exchange of information among the different departments and divisions inside of the office. Teamwork approach received more attention.

Some training courses for the top management level were organised within the Tacis programme.

- Language abilities

Language courses were organised during the last five years for the staff of the NSS.

Approximately 20 people in the office are capable to read methodology documents in English. One third of the staff has a certain understanding of English for reading guidelines and limited communication.

1.10 Training policy

- Training Plan

The staff training is one of the pillars of the NSS international co-operation policy. The training constitutes an essential component of all the co-operation programmes. However, there is no comprehensive training concept yet and training is organised on an ad-hoc basis. The top management is aware of the need to have a training policy developed.

Several training sessions were organised with the regional offices and in the field of computer training. All of them were supported by Western experts.

Some kind of training is also organised by the NSS itself allowing sharing knowledge, skills and experiences. It covers the following

1. meetings for reporting on the results of study visits, business trips and participation at international meetings.
2. Seminars for tailor made training covering a broad range of statistics, methodological issues, practical skills, techniques and etc.
3. Presentations of new publications, methodological materials, fresh information.
4. Courses held by international experts.

- Library

An open library exists in the NSS. The equipment is very poor and needs to be upgraded. It needs a lot of improvements to guarantee an efficient use of the library. However, recently the stock of information materials has considerably increased and the number of library users has grown. Besides, a list of all publications available in the library was developed and entered into computer aiming at simplifying the search of documents.

1.11 Organisation of International Co-operation

- Existence of a dedicated department

An international relation division exists, which co-ordinates all the international contacts. The staff of the division is well qualified and has the necessary language skills. The division is well organised.

Agreements on international co-operation:

- Kyrgyzstan (signed 21.04.97, ratified 07.05.98)
- Tajikistan (signed 10.03.98, ratified 20.09.99)
- Russia (signed 14.05.99, ratified 20.09.99)
- Bulgaria (signed 01.12.99)

- Belarus (signed 20.09.00)

Agreement on the exchange of statistical data on external trade with Eurostat (signed 23.02.99, ratified 20.09.99).

Memorandum of Understanding between the National Statistical Services of Armenia, Azerbaijan and Georgia (signed 02.10.1998).

Memorandum on Extension of co-operation between the National Statistical Services of Azerbaijan, Armenia and Georgia (signed 26.05.2000)

2 STATISTICAL INFRASTRUCTURE

2.1 Information technology

The general situation in the Information Technology area has been improved during the recent years. At present a general strategic plan of the future development of the IT system is under elaboration. This strategy should take into account the peculiarities of the country like its communication infrastructure and the potential possibilities from the statistics point of view.

The staff of the Information Technology Department has arranged training courses on computer use, software and competent use of network resources for both the personnel of the Central Office and of regional agencies.

- Architecture

There is a modem communication linking divisions of the Central Office and regional structures.

At present 5 servers are functioning within the central building. The main features of the IT architecture are:

1. Unix with installed mail-server is used for INTERNET and e-mail through ARLAN 655 radio-modem
2. SQL server is used for setting up a single database storage
3. Quick link message centre +, telephone modem communication with districts (11 marzes and 8 local offices)
4. Internet information internal server containing a web-server mirror, which provides access to the electronic library catalogue, is located in the NSS and all personnel of the Central Office have access to it.
5. Web Server is located at the Internet Provider

In the building of the Central Office a local network is installed. It consists of 100 workstations and each division may use the local network resources.

The operation systems used within NSS are Windows 3.1, Windows 95/98/2000, NT, and Linux.

For application development MS Access is used. At present 60 local MS Access applications exist and work continues on creation and support of local MS Access databases for all statistical branches. Micro- and macro- databases on industry and finance have been created on MS SQL Server. At present work is done to extend databases on SQL Server.

- Level of equipment

The following table shows the current situation in computerisation of the NSS:

Level	Number of units	Number of statisticians	Number of computers	Statisticians per PC
NSS	1	161	153	1.1
Regions	11	195	85	2.3
Total	12	356	238	1.5

*) excluding 60 temporary employees within the Population Census Department

- Projects of development

The main aim of the NSS is the development and implementation of the concept of a unique statistical space. In this regard the department of information resources and technologies continues the work on creation and modernisation of a global integrated network (Intranet) that will connect the central body with regional agencies, as well as with government bodies.

The Integrated warehouse of statistical data as well as appropriate meta database will be developed. International classifications are needed to implement this project.

Modernisation of the Web-site and extension of its content, as well as development of a Web Server in the Intranet with an electronic library on it containing statistical and other auxiliary information will be continued.

Besides, problems are being solved connected with ensuring statistical data confidentiality. To do this, a committee responsible for the issues has been created in NSS.

At present much attention is paid to the creation of statistical data electronic archives.

2.2 Classifications

- Use of international nomenclatures

A special working group was created including representatives from branch statistical divisions. A classification division was installed within the NSS.

The following classifications are translated and applied: NACE, ISCO-88, CPA, Harmonised System (HS), 1996 version. The amendments to the HS new version (HS 2002) are now studied.

- Introduction into questionnaires

Since 1994 the NSS has been using ISIC for statistical surveys and the business register. In 1999 the NSS management decided to move to NACE. It is translated into Armenian and in the national version is detailed to 5 digits. The Armenian version of NACE was approved by the State Committee for Standards of RA and on 18 October 2001 was registered by the Ministry of Justice of RA as a normative act, which makes the national version binding for use in statistics of RA. At the moment the work is carried out on coding statistical units in the business register. By the end of 2003 NACE will be introduced into all statistical surveys.

The central statistical classifications will be developed taking into account the interrelationship of NACE-CPA-PRODCOM-HS. The classifications on products (CPA and PRODCOM) are under development and adjustment to the local conditions. Both standards have not been used in surveys yet.

HS is introduced as a basis for external trade statistics and used by the Customs.

2.3 Business register

- Description

According to the new Law on State Statistics the State Register of legal units has been passed from the NSS to the Ministry of Justice in the middle of 2000. This register was a pure administrative one. Together with the register 200 experts moved from the NSS to the Ministry. Now there is only a very small unit inside the NSS (3 people), which has to work on the business register. The main tasks are to update the information contained in the copy of the administrative register, to code all the units and to transform it into a statistical register.

Approximately 96 000 units have been included since 1994 in the administrative register.

A statistical register is being developed. Aiming at setting up a reliable and comprehensive statistical business register, data from other offices' registers (taxpayer register, register of licenses, pension fund register, etc.) and from surveys/ lists of the NSS branch departments are used.

As for the existing register, it contains legal units and some local units. Parallel with administrative information the register contains some economic indicators like economic activity, turnover, number of employees and so on. The register can be used to a certain extent as a basis for sampling. Though the content of the register needs to be improved. Indicators used in the register are to be adjusted to the international standards and classifications with the purpose of further monitoring of the demography of enterprises.

Registered legal entities by size classes *

As of 1 January 01, 2001

Size	Total
Small	40173
Medium	2011
Large	2012
Total	44196

* Small enterprises = up to 20 employees

Medium enterprises = from 20 to 50 employees

Large enterprises = more than 50 employees

The co-operation inside the NSS between the register department and the branch statistics departments has been considerably improved, which allows to systematically update the register database containing enterprises under statistical monitoring.

- Updating strategy

At present in the NSS RA a strategy has been developed on setting up and updating a comprehensive statistical register based on the normative act "On keeping business register in the Republic of Armenia".

The creation of a comprehensive statistical register provides for systematic database updating based on cross-checking with other administrative registers, re-registration of enterprises (in compliance with the new Civil Code RA), and sample surveys.

Though the register updating strategy can only be adopted in the practice after the statistical register has been built. The finalisation of this process is scheduled for the end of 2002.

- Use for statistical purpose

At present the sample surveys are based both on the administrative and statistical register. Though the surveys that use data of the administrative register have serious problems connected with the quality of information. As long as there is no reliable statistical register developed, the NSS will experience problems with sampling.

3 ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1 National Accounts

GDP data are calculated based on the SNA93 concepts in principle terms. All three methods of GDP compilation are used (production, expenditure, income). The production approach provides the most reliable results.

All accounts are available except the financial account. GDP data are broken down by sectors and branches for 1990-1998. Quarterly GDP data are available for 1992-2000 in current prices and in prices of the previous year. GDP is calculated also in constant prices (in average annual prices of 1998).

Seasonal adjustments for quarterly national accounts have been introduced and growth rates of quarter to the previous quarter of the same year are compiled.

Since 1994 some parts of the non-observed economy have been included into the GDP figures but exhaustiveness of national accounts has to be improved considerably. Methodology handbooks for compiling GDP in Armenia have been written, including a review of data sources.

It is envisaged within the Statistics 4 Tacis project on national accounts to conduct a sample survey of medical institutions and households aiming to measure the non-observed economy in the healthcare and to extend the coverage. A survey of non-government institutions is also planned within the framework of the same project aiming at setting up a database of this branch to be used for the national accounts.

Development of national accounts is focused on introduction of institutional units, sectors and sub-sectors, and satellite accounts. GDP for institutional units and sectors is calculated for 1990-1998. At the moment calculations for 1999-2000 are being carried out, also including GDP for sub-sectors. Link between GDP growth and environment is another issue to be tackled in the future. Data are still compiled on a cumulative basis. Other problems concern the calculation of producer price indices as well as export/import price indices.

Input-Output tables are not yet compiled because of lacking finances. It is also foreseen to develop regional accounts.

3.2 Estimation of Non-Observed Economy

Non-observed economy has a big share within the GDP of Armenia (about 30%-40%). That is why the NSS received first assistance from OECD to tackle the problem. When this co-operation was stopped in 1998 a Tacis project was developed.

Within Tacis the NSS endeavours to improve the information sources used in the national accounts (main methods for GDP estimation, input/output techniques, surveys on NOE).

Within the framework of a "Informal Sector Survey" project financed by UNDP/ILO the NSS has conducted the following sample surveys to improve the coverage of NA aggregates:

1. Tobacco Consumption Survey,
2. Survey of Micro- and Small-sized Economic Entities,
3. Labour Force Survey,
4. Survey of Self-employed and employers.

Based on the survey results the actual number of acting enterprises with the number of employees up to 10 persons could be defined and survey data were used for evaluations of the under-recorded part of the economy.

Furthermore, the situation on the labour market, the actual supply of labour force, and the structure of the employment and unemployment were described. Information about non-registered economic activities was provided. The phenomenon of the hidden employment is more popular in the sphere of self-employment.

Results are used to recalculate production figures and the turnover of retail trade and to define the role of micro and small enterprises within the economy of the country. The self-employment rate was defined for different regions. The self-employed aspect and its influence on the labour market have been analysed.

Since recently some business statistics departments (industry, transport, trade) have been imputing the non-observed economy in their branches and submit these data to the national accounts department to compile aggregate data. The methodology of imputation is well-known and agreed on with the national accounts department.

3.3 External Trade Statistics

The NSS is responsible for external trade statistics and for the Balance of Payments and International Investment Position (IIP) for Armenia.

The NSS introduced the customs based external trade statistics in 1993. The NSS and the Customs Department have signed an agreement concerning co-operation and interaction. The Armenian Customs Department uses the Single Administrative Document for registration of external trade activities. The commodity nomenclature is based on the Harmonised System (HS-96).

The NSS has developed its own software for processing data. The Tacis programme supported hardware for the external trade department.

First mirror statistics exercises were organised between Armenia and Georgia. Some reasons for the big discrepancies between their data were found and based on it the quality of the data was improved. The NSS continued the mirror exercises with Georgia and added some other main traders (e.g. Germany) under the new "Statistics 4" contract.

A memorandum of understanding concerning exchange of external trade data between NSS and Eurostat was signed and is implemented. Data for all four quarters of 1999, 2000 and for three quarters of 2001 were sent to Eurostat. There are some open questions related to the input of data into the database.

The pilot sample survey on export and import of services financed by Tacis funds was introduced in 1999. For the first time the NSS received statistical information on international trade services that was used for the improvement of BOP calculations. Based on the survey results the register of enterprises dealing with international trade services has been created.

External trade data are available and comparable with European data in general. They are published monthly (Social and Economic situation of Armenia) and yearly (Statistical yearbook).

Since 2001 the NSS, following the methodology of the World Tourism Organisation (WTO), has been keeping statistics of international and internal tourism. However, the reporting data do not provide such indicators needed for calculations like the number of visitors, their expenditures and so on. To get these data, a sample survey of international trade services (international tourism in cross-border checkpoints) and a sample survey of cargo traffic and insurance of enterprises involved in foreign trade are planned to be conducted within the contract "Statistics 4" of the Tacis Programme.

4 POPULATION AND SOCIAL CONDITIONS

4.1 Demographic Statistics

The main focus is the *population census* in Armenia. A law on the census was drafted within the Tacis project. It was adopted by the Parliament in October 1999. The census registration card, instructions for the inhabitants and instructions for the enumerators and supervisors were developed within the framework of the component.

Based on the Law on Population Census, 10 government acts and almost 70 normative acts were adopted.

The population census in Armenia took place from the 10th to 19th of October 2001 (the pilot sample survey took place from the 6th to 15th of September 2000). Bilateral contacts were established between the Cartographic institutes of Armenia and Northern Ireland and the NSS to prepare enumerator maps. The biggest problem was to obtain the necessary funding for the census.

The USAID support was provided for the 2001 Armenia Population Census, including the support for the pilot census in September 2000.

Due to numerous efforts of NSS and with the help of the World Bank, donors (UNFPA, DFID, the governments of Swiss, Netherlands and Greece) were attracted to the National Population Census, whose funds covered almost 80% of the census budget.

UNSD provided also technical assistance within the regional projects.

The major problem in conducting the Population Census was its funding because financial allocations did not precede in the technological chain the scientific and methodological development and legal and organisational arrangements, but followed these, which, in turn,

caused numerous changes in the programme of organisation and implementation of the population census.

In addition to the staff of the NSS Population Census Department, 15 462 temporary personnel were attracted to conduct the population census, of which 11 829 worked as interviewers, 2100 as supervisors and so on.

To conduct the population census, the territory of the country was divided in 5 levels: 1st level – 11 265 enumeration districts, 2nd level – 2100 supervisor districts (each serving 5 to 6 enumeration districts), 3^d level – 201 census districts (each serving 9 to 11 supervisor districts), 4th level – 11 marz districts (marz agencies of NSS), and 5th level – the NSS Population Census Department.

The financial, methodological, control, and also organisational and legal instructions went through from the 5th to 1st level and the information flows – from the 1st to 5th.

On the eve of the census the population of Armenia was widely informed of this event in the mass media. Numerous press conferences and scientific and practical seminars were held; three major TV channels were showing, during a long period, promotional films; and also posters, calendars, and other illustrations were distributed among all human settlements of the country.

At the same time meetings of the management of NSS with the heads of all regions and 930 communities were organised in the provinces.

The preliminary results are scheduled to be prepared in the middle of July 2002.

4.2 Migration Statistics

An earthquake happened in 1988 and the population census was conducted immediately afterwards in the period from 12-19 January 1989. During the economic crisis in the 90th a lot of people left the country and the conflict with the neighbouring country was also a reason for movements of the population. Therefore, the NSS lost the overview on migration processes. Hence, surveys were organised on *migration statistics* in 1998-1999 as a first attempt to obtain data on migration.

A pilot survey at the border points and the airport was conducted as well as a pilot migration survey on households. According to the survey results two third of departures and arrivals from/to Armenia are done by Armenian citizens. Interesting information was received on social and everyday life and labour conditions, material situation of previous and present emigrants.

The results were very helpful to assess the migration flow inside and outside the country. Moreover, the total number of population was adjusted accordingly. Results were also used to receive more accurate description of both the demographic and social-economic situation of the country and initiate scientific discussions about methods for population projection.

However, because in these surveys the seasonality was not taken into account and also, for some objective and subjective reasons, not all border checkpoints of the Republic were covered, a necessity arose to continue the population migration surveys.

With this purpose, since February 2001 the NSS has been conducting the sample survey of migration, which allows obtaining information on sex, age, marital status, and educational attainment of the population, as well as on geographic segmentation and seasonality.

The special feature of the above-mentioned survey is that it is conducted within a 12 month period on 5 days of each month previously selected on a sliding schedule basis.

The results of the survey will be prepared in January-February 2002.

4.3 Labour Force Statistics

The NSS produces labour market statistics based on statistical reports submitted by enterprises and organisations.

Data not included in the state statistical reporting are estimated on the basis of the results of the labour force surveys held in 1996 (enterprises and households) and in 1997 (households).

The data are published monthly (*Socio-economic Situation of Armenia*) and annually (*Statistical Yearbook*).

A new component under the "Statistics 4" contract started in 2001. It envisaged the implementation of a labour force sample survey aiming at getting a true picture of the labour market.

At the moment the field works and input of the information have been concluded and the output (analytical) tables are being compiled.

The major problem is the necessity to conduct the labour force survey on a regular basis, which will allow obtaining data on the employment structure and unemployment size.

5 BUSINESS STATISTICS

Sampling methodology in *business statistics* is now well known inside the NSS. In 1996 NSS started to implement sample surveys for small enterprises. In 1998/99 four different sample surveys in industry, construction, transport and retail trade were implemented and in 2000/2001 – at manufacturing enterprises and in services.

The results provided a picture about the development of the different economic branches. They also gave the opportunity to better estimate the non-observed economy within SNA estimations and to update the statistical register.

On the basis of short-term indicators new methods for calculation of business circles were introduced.

There is a good co-ordination between the business statistics departments and the national accounts department in the NSS. The requirements of the national accountants are taken into account when conducting surveys and collecting data. Though the quality of some business statistics data needs to be improved to meet the national accounting requirements in full.

During 2001 a concept of the transition from the branch to the institutional approach in the business statistics has been developed, which is to be adopted in the practice after the creation of the statistical business register.

5.1 Structural statistics

Sample surveys are conducted for separate branches (industry, construction, trade, transport, services and etc.) on an annual basis. Results are used for the SNA compilation.

Though the structural survey questionnaires used in different branches differ from each other. The integrated structural statistic has not been adopted in the practice yet.

5.2 Industry statistics

- The Industry Division, responsible for industry and energy statistics, is composed of 10 people (10 specialised in industry) and has 6 PCs available within the Division.
- The Division uses 1 monthly and 10 yearly questionnaires. The monthly questionnaire asks for turnover and number of employees whereas the yearly is extended to list of products, production costs, etc. The data are collected from the enterprises by different methods (mail, phone and etc.). Questionnaires follow the National Account requirements. The classification of enterprises follows the Armenian version of NACE, rev.3 starting from 2001.
- Monthly and annual data are collected from all enterprises with 20 and more employees by exhaustive surveys, for the enterprises with less than 20 employees sampling is used. The data from the sample survey are extrapolated to the total population of enterprises.
- Data are published monthly (*Socio-economic Situation in Armenia, The main indicators of industry by type of economic activity (in value), The production of main kinds of products (in kind)*) and yearly (*Statistical Yearbook*). In addition to these publications, a special handbook *Industry of the Republic of Armenia for 1990-1997* was published.
- There is a close co-operation with the Ministry of Industry and Trade and Ministry of Energy.
- The Division is considerably supported by the Tacis programme.
- The main problem is to develop a nomenclature of goods and to collect the corresponding data.
- Sampling is already widely introduced but has to be improved for the survey of industrial enterprises.

5.3 Construction Statistics/ Investment Statistics

- The Construction Division consists of 6 persons (6 specialised in construction) and has 4 personal computers available in the Division.

- The Division uses 4 monthly and 5 annual questionnaires. Data are collected from the enterprises by different methods (mail, phone and etc.). Questionnaires follow National Account requirements. Classification of enterprises follows the same classification of activities as for Industry.
- Monthly and yearly data are collected from all enterprises independently of the number of employees. For the evaluation of individual entrepreneurs sample surveys are used. The data from the sample survey are extrapolated to the total population of enterprises. Some estimation of construction expenses of population is done.
- Data are published monthly (*Socio-economic Situation in Armenia*), quarterly (in quarterly bulletins) and yearly (*Statistical yearbook*). In addition to these publications, there are special handbooks *Construction and reconstruction works in the earthquake zone for 1989-1998* and *Construction in the Republic of Armenia in 1990-1999*.
- There is a close co-operation with the Ministry of Territorial Governance and the Ministry of Urban Development, the Ministry of Finance and Economy and the local self-government.
- The Division is considerably supported by the Tacis programme.
- The main problem is surveying individual entrepreneurs (natural persons) dealing with construction work.
- External assistance is mainly needed to discuss other aspects of construction statistics (construction price statistics, building permission statistics, non-finished construction).

5.4 Retail and Wholesale Trade Statistics

- The Division of Trade and Other Services is composed of 7 people (3 specialised in trade) and has 5 PCs available within the Division.
- The Division uses three monthly, three quarterly and nine annual questionnaires. The classification of enterprises follows the Classification of Activities of Armenian National Economy (NACE).
- Trade and catering firms are surveyed selectively. Accommodation companies and establishments are observed totally. The population is stratified by type of activity and number of employees. Simple random sampling is applied to small enterprises and individual entrepreneurs.
- Data are published monthly ("The Social and Economic situation in Armenia") and yearly (analytical reports and "Statistical yearbook").
- There is a close co-operation with the Ministry of Industry and Trade.
- The Division is considerably supported by the Tacis programme.
- The main problem is the estimation of turnover of goods at non-organised agricultural markets. The introduction of an international nomenclature is a long-term objective.
- External assistance is mainly needed for defining the borderlines between retail and wholesale trade.

5.5 Transport and Communications Statistics

- The Transport and Communication Statistics Division is composed of 6 people and has 4 PCs available within the Division.

- The Division uses 12 monthly, 7 quarterly and 16 annual questionnaires. The data are collected from the enterprises by different methods (mail, phone and etc.). Classification of enterprises follows the same classification as in Industry.
- Monthly, quarterly and annual data are collected from all enterprises independently of the number of employees by exhaustive surveys. For the evaluation of individual entrepreneurs the method of sample survey is used. The data from the sample survey are extrapolated to the total population of enterprises.
- Data are published monthly and yearly (analytical reports and *Statistical yearbook*). In addition to these publications, there is a special handbook "Transport and Communication of the Republic of Armenia for 1992-1998."
- There is a close co-operation with the Ministry of Transport and Communication, the Ministry of Internal Affairs and other state bodies.
- The Division is considerably supported by the Tacis programme.
- External assistance is mainly needed for methodological aspects related to the evaluation of cargo transport by individual entrepreneurs (natural persons).

5.6 Service statistics

- The service statistics is produced by the Division of Trade and Other Services, where 4 personnel are involved in services.
- The Division uses 9 monthly, 2 quarterly, and 4 annual questionnaires. The classification of enterprises follows the Classification of Activities of Armenian National Economy (NACE)
- Monthly, quarterly and annual data are collected from all enterprises irrespective of the number of employees with the exhaustive surveys. Individual entrepreneurs are surveyed on a sample basis. The results of the sample surveys are extrapolated over the general population of enterprises.
- Data are published monthly, (*Socio-economic Situation in Armenia*) and annually (analytical reports and *Statistical Yearbook*).
- There is a close co-operation with the Ministry of Industry and Trade.
- The Division is considerably supported by the Tacis programme.
- The major problem is the estimation of the personal services turnover.
- The external assistance is mainly needed in the methodology of records of hidden services.
- At present within the contract "Statistics 4" of the Tacis programme the sample survey of personal services is being implemented with the main purpose to study the volume and structure of personal services. The survey field works and input of primary data have been concluded. All output (analytical) tables have been compiled and the results are being summarised.

5.7 Energy Statistics

The component started in 2000 aiming at compiling the energy balances. Within the component a sample survey is envisaged to obtain some data from industrial and transport enterprises needed to compile the energy balance.

- The energy statistics is produced by the Industry Division, where 3 persons are involved in collecting energy statistics.
- The Division uses 1 monthly, 1 quarterly and 3 annual questionnaires on energy. Data are collected from enterprises in different ways (mail, phone, etc.). The questionnaires follow the National Accounts requirements. The classification of enterprises corresponds to the Armenian version of NACE, rev.3, starting from 2001.
- Monthly and annual data are collected from all enterprises with 20 and more employees through exhaustive surveys and enterprises with the number of employees under 20 are surveyed based on sampling. Data of the sample surveys are extrapolated over the general population of enterprises.
- Data are published monthly (*Socio-economic Situation in Armenia, The main indicators of industry by type of economic activity (in value), The production of main kinds of products (in kind)*) and yearly (*Statistical Yearbook*). In addition to these publications, a special handbook *Industry of the Republic of Armenia for 1990-1997* was published.
- There is a close co-operation with the Ministry of Industry and Trade and the Ministry of Energy
- The Division is considerably supported by the Tacis programme.
- The major problem is the lack of data on consumption of primary and secondary energy resources needed to compile the energy balance.

6 AGRICULTURAL STATISTICS

At present there is no component under TACIS, but a new component will start within the contract "Statistics 6" in 2002.

The main goal is to improve agricultural statistics and provide for comparability of data in accordance with the international standards.

7 CONCLUSIONS

The National Statistical Service (NSS) possesses a proper legal basis based on the newly adopted Law on Statistics (May 2000). The independence of the NSS as well as the confidentiality principle are ensured in broad terms.

The statistical system is a centralised one with regional agencies being responsible for data collection and publication of aggregated regional data. The NSS is entirely financed from the state budget for which it suffers from heavy under financing for operational costs. It is therefore, rather dependent on external financing of surveys and sustainability of operations is not fully ensured. The same problem exists for huge survey operations like the population census, agricultural census and so on.

User orientation has become a key approach in the dissemination policy of the office since 2000. The newly adopted law foresees to include users more widely into programming of statistical activities. Some steps have been undertaken in the past to monitor the demands of users and to try

to meet them. Various actions are held for users (seminars, the publication *What is statistics?*, surveys of statistical data users). The quality and language coverage of publications has improved considerably. TV and media coverage of the NSS activities and results is good. The NSS is hence, on a realistic track to improve its work with the users but should possibly pay more attention to users outside the government.

The programming of statistical activities takes account of various demands coming from all categories of users. Programmes are developed in co-operation with other government institutions. It is finalised only after a wide distribution in the country and incorporates comments from all kind of users. The three year programme of statistical activities is adopted by the Parliament as a law (the first programme for 2001-2003 was adopted on 13 March 2001) and is linked to the appropriate budget. The annual statistical programme is approved by the State Council on Statistics based on the three year programme within one month after the adoption of the Law on the State Budget of the Country.

The NSS has some co-ordinating role for the statistical system in the country. It has access to various kinds of registers and receives data from other Ministries to compile statistics. Methodology of surveys has to be agreed with the NSS in principle. But a number of surveys are undertaken by other Ministries and results are not necessarily consolidated with the NSS figures. Therefore, the NSS has to strengthen its co-ordinating role in the future.

There are only 161 people working in the headquarters most of them having higher education. The total number of employees is 356, the rest of them working in the regional and local agencies. The staffing can be considered to be hardly sufficient for a country like Armenia, but very low salaries and bad working conditions are an obstacle for the NSS to hire new staff. Training of staff is still largely necessary and organised so far on ad-hoc basis, no training concept exists. Language capacities in the NSS are rather limited but better than in other countries of the region. The management style has improved considerably with introducing more team-oriented work with the stress on the increase in self-regulation of subdivisions and better exchange of information, including the use of target temporary committees.

Other infrastructure elements like registers and classifications are not yet fully in place. After some reorganisation in the government the statistical business register is in the stage of development based on the administrative register of the Ministry of Justice. The permanent updating strategy has been developed. The quality of register information has to be improved considerably. Sampling cannot be really based on the register yet. As for the classifications, NACE will be applied only from 2002 onwards (before it was ISIC), HS and ISCO-88 are used as well. All other international classifications are still either in translation or preparation. The level of IT is rather good if to compare with other countries – there is in average 1 PC for 2 statisticians.

However, the level of equipment in the regional agencies and links between the headquarters and regional agencies need to be improved. For that a strategy for IT development needs to be elaborated in the near future. Besides, only 40% of computers meet modern IT requirements.

Good progress can be reported in the fields of national accounts, external trade statistics, migration statistics and, to a certain extent, of business statistics, including structural statistics.

Here basic sets of data are available and further work is needed for improving the quality and coverage of data. Sampling has been introduced at least on a pilot basis and will be further extended to other areas of statistics.

Areas that need substantial development are capital market statistics, labour market statistics, coverage of individual units both in the register and the surveys, demographic statistics, agricultural statistics, energy and service statistics, and application of international classifications. In the business statistics the transition from the branch to the institutional approach should be concluded.

8 ANNEXES

Annex 1: Organisational Chart of NSS of the Republic of Armenia

Annex 2: Staff numbers

Annex 3: List of main publications

Annex 4: List of co-operation projects

Annex 1: Organisational Chart of NSS of the Republic of Armenia

Annex 2: Staff numbers

Number of employees 356, including 161 in the Central Body, of which:

1. State Council on Statistics - 7 members
2. Vice President - 1
3. Employment and Wages Division - 5
4. Population Census and Demography Division - 5
5. Prices and International Comparisons Division - 7
6. Social Sphere and Ecology Statistics Division - 7
7. Household Surveys Division - 5
8. Management of Information Resources and Technologies Department - 26
 - a. Development of Information Technologies Division - 3
 - b. Database and Programming Division - 4
 - c. Network and Technical Service Division - 3
9. Statistical Work Methodology Division - 4
10. Macroeconomic Indicators and National Accounts Division - 7
11. Balance of Payments and Foreign Trade Division - 7
12. Finance and Money Circulation Division - 6
13. Industry Division - 10
14. Construction Division - 6
15. Agriculture division - 6
16. Transport and Communication Services Division - 6
17. Trade and Other Services Division - 7
18. Business-Register Division - 3
19. Summary Work, Publications and Marketing Division - 6
20. Printing and Copying Division - 3
21. Statistical Reporting Accounting and Monitoring Division - 3
22. Financial and Account Division - 6
23. Economic Division - 8
24. Personnel Division - 1
25. International Statistical Co-operation Division - 5
26. Information on Food Provision Division - 6
27. President's Staff - 8
28. General Division - 3
29. Security Division - 1
30. Library - 1

In addition to the above-mentioned divisions the following units specified in the organisational structure of the NSS Central Office have been set up out of the temporary personnel and financed from the programme budget sources:

1. Population Census Department - 60
2. Bureau of Statistical Classifications - 3
3. Division of Branch Statistical Data Collection - 6
4. Division of Social and Demographic Statistical Data Collection - 6
5. Division of Financial and Economic Planning and Co-ordination of Activities on Data Collection by Regional Agencies - 7

Annex 3: List of main publications

1. Armenia in figures 1997, 1998.
2. Peculiarities and stages of economic reforms in Armenia 1991-1998.
3. Social indicators of poverty.
4. Socio-economic condition of rural farms and indices of agricultural goods in RA.
5. Construction-reconstruction works in the earthquake disaster zone 1989-1998.
6. Report on survey of passenger flows at the cross-borders of the Republic of Armenia.
7. Survey of external migration process in the Republic of Armenia for 1991-1998.
8. Foreign trade in the Republic of Armenia 1997, 1998.
9. Foreign Trade of the Republic of Armenia for 1999.
10. Women and men in Armenia 1999.
11. Social snapshot and poverty.
12. Report on sample survey of micro- and small-size industrial enterprises of RA - I and II stages.
13. Registered enterprises of RA (3 volumes).
14. Balance of Payments of RA for 1996-1998.
15. Balance of Payments of RA for 1998.
16. International Investment Position of RA at the end of 1998.
17. National Accounts of Armenia 1990-1997.
18. Statistical Yearbook of Armenia 1995, 1996.
19. Marzes of the Republic of Armenia.
20. Environment and Natural Resources in the Republic of Armenia in 1998
21. Industry of the Republic of Armenia 1990-1997.
22. Report on Sample Survey of International Trade in Services of RA.
23. Report on Retail Trade Enterprises (shops) and Kiosks Sample Survey of RA.
24. Report on Sample Survey of Road Transport Organisations and Individual Entrepreneurs dealing with Goods and Passenger Transportation in RA.
25. Transport and Communications of the Republic of Armenia.
26. Registered Legal Persons of the Republic of Armenia.
27. Statistical Yearbook of South Caucasus: Armenia, Azerbaijan, Georgia, 2000.
28. Environment and Natural Resources in the Republic of Armenia in 1999.
29. What is Statistics?
30. Capital Construction of RA in 1990-1999.
31. Family and Children in Armenia in 2000.
32. Housing Stock and Public Utilities of RA in 1999
33. Social Situation in RA in 1999
34. "Armenia, 2001" Statistical Booklet
35. Results of the Pilot Population Census conducted in RA from 6 to 15 September 2000.
36. Agriculture of RA in 1990-1999.
37. External Trade of RA in 2000.
38. "Poverty and Food Provision" Quarterly Statistical Book.
39. Statistical Yearbook of Armenia, 1997, 1998.
40. Statistical Yearbook of Armenia, 1999, 2000.
41. "National Accounts for Everybody" Handbook.

Annex 4: List of co-operation projects

No	DONOR	COMPONENT	DATE	FUNDS
1.	UNICEF/UNHCR	National Survey of Schools	30 October -20 December 2000	10 465USD
2.	UNICEF	National Survey of Infant Mortality	2000-2001	10 947 USD
3.	UNICEF	MONEE 2001 Regional Monitoring Report	2001	2 200 USD
4.	UNFPA	Support to the 2001 Population Census of Armenia	2001	136 000 USD
5.	DFID	Support to the 2001 Population Census of Armenia	2001	790 000 USD
6.	Swiss Government	Support to the 2001 Population Census of Armenia	2001	211 000 USD
7.	Netherlands Government	Support to the 2001 Population Census of Armenia	2001	254 800 USD
8.	Greece Government	Support to the 2001 Population Census of Armenia	2001	100 000 USD
9.	World Bank	Support to the 2001 Population Census of Armenia	2001	42 000 USD
10.	USAID (expert support by the US Bureau of Census)	Support to the 2001 Population Census of Armenia	2000-2001	995 782 USD
11.	USAID (expert support by MACRO International Incorporation)	Demographic and Health Survey (DHS)	2000-2001	274073.58 USD

12.	World Bank	IDF Grant for Strengthening the Statistical System of Armenia	2000-2001	250 000 USD
13.	World Bank	Funding of the Survey of 1500 Households within the Project on Strengthening of Social Protection	2001	26 190 USD
14.	USAID/PADCO	Improvement of Household Income and Expenditures Survey and Labour Force Survey (seminars)	2001	1 840 USD
15.	USAID/PADCO	Survey of 1 300 Households	2001	9 680 USD

AZERBAIJAN

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1. INSTITUTIONAL ASPECTS

1.1. Mission

The mission of the State Statistical Committee of the Azerbaijan Republic is:

- to supervise the methodology and statistical standards used in compiling statistical data to be in line with the international methods and standards;
- to determine the optimum scope and structure of statistical reporting required for analysing the socio-economic development of the Republic and its regions;
- to co-operate with relevant ministries and departments in collecting statistical data;
- to co-operate with international organisations and other national statistical services;
- to develop and implement the state statistics policy;
- to study, summarise and analyse the economic and social processes in the Republic and its regions;
- to provide the government, administrative bodies of the Azerbaijan Republic and other users with the necessary statistical information in accordance with the Statute of SSC;
- to issue statistical publications, bulletins, reviews, press releases and other statistical material;
- to make aggregated statistical information of broad interest accessible to the public at large.

The main provider of statistical information is the State Statistical Committee of the Azerbaijan Republic (SSC).

1.2. Structure and organisational aspects

- Internal organisation of SSC

The State Statistical Committee is composed of the Central Office (169 employees), the Computer Centre (270 employees) and regional statistical offices (1010 employees). For the time being the Computer Centre is responsible for data collection, processing, checking and data transfer from the regional offices to the headquarters, as well as for the software development and publication of statistical bulletins. The SSC and Computer Centre are financed entirely by the state budget. A plan to change the structure of SSC and the status of the Computer Centre has been developed.

- Appointment procedures, terms in office

The President of the Republic of Azerbaijan appoints the Chairman of SSC and approves the nomination of all Deputy Chairmen of SSC. The Chairman has the right to appoint the heads of departments and divisions. SSC is subordinate to the Cabinet of Ministries and the Chairman of SSC is a member of the Cabinet.

- Regional structure

SSC is very centralised on two levels – the central and the regional levels. There are 82 regional statistical offices, of which 10 are located on the occupied territory. Each of them employs in average 7-12 people. The regional offices are responsible for data collection in provinces, as well as for dissemination and analysis of data on the regional level. There is a network of interviewers engaged in price recording and household budget surveys, who work on a constant basis and are paid from the state budget.

- Scientific institutes

There is the Research Design and Technology Centre attached to the SSC responsible for a number of key problems connected with the implementation by the statistical offices of actions on harmonising accounting and statistics with the international standards and developing software for statistical data processing.

There is a faculty on statistics in the Azerbaijan State Economic University and the staff members of SSC are allowed to give lectures there and in other higher educational establishments, as well as to go in for research.

There is no statistical society in the Republic yet.

- Organisation and Working conditions

The Headquarters of SSC are located in a separate building, Inshatchilar Avenue, Baku city, which belongs entirely to SSC. In total three organisations (SSC, Computer Centre, and Research Design and Technology Centre occupy the building. Around 7000 m² are used by SSC. On average, not more than three employees share one office.

Since 1972 the building has not been repaired or reconstructed. The current situation is not sufficient in terms of space and conditions, but also not very poor. During the recent years some funds were available for painting walls, repairing floors, and changing window frames.

One main and two emergency doors have been installed. The security problems are the responsibility of the SSC staff.

The telephone communication is good. Each division has the right to make international telephone calls. There are no limits on electricity consumption and water is supplied on a schedule basis. Air condition is installed and operational in summer time. The lift is in a working condition.

1.3. Legal setting

- Law on statistics

The strategy, objectives and functions of statistics are based on the law of Azerbaijan "On Statistics" (adopted on February 18, 1994). The law covers the duties and rights of SSC, the response obligation of reporting units, as well as the confidentiality principle.

The principle of independence and the co-ordinating role of SSC are also regulated. The law vests the statistical bodies with the rights to request a reliable and objective information from all reporting units of Azerbaijan in fixed time and on valid state statistical reporting forms

- Other relevant administrative regulations

The Law "On Entrepreneurship" was adopted on December 15, 1992 and the Law "On Enterprises" on July 1, 1994. In 1999 Azerbaijan adopted a special programme for the development of small businesses. The Law of the Azerbaijan Republic "On the Civil Service" regulating the status of civil servants came into force since 1 September 2001.

- Data confidentiality

In the statistical law of Azerbaijan the following statement is included: "Primary statistical data (individual data) on legal and physical persons shall be confidential. The deliberate or careless divulging of information on legal or physical persons without their consent to state administrative bodies, enterprises, organisations or citizens without legal access to such information or the publication of such information shall be considered the disclosure of information covered by statistical confidentiality."

The articles of the "Administrative Offences Code of the Azerbaijan Republic" concerning the statistical confidentiality define the following fines:

1. For violation of statistical confidentiality, i.e. presentation of statistical information on physical and legal persons without their authorisation to state bodies, enterprises, and organisations or to natural persons who have no rights to use it - a fine shall be imposed on natural persons amounting to 15-25 minimum wages, and on officials from 35 - 50 minimum wages.
2. For violation of statistical confidentiality by publishing data in the press - a fine shall be imposed on natural persons amounting to 30-40 minimum wages, and on officials from 70-90 minimum wages.

The confidentiality principle is not yet strictly applied, especially when judicial bodies demand individual data of legal entities.

- Registers

The existence of a business register is defined in the statistical law. It stipulates that "On the territory of the Azerbaijan Republic a State Register of accounting units of Azerbaijan shall be operated, which contains the addresses and statistical indicators characterising the financial and economic activity of legal and natural persons exercising economic, entrepreneurial and other types of activities not forbidden by the law".

1.4. Relationship with Central and Local Governments

- Role of SSC in the government

The State Statistical Committee is responsible for the development of the statistical system in the country. The reputation of Statistics in the government is rather good and SSC is assumed to be the official supplier of information. The State Statistical Committee functions within the system of central executive bodies of Azerbaijan and organises statistical work within the Republic in accordance with the "Statute of the State Statistical Committee of the Azerbaijan Republic" adopted by the Cabinet of Ministers of the Republic of Azerbaijan. Statistical data produced by SSC are recognised by the Government as official statistics.

The State Statistical Committee of Azerbaijan and its local bodies are legal entities with their own budgets. They keep settlement and other accounts with banking institutions of Azerbaijan and are entitled to publish statistical data.

SSC has the co-ordinating role of the statistical system in the country. It defines the statistical policy. The key ministries and departments of the Republic undertake own surveys within their relevant branches, but they are obliged to have the methodology and statistical reporting forms used to be agreed on and approved by the SSC. They regularly submit to SSC their aggregative totals based on the data collected and processed. Besides, they comment on the content of the state statistical reporting forms and on questionnaires of surveys undertaken by SSC.

There is a Scientific and Methodological Council attached to SSC, which includes representatives of various ministries and research institutions of the Republic.

- Relations and Links at central level with Ministries

The statistical law stipulates: "The state statistical bodies shall work in correlation with other governmental authorities".

SSC has an agreement with the Customs Committee concerning monthly data delivery on external trade. There is another agreement with the National Bank on exchanging data on the trade balance and the balance of payments. The Ministry of Finance provides data on government finance statistics whereas the Ministry of Economic Development delivers data on the privatisation process. The Ministry of Labour and Social Protection submits to SSC on a regular basis data on unemployment. Besides, SSC co-operates with the Ministry on Taxes, which contributes to the co-ordination and improvement of the register content.

The Regulation of the Cabinet of Ministers of the Azerbaijan Republic of 21 December 2001 "On Approval of the Procedures of Issue and Application of the Taxpayer Unique Identification Code" reads: "The tax authorities shall submit to the relevant statistical bodies data on the registration or liquidation of a taxpayer within 7 days after the end of the quarter".

It is to be mentioned that the unique identification codes of the register units are used by all other ministries and government institutions.

- Protection of the SSC independence

The independence of SSC is protected by the statistical law stating: "The State Statistical Committee of Azerbaijan shall provide statistical information on the economic and social development of the Republic on the basis of the unified methodology. The State Statistical Committee of Azerbaijan Republic acting in the system of central executive bodies is an independent central economic state administration being in charge of statistics and registration work. The government and other state authorities of all levels shall not interfere in the work of the State Statistical Committee and its regional offices".

- Relations and Links at regional level with Local Governments

Regional offices are under the supervision of SSC. The budget of the regional offices comes from the State Budget. The Chairman of SSC appoints the heads of the regional offices.

The regional offices collect and publish regional information. They provide aggregated information to the headquarters. The system is very centralised and therefore the regional statistical offices perform independently on local administrations and hardly have any relations with them.

1.5. Relationship with users and dissemination policies

- Relationship with users

Since 1998 the TACIS assistance in dissemination and publication of statistical information has allowed for a remarkable improvement in this field. The publication programme has been expanded and the structure, content and design of publications have been improved. Relations with the users of statistical information have been intensified. From 1994 onwards the Statistical Yearbooks have been published in Azerbaijani and English. The 2000 and 2001 Statistical Yearbooks, as well as the statistical books "Independent Azerbaijan 10", "Azerbaijan in XX Century", and "Regions of Azerbaijan" were released on CD-ROMs also in two languages and were highly assessed for their quality. With the help of these publications statistical data were disseminated among various users. Much work has been done to prepare a statistical book on the three South Caucasian Republics for 2000, which will be published in two languages (Russian and English). CD-ROM is also intended to be released.

Besides, subject-matter collections have been published by departments in each statistical field since 1998 in Azerbaijani and English: National Accounts, Industry, Construction, Agriculture, Transport and Communications, Prices, Education and Culture, Healthcare, Environment, Labour Force, Wholesale and Retail Trade, External Trade, and etc.

SSC is mainly oriented towards its usual users inside the public administration and especially the government. Other users, including journalists, request data they need in SSC and are periodically provided by the necessary information. Aiming at improvement of the user-oriented policy, the creation of a modern library in SSC is under finalisation and a catalogue of statistical publications has been issued. The publication of the Yearbook was accompanied by some sort of users' satisfaction survey, but too scanty feedback has been received so far.

The address of the SSC Web-Site: <http://www.statcom.baku-az.com>

E-mail address: ssc@mednet.az

- Dissemination and marketing policy

SSC publishes monthly reports in Azerbaijani on the "Economic and social situation of the country" and quarterly bulletins called "Statistical bulletin" in Azerbaijani and English.

A database of clients was established in August 2000. It includes mainly ministries, government institutions, research institutes, international organisations, embassies, large companies and joint ventures, mass media and individuals. In compliance with the Law on Statistics the SSC is entitled to sell statistical information and receive some profit for this. Since 2001 some publications and prepared materials have been sold, but so far in limited quantities.

The dissemination policy requires improvement and a real marketing policy has still to be developed.

- Relations with the press

SSC monthly publishes in detail the information on the social and economic situation of the country in major newspapers. It also regularly publishes press releases. Press conferences are organised only when required. For instance, in connection with the 10-year anniversary of the Republic's independence a joint scientific and practical conference together with representatives of the National Academy of Sciences took place. Sometimes the Chairman invites certain journalists to the office for some bilateral discussion on statistical data.

The staff-members of SSC make speeches on the radio and TV with the purpose to explain changes taking place in the field of statistics to the general public.

- Publication of sensitive data

All sensitive data (as GDP, price index and unemployment rate) are included in the regular monthly reports, which are published without delays.

All categories of clients receive press releases simultaneously; no institution gains an advantage over the other in earlier receiving of information. The dates of publication of such press releases are fixed and known to the public.

- Monitoring the demand for statistics

The management of SSC tries to follow different requests for statistical information in the country. The SSC regularly receives data requests from government authorities and individuals. Besides, numerous requests are transmitted through e-mail both from national and foreign users (undergraduate and post-graduate students, managers, researchers, etc. However, so far there has been no systematic monitoring of the demand for statistical information.

1.6. Relationship with data suppliers

- Access to administrative sources

Relations with administrative bodies like the Customs Committee, Ministry of Finance, Ministry on Taxes and National Bank are well developed. SSC uses administrative data from other ministries and committees like the Ministry of Education, Ministry of Health, Ministry of Internal Affairs, Ministry of Justice, Prosecutor's Office, National Bank, etc. There is a direct access to the taxpayer register where the information on physical persons is taken from. In future SSC, aiming to reduce the burden on respondents, intends to use the administrative sources for statistical purposes.

- Relations with reporting units

Surveys are undertaken by SSC in state-owned and private enterprises, as well as in households and with individuals. The discipline and relations with these reporting units are rather good. The response rate is also very high. In the case of non-response all necessary techniques to get the primary data are used. The Law on Statistics provides for application of administrative and financial penalties for non-response. The SSC uses this right in respect to natural and legal persons.

- Interviewer network

There are 85 interviewers in the country, who implement the household budget surveys. Moreover, there is a network of price collectors (70 persons), who are responsible for collecting information on consumer and producer prices of industry products. Interviewers and price collectors are paid from the state budget. To conduct ad-hoc and TACIS-supported surveys interviewers are employed on a contract basis.

1.7. Planning and programming

- Planning process

The State Statistical Committee is responsible for carrying out statistical reforms. The first Statistical Programme was developed for the period 1993-1997. Afterwards the 2nd long-term multi-annual integrated statistics development plan "State Programme on reforming the state statistical system of Azerbaijan Republic for 1998-2002" was elaborated. This programme was developed based on proposals and discussions among all the heads of divisions and the top management of SSC. It was then agreed on with 25 other government institutions and research organisations and approved by the Cabinet of Ministers. On August 20, 1998 it was adopted by the President of the Azerbaijan Republic and has been implemented since then.

The Programme covers all statistical activities of SSC for these 5 years. It contains already a lot of elements of the so-called MISP, but requires further improvement at the stage of drafting the next multi-annual programme.

Based on the 5-year State Programme the annual plan of actions is developed and approved by the Board, which includes the priorities for the nearest future. Each year resources are allocated from the state budget to support the actions planned, but unfortunately, those are not sufficient.

It has to be noted that the multi-year and annual programmes are developed taking into account problems and weaknesses of the existing statistical system and also the users' needs and international requirements. The progress of the implementation of the annual programme is regularly checked and reported to the SSC Board.

At present a new 5-year State Programme of Statistical Development (for 2003-2007) is under preparation, which will be submitted for approval to the President of the country in 2002. While drafting the Programme, SSC seeks to apply approaches and methods used in developing the MISP.

- Adoption procedures

In accordance with the Constitution of the country the State Five-year Programme is approved by the President of the Republic, whereas the annual statistical work plan (Regulations), after the co-ordination with the Cabinet of Ministers, by the State Statistical Committee. The Ministry of Finance is the key organisation for providing the budget.

- Scientific board/Advisory board

In 1997 a scientific and methodological board was created in SSC, that was called the Methodological Council. In addition to the SSC staff members, it includes specialists from the Ministry of Economic Development and the Centre of Economic Reforms attached thereto, the Economic Institute under the Academy of Sciences, the Ministry of Agriculture, etc. The Council determines the state statistical policy. It designs, regulates and organises long-term activities and monitors the implementation of the Statistical Work Programme. It also co-ordinates all objectives of the state statistics envisaged in the Statistical Work Programme. Besides, the Council is engaged in advising on methodology and programming of the statistical system.

- Reference to the list of surveys

A list of surveys to be implemented in the year and funded from the year budget is attached to the annual programme. Questionnaires (statistical reporting forms) for surveys are prepared by relevant units of SSC jointly with the methodology division. They take into account recommendations of the SNA division. In other cases the draft questionnaires are agreed upon with the data suppliers, as well as with the major users (government institutions, banks, etc.). Sometimes survey questionnaires are tested in some selected enterprises.

Year after year the number of statistical reporting forms has been decreasing, though a lot of different surveys are still conducted. At the same time many old type indicators were removed from the surveys.

1.8. Finance and budgeting

- National budget

The national budget is sufficient to support the payment of actual salaries and operational costs, assuming that equipment and large-scale field operations have to be covered by external funds. An exception was the 1999 Population Census that was entirely financed by the state budget.

The share of the budget allocated to SSC increases every year. The 2001 total budget was 10,8 Billion Manat ($\approx 2,3$ Mill. \$). 53,9 % of the budget goes to personnel costs and 46,1 % to operational costs (electricity, heating, telephones, etc.).

Assistance received from bilateral and multilateral donors (List of co-operation projects is given in the Annex):

- The TACIS has been providing assistance to Azerbaijan in the field of statistics since 1993; the first four contracts were funded by the interstate budget and those in 1996 (Statistics 2) and 1998 (Statistics 4) from the resources allocated by the national TACIS budgets
- UN provided assistance in the development of materials and publication of the results of the 1999 Population Census and in setting up a modern library
- World Bank – funding the integrated household survey
- Asian Bank of Development (ABD) – financial support to the household survey
- Statistics Sweden (SIDA) – management training and assistance in demographic and gender statistics
- OECD – assistance in establishing a system of national accounts
- IMF – support to the development of price statistics
- Statistical Institute of Turkey (TICA) – assistance in agricultural statistics, non-observed economy, register, household budget survey, etc.
- European Commission on Food Security – assistance in setting up a system of food security
- FSO of Germany – assistance in introduction of the international statistical standards
- ILO – assistance in preparation and conduct of the survey of the labour flexibility policy at industrial enterprises of Azerbaijan.

1.9. Staffing, staff recruitment and development

- Main characteristics

The system of state statistics employs 1449 people, of which 169 are employed at the headquarters. 54.0 % of the total staff have higher education, including 3 candidates of science. 59.0 % are females. Salaries are of the same level as those in other institutions funded from the state budget, i.e. lower than in the production sectors.

The general level of statistical knowledge is relatively high, though not all personnel possess the necessary knowledge of modern methods and approaches.

Salaries are paid regularly.

- Recruitment procedures

The Central Office: heads of departments and divisions, as well as their deputies, are appointed by the Chairman of the State Statistical Committee on the proposal of the relevant member of the Board. There is no formal procedure for recruiting other staff. Some links to the State Economic University exist for recruiting its graduates, but among those not many wish to work in the SSC.

Regional offices: chiefs of regional offices are appointed by the Chairman of SSC on the proposal of the relevant representative of the regional (or city) executive authority.

- Management style

The management of SSC is still very centralised, but some improvement can be seen. The training courses for the staff contributed to the reorganisation of the internal structure of the office.

The position of the First Deputy Chairman of SSC has been already vacant for three years because the appointment depends on the President of the Republic. Two of the other three Deputy Chairmen are of the pension age. The employees at the management level are mainly rather young people. The internal structure of the whole statistical system has to be improved and the functions of the Computer Centre need to be integrated into SSC. Problems arising in the operation process are settled by the members of the Board after the previous discussion of those with the heads of the structural units of SSC.

- Language abilities

At present language capacities are rather poor. Most of the staff speak Russian as the second language, but neither English nor French.

Language courses are organised each year to enable the statistical office to make data available for the international community and to allow the staff to become acquainted with international methodological documentation.

1.10. Training policy (including the TACIS component)

- Training Plan

Training constitutes an essential component of all the co-operation projects and is mainly organised within them. SSC has developed some kind of training plan for the whole staff consisting of seminars, workshops, courses, ad hoc meetings and consultations. They include lectures and discussions allowing sharing knowledge, skills, experience, know-how, and information.

During 2001 several computer courses were organised for local statistical offices and also zone seminars on special issues covering numerous statistical aspects took place.

However, a real training policy needs still to be developed

TACIS supports some training activities: English language courses and training in computers (basic knowledge of the computer use).

- Library

A library exists in SSC, but it urgently needs reconstruction. That is why, with the purpose of setting up a library complying with international standards, UNDP allocated resources to purchase books, equipment, computers, and air conditioners.

1.11. Organisation of International Co-operation

- Existence of a dedicated department

There is a division of international co-operation and co-ordination of statistical offices' work in SSC. The staff members have a high qualification and good practical skills.

Agreements on international co-operation:

- Turkey (signed 02.11.92)
- Sweden (signed 09.04.98)
- Uzbekistan (signed 23.07.99)
- Bulgaria (signed 02.12.99)
- Kazakhstan (signed 07.04.00)
- Russia (signed 24.04.01)
- Ukraine (to be signed)
- Agreement on the exchange of statistical data on external trade with Eurostat (signed 22.11.99).
- Memorandum of Understanding between National Statistics of Azerbaijan, Armenia and Georgia (signed 02.10.98).
- Memorandum of Extension of Co-operation between National Statistics of Azerbaijan, Armenia and Georgia (signed 26.05.00).

2. STATISTICAL INFRASTRUCTURE

2.1. Information technology

During recent years the situation concerning information technologies has been significantly improved. Development of information technologies was oriented towards the establishment and further improvement of a unified information space for the whole statistical system of the country. With this purpose the most recent achievement of the Information Technology have been studied and introduced.

The development of IT in SSC is implemented in accordance with the *Project on Development of Information Technology of the State Statistical Committee of Azerbaijan* that has been elaborated by the SSC specialists. The most recent version of the project was presented in 2000.

The project is a basic guideline for strategic directions in the IT development and it covers all stages of the automated processing of statistical data in the State Statistical Committee. The project provides for the following basic directions in the IT development:

- Creation of a unified computer infrastructure of SSC based on WAN network technologies
- Use of Internet-Intranet to collect, transfer, and disseminate statistical data
- Use of commercial databases for data storage and automatic access to information
- Architecture

At present a unified local network has been set up in the Central Office with a specialised server based on OS Linux. This network has substituted all previous separate branch local networks existed in some branch units. Now the network is being extended: new units are connected to it and numbers of workstations and users increase. The works are scheduled to be concluded in 2002. After it has been set up completely, it will be capable to provide a unified computing and information environment for all units of the SSC located in the Central Office. Besides, the network will be a basis for the creation of WAN for the whole system of SSC.

At the moment all basic Intranet servers are installed on the basis of the main server:

- Application server
- DNS (Domain Name System) server
- DHCP (Dynamic Host Configuration Protocol) server
- File-service (based on Samba server)
- Mail-service
- Web-service (based on Apache Web-server)
- Database server (based on Mysql-server)

Main operation systems applied at workstations are MS Windows 95, OSR2 PE, MS Windows 98 and Windows 2000.

Applied programmes for automated processing of statistical reports have been developed. Main programming languages like MS Visual FoxPro, Borland C++Builder, MS Visual C++ are used.

At present four PCs are connected to the Internet and e-mail.

- Level of equipment

A considerable progress in computerisation has been achieved. Staff is permanently trained in modern technologies. The table below shows the current situation in computerisation of SSC:

Level	Number of units	Number of statisticians	Number of computers	Statistician s per PC
SSC	1	169	133	1.3
Computer Centre	1	270	118	2.3
Regions (oblasts)	84	1010	202	5.0
Total	86	1449	453	3.2

- Projects of development

The information technologies in SSC are under permanent development. New data processing technologies are periodically added, the number of network server users increases. At the moment about 60 workstations located in the central building are connected to the local network. All PCs are planned to be connected to the local network by the end of 2002. All users will have access to all network services and servers.

It is planned to connect the local network to the Internet-provider through a separate line with the data transfer rate up to 128 Kb. The channel capacity will allow providing the following services:

- Access to the SSC Web-server from Internet and statistical data dissemination from the SSC databases using web-sites
- Access of all LAN users to the Internet Mail-service
- Access of 50 LAN users to all services and resources of Internet

To provide access to the LAN to remote users, it is intended to install Cisco 2500 Access Server. This will allow simultaneous access to the LAN of 16 remote users. Due to this solution all district subdivisions of SSC will have access to the resources of the central network and statistical data collection in the system of SSC will be automated. This network can also be used for providing access of all district units to the Internet resources through the SSC server.

At present all servers of the system (DNS, DHCP, SMB, Mail, WEB, SQL, and etc.) are realised logically on one physical server. With the load increase a necessity will arise to install some of these on separate servers. This will increase the network capacity, as well as reliability and security of data storage and processing.

Implementation of all development projects causes additional expenses for hard- and software. The most acute problem is connected with the purchase and development of Oracle. The use of this product will allow reaching a quite new quality level in data storage, access, and dissemination.

2.2. Classifications

- Use of international nomenclatures

The Law on Statistics of Azerbaijan reads: "Use of classifications (coding of information) shall be obligatory for all enterprises, institutions, organisations and departments when exchanging information on the territory of the Azerbaijan Republic".

The classifications NACE, CPA, PRODCOM, ISO-3166, ISO-1000-92, and COICOP-HBS have been translated and modified. For NACE a 5th digit was added for national purposes, CPA codes were extended by 2 digits, PRODCOM codes by 1 digit, and COICOP-HBS codes by 2 digits for national purposes. A list of occupations in standardisation, communications and religious service was added to the classification ISCO-88. Those occupations were coded with the reserved codes. The Harmonised System (HS) 1996 version and ISCO-88 have been also translated and used. Works on translation of the 2002 version of HS are underway.

- Introduction into questionnaires

Classifications NACE, CPA and PRODCOM have been introduced into surveys. ISCO-88 (International Standard Classification of Occupations) and COICOP-HBS (Classification of Individual Household Consumption by Purpose) have been translated and introduced. HS is used in external trade statistics. NACE, CPA and PRODCOM have undergone the official process of registration as national classifications. In view of changes in the Civil Code the classifications of ownership forms and organisational and legal norms have been revised and their second versions developed. The above-mentioned classifications are to be only used for statistical purposes.

2.3. Business register

- Description

With the assistance of Eurostat a register was set up in Azerbaijan, which contains administrative and statistical information on enterprises. In addition to regular information some annual economic indicators are included in the register. The business register is used as a basis for sampling. As of January 01, 2001 the register contained about 55799 legal entities, of which 79 % were economically active.

Registered legal entities by forms of ownership and size classes

As of January 01, 2001

Size	State	Private	Foreign	Total
Small	7354	34814	2568	44766
Large	8031	2844	188	11063
Total	15385	37658	2756	55799

Additionally about 86000 physical persons and more than 750000 agricultural entities (landowners) are registered.

The register of agricultural units is kept by regional offices. The next step will be to include local units into the register.

- Updating strategy

There is a permanent updating procedure for the register content, though the changes are introduced in the statistical survey only once a year. The changes are obtained both from entities themselves and from branch divisions of SSC after the results of surveys have been prepared.

- Use for statistical purpose

Sample statistical surveys based on the business register information have been introduced in such branches as industry, trade, construction, and agriculture.

3. ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1. National Accounts

The National Accounts Statistics Department is responsible for collecting, processing and preparing data for publication on finance, national accounts, and non-observed economy. The department is composed of 32 people and has 16 PCs.

The department uses the National Classification of Economic Activities, which is based on NACE. National accounts are based on SNA 93.

Since 1990 all accounts, excluding the financial account, have been compiled by sectors at current prices and at prices of the previous year. Work is underway on the calculation of GDP for 1997-2000 at constant prices of 1996. Quarterly and annual GDP is calculated using the production and expenditure approaches. Annual GDP is calculated with the production, expenditure, and income methods, quarterly GDP – from the sides of production and expenditures and for the monthly GDP only the production approach and current data from branch departments of SSC and other sources are used.

Before 1995 GDP was calculated without any imputation of non-observed economy. Since 1995 the branch departments started to include in their data and in the total GDP some estimations on the part of non-observed economy.

Data sources are the reports of enterprises (full coverage), government finance data from the Ministry of Finance, banking and monetary statistics from the National Bank, and etc. Apart from data delivered by the business statistics department, the NA department uses 25 questionnaires (5 monthly, 17 quarterly, and 3 annual).

The work has started on compiling quarterly accounts and also on development and keeping of the financial account. The results are planned to be prepared by 2003. The regional GDP in large cities and in the Nakhchivan Autonomous Republic are being compiled. The frame for the one-time sample survey of expenditures on production of products and services in all branches of the economy is under preparation for approval. The results will be used to make the input/output tables.

The data are published in monthly bulletins, in the report "On the socio-economic situation in the country", in the yearbook "Statistical Indicators of Azerbaijan", in the abstract "Azerbaijan in figures", and in other publications like "National Accounts of Azerbaijan" and "Finances".

3.2. Estimation of Non-Observed Economy

The share of non-observed economy in the total GDP of Azerbaijan is estimated around 25%. Until recently there was no concept on how to measure non-observed economy in the country. There was no TACIS funded project, but some sort of methodology was developed based on recommendations of Eurostat, OECD, and CIS Committee of Statistics. For estimating the level of non-observed economy results of different sample surveys of enterprises and households, and also expert assessments are used.

Since the late 2000 a joint project with CSO of Poland under the TACIS Programme has been launched. In the course of this project implementation the works and data on non-observed economy will be systematised and also a survey will be conducted aiming at obtaining additional information in this field and at improving the quality of data included in GDP.

3.3. External Trade Statistics

4 staff members of the Department of Trade and Services Statistics are engaged in collection and processing of data on foreign trade using 2 quarterly reporting forms. There are 3 personal computers at their disposal in the department.

SSC moved to customs-based external trade statistics already in 1994. SSC and the State Customs Committee have signed an agreement on co-operation and interaction. Good relations have been established between them. The nomenclature for coding commodities is based on the Harmonised System (HS) 1996 version. The software *Eurotrace* was installed in SSC in 1996, which allowed increasing external trade analyses. Mirror statistics exercises were organised between Azerbaijan and Georgia based on TACIS funds. Various discrepancies with Georgia have been clarified. Besides, since 1999 the SSC has been engaged in annual exports/imports data exchange with the CIS countries, which contributes to the removal of inconsistencies.

The data cannot be considered exhaustive, as the "shuttle trade" of individuals is not recorded. Therefore, some expert estimations are made and included into the totals, that certainly affect the data quality.

Data exchange between Eurostat and SSC was agreed in 1999. In accordance with this agreement quarterly data are regularly submitted to Eurostat starting from 2000.

Within the TACIS component a pilot sample survey on external trade in services was implemented in 1999. The results were used for improvement of the SNA and Balance of Payments calculations. This survey was not repeated because of the lack of funding.

3.4. Price Statistics

9 staff members of the Price Statistics Department that is equipped with 8 computers, of which 4 are connected to LAN, are engaged in calculations of the consumer price indices and producer prices indices based on the classification of economic activities NACE and classification of products PRODCOM. Besides the department participates in the International Comparisons Programme with the CIS countries and Mongolia.

The data on prices are published in monthly bulletins, in the report "On the socio-economic situation in the country", and in the publication "Prices in Azerbaijan". Besides, a monthly express-information "Consumer market, prices and inflation" is published.

4. POPULATION AND SOCIAL CONDITIONS

4.1. Demographic Statistics

The Demographic Statistics Division is responsible for collecting, processing, analysing and preparing publication of data on demography. The division is composed of 14 employees and equipped with 10 PCs.

To produce demographic statistics the division uses 7 reporting forms (4 monthly, 1 quarterly, 1 annual, and 1 biannual).

Vital statistics are based on data provided by the Ministry of Internal Affairs, Ministry of Justice, Ministry of Health, Ministry of Social Protection and Labour, and courts. Birth, death, marriage and divorce data are transmitted to the Computing Centre on a monthly basis and in paper form. These are then coded, checked and aggregated in the Computing Centre and submitted to SSC. On the basis of vital and migration statistics the population size is estimated yearly at the regional level and monthly at the country level. The new system of demographic statistics includes the development of an integrated interstate system of administrative registers and their use for statistical purposes.

The population census was successfully carried out in January 1999 and first census results were obtained in March 2000. The final results were published in 2001.

Statistical data on population are published in monthly, quarterly and yearly bulletins and in the report "On the socio-economic situation in the country", and also in the yearbook "Demographic Indicators of the Azerbaijan Republic" and other summary yearbooks.

Concerning migration statistics a sample survey of migration processes was held on the territory of Azerbaijan during August-September 1999. The purpose of the special sample survey was to enable an in-depth study of migration processes in Azerbaijan, to define the reasons of external migration, to get the main features of the process, and to determine trends and volumes of migration.

In August 2000 the SSC jointly with UNICEF carried out the first national cluster survey on various indicators of demography and health.

4.2. Education, Culture, Science and Crime

Education, culture, science and crime statistics are compiled within the Demographic and Social Statistics Department. The division in charge of this statistics is composed of 10 employees and has 5 PCs.

The division uses 69 questionnaires, (4 monthly, 3 quarterly, 26 semi-annual, 35 annual, and one triannual). 44 questionnaires out of 69 are collected and processed by the Ministry of Education, Ministry of Culture, Ministry of Internal Affairs, Ministry of Justice, and Prosecutor's Office.

Data production is based on the International Standard Classification of Education ISCED-97. The data are published in the monthly bulletins and in the report "On the socio-economic situation in the country".

4.3. Protection of Environment and Health statistics

The Division of Environment and Health Statistics is included in the Demographic and Social Statistics Department. The division is composed of 9 staff members and has 5 PCs.

Data are collected with 51 questionnaires (3 monthly, 4 quarterly questionnaires, 41 annual, and 2 semi-annual questionnaires). 33 questionnaires out of 51 are collected and processed by the Ministry of Public Health, Ministry of Labour and Social Protection, and also by the Ministry of Ecology and Natural Resources.

Environment statistics are mainly collected from enterprises. SSC is the main provider of these statistics.

The data are published in the yearbooks and in the report "On the socio-economic situation in the country" and also in the publications "Environment in Azerbaijan" and "Healthcare".

4.4. Household Budget Survey Statistics

The Division of Household Budget Survey Statistics numbers 18 employees and is equipped with 18 personal computers connected to the local network.

Household budget survey statistics comprises about 3000 indicators characterising families by sex, age, employment, incomes and income sources, expenses by types, purchase and consumption of foods and non-foods, expenses on selected services, housing conditions, personal subsidiary plot, etc. Following the methodological recommendations of Eurostat, the basic indicators like "disposable income" and "consumer expenditures" were introduced to be calculated per capita by geographic zones. Based on data for 2001 (annual data are considered representative) the poverty level will be calculated for the whole country and by its regions.

Preparatory work is being done to introduce from January 2001 the classification COICOP (Eurostat) aiming at coding consumption components.

The statistical bulletin "On the household budget survey in Azerbaijan" is under preparation.

4.5. Labour Force Statistics

The Labour Statistics Division is responsible for collecting, processing and preparing data on labour for publication. The division is composed of 22 staff members and has 10 PCs.

The division uses 15 questionnaires (2 monthly, 1 quarterly, 11 annual, and one questionnaire on strikes is completed as required). The data are compiled based on the National Classification of Economic Activities, which is based on NACE and ISCO-88.

In 1995 a pilot sample survey on labour force was carried out together with ILO experts and the Ministry of Labour and Social Protection. But no regular labour force survey has been set up so far due to lack of financing. However, the regional statistical offices collect some data on employees from enterprises. Data on unemployment are submitted to SSC by the Employment Department of the Ministry of Labour and Social Protection.

Since 1996 a survey of wages by occupations and posts has been conducted in October of each year.

At the moment a survey of industrial enterprises of Azerbaijan on labour flexibility policy is under development with the financial support of ILO.

Labour market data are published in quarterly bulletins, in the report "On the socio-economic situation in the country", and in the publication "Labour market in Azerbaijan Republic, 2001".

A new project on labour force will be implemented within the TACIS Statistics 4 programme.

5. BUSINESS STATISTICS

In 1996 SSC started implementing sample surveys first for small enterprises. Since 1997 five different sample surveys were undertaken in industry, construction and transport. On the basis of short-term indicators new methods for calculation of business cycles were introduced.

Special sample surveys were organised to study different aspects like turnover and number of employees of small and medium industrial enterprises, migration inside and outside the country and external trade in services. The results were published and used to get a picture of these economic activities and adjust national accounts.

The period from 1998 to 1999 can be considered as a new stage of the business statistics development in Azerbaijan. The transfer from the branch principle to the institutional approach in data collection has started. In 1999 business statistics was for the first time introduced in all branches of the economy.

Structural statistics was tested for the first time in 1999 with conducting pilot surveys in industry and construction. Since 2001 structural surveys will be undertaken on a permanent basis using an integrated questionnaire for all branches.

5.1. Industrial, Transport and Communication Statistics

The Industry, Transport and Communication Statistics Department is responsible for collecting, processing and preparing publication of data on industry, transport and communications. The industrial statistics division is composed of 35 employees and has 17 PCs. The transport and communication statistics division is composed of 11 employees and has 6 PCs. 6 out of 23 PCs in the department are connected to the local network.

The Department uses 72 questionnaires (24 in industry, of which 2 monthly, 1 quarterly, 1 semi-annual, 21 annual; 32 in transport, of which 10 monthly, 10 quarterly, 12 annual; 15 in communications, of which 2 monthly, 3 quarterly, 10 annual, and 1 joint annual questionnaire on transport and communications).

Monthly data are collected from enterprises with more than 50 employees (in the communication sector with more than 25). Quarterly data are collected from enterprises with less than 50 employees.

The department uses the National Classification of Economic Activities, which is based on NACE, since 1997 and classification of products based on PRODCOM since 2000.

The data are published in monthly bulletins and in the report "On the socio-economic situation in the country", as well as in the publications "Industry of Azerbaijan" and "Transport and communications of Azerbaijan". There is also an express-information "Privatisation in Azerbaijan". It is planned to issue a publication "Entrepreneurship in Azerbaijan" based on the results of the 2001 structural statistics.

The Industry, Transport and Communication Statistics Department co-operates with the ministries of economy, finance, economic development, and communications and transport.

5.2. Construction Statistics

The Capital Construction Statistics Department is responsible for collecting, processing and preparing data for publication on construction, investments and housing. The department is composed of 31 employees and equipped with 15 PCs.

The department uses 29 questionnaires (8 monthly, 2 quarterly and 19 annual questionnaires). The department collects monthly data from all big and medium enterprises, quarterly data from small enterprises, and annual data from all enterprises. Since 1999 the department uses the National Classification of Economic Activities, which is based on NACE.

The data are published in monthly and quarterly bulletins, in the report "On the socio-economic situation in the country", and in the publication "Construction in Azerbaijan".

In 2001 the survey of country cottages built by citizens for own money and the census of state incompleting construction projects were undertaken for the first time within the capital construction statistics.

The Construction Statistics Department co-operates with the Ministry of Economic Development, the Ministry of Finance and the State Committee for Construction and Architecture.

Within the TACIS programme the department co-operates with the FSO of Germany.

The main problem to solve is the coverage of natural persons engaged in construction activities and communal services. Assistance is required to develop a methodology for estimating the non-observed economy in this sector.

5.3. Trade Statistics

The Trade Statistics Department is responsible for collecting, processing and preparing data for publication on internal trade. The department is composed of 18 persons and has 9 PCs.

The department uses 18 questionnaires (4 monthly, 3 quarterly, 3 semi-annual, and 8 yearly questionnaires). 9 questionnaires are used in sample surveys.

The department uses the National Classification of Economic Activities, which is based on NACE.

All enterprises with more than 25 employees are surveyed with full coverage. Surveys of small businesses are conducted in compliance with the internationally accepted methodology to measure economic activities and ownership types of enterprises, regions, number of employees and other indicators. Simple random sampling is applied to small enterprises.

The data are published in monthly bulletins, in the report "On the socio-economic situation in the country", and in subject-matter statistical books.

In 1999 within the TACIS project on business statistics sample surveys of petrol stations, agricultural market places, and also of food, non-food and mixed fairs were undertaken and in 2000 a survey of natural persons took place. The results of the surveys were forwarded to the Statistical Office of European Communities. Sample surveys of agricultural market places and fairs are conducted on a regular basis twice a year.

The Trade Statistics Department co-operates with the Ministry of Economy, Ministry of Finance, Ministry of Trade, State Customs Committee, and Union of Consumers Societies.

5.4. Service statistics

Service statistics is not compiled separately. Two monthly and annual questionnaires are used to collect and process data. Data are collected by the branch departments in all fields of the economy and then are aggregated in the Trade and Services Statistics Department, which, in turn, collects reports from all trading organisations. At present much attention is attached to the development of tourism statistics.

5.5. Energy Statistics

This branch of statistics started in 2000. An energy balance will be compiled to discover data gaps in future. Various surveys of enterprises and households were planned to undertake to obtain necessary data. One survey of enterprises was conducted in 2001 and the results are under analysis.

6. AGRICULTURAL STATISTICS

Agriculture is a very important part of the national economy. New definitions and indicators have been introduced in the agricultural statistics and existing questionnaires (statistical reporting forms) have been revised and approved anew. A statistical yearbook has been published in four languages (in Azerbaijani, Russian, English, and German), which has made information available to a large number of users. The privatisation process has been finished in the country and a huge number of small farms have emerged. Data on rural households and farmers are, mainly, collected on a sample basis.

The Agricultural Statistics Department is responsible for collecting, processing and preparing data for publication on agriculture, forestry and fishery. The department is composed of 34 persons and has 19 PCs.

The department uses 32 questionnaires (5 monthly, 5 quarterly, 3 semi-annual, 18 annual questionnaires and one questionnaire is used 5 times a year), of which 4 are used in sample surveys.

The department uses the National Classification of Economic Activities, which is based on NACE and CPA.

All enterprises with more than 30 employees are surveyed with full coverage.

The data are published in monthly and quarterly bulletins, in the report "On the socio-economic situation in the country", and in the publication "The Agriculture of Azerbaijan" (in Azerbaijani, Russian, English and German).

The Agricultural Statistics Department co-operates with the Ministry of Economic Development, the Ministry of Agriculture, and the State Land Committee of Azerbaijan.

Within the TACIS Programme in 2000 a sample survey of livestock of households and farmers was undertaken. Starting from 2001 this survey will be conducted annually with funding from the state budget.

In 2000 a sample survey of producer prices on agricultural products produced by households and farmers was held. The survey is planned to conduct annually in future.

As a preparatory stage of the forthcoming agricultural census a pilot survey of land use in the Shemakha district of the Republic was conducted as of 1 June 2001 jointly with the Hessen Land Statistical Office of the FSO of Germany.

Besides, it is planned to conduct a sample survey of households and farmers to measure expenditures on intermediate consumption based on the results of 2001.

7. CONCLUSIONS

SSC bases its work on the statistical law, which was adopted in 1994. It guarantees in broad terms the independence of SSC, as well as the confidentiality of individual data. However, the latter, though being specified in the law, is not always strictly followed. The judicial bodies continue requesting individual data for pure administrative purposes. The statistical system is very centralised on two levels with the regional offices being responsible not only for data collection, but also for analysis and dissemination of regional data. SSC is entirely financed out of the state budget with a number of surveys implemented within the TACIS Programme and financed from the TACIS resources. In view of the size of the budget allocated over the recent years it can be said that these funds are sufficient for successful implementation of numerous surveys. However, SSC should intensify the efforts to ensure the state funding of all necessary surveys.

SSC had made good progress in data dissemination over the recent years, in particular, in the content and design of publications. Also electronic means have been introduced and a database of clients has been established. Notwithstanding the SSC mostly serves the governmental institutions, the range of users has been considerably expanded in recent times. Statistical data appear in the mass media and on TV much more often. In 2001 measures were taken on launching the monitoring of users' needs. At the moment, the creation of a modern library, that will considerably improve and facilitate the work with users, is almost finalised. Aiming at further extending the range of potential statistical data users, more attention should be paid to the monitoring of their demands and also relations with the mass media should be continued and the methodology of calculations should be made more transparent and clear. Besides, it is recommended to attract wider circles of users to the programming of statistical activities.

A stable programming system for statistical activities exists inside SSC. A five years programme is the basis for annual programmes in which all the statistical surveys of the corresponding year are fixed and budgeted. Reporting on the annual programmes is made regularly. Both types of programmes are co-ordinated with ministries and research organisations of the Republic, while the needs of other clients are still taken into account insufficiently. The elements like ensuring the necessary resources, priority setting and SWOT analysis will be used in drafting a new multi-annual integrated statistical work programme to a greater extent.

SSC has the co-ordinating role of statistics in the country. Ministries have to agree upon the methodology for surveys carried out by them and deliver then aggregated data to SSC. In case ministries have specific data requests, the survey questionnaires to be used in the survey are agreed beforehand to include some additional questions. Access to other registers is possible to re-check data. The unique identification number of the business register is used by a number of other ministries.

Out of 1449 persons employed in the state statistical bodies, 169 specialists work in the Central Office, all of them having higher education. The remaining employees work in the regional offices and in the Computer Centre. The regional offices collect data and maintain the link between the Central Office and enterprises.

The number of employees in the statistical system of Azerbaijan is not as large as in the statistical offices of the East Europe. That is why it could be expedient to increase the number of personnel of SSC in future. Language capacities in the SSC are not sufficient. The reorganisation of the SSC structure is also necessary. Training remains to be an important task for the future, as it is not yet done systematically. A training policy needs to be developed. Other infrastructure elements like registers and classifications are largely in place. A business register exists as well as an updating strategy. For the latter both other administrative sources and survey results are used. The register is the basis for drawing samples. The quality still needs to be improved and local units included. The national classifications based on NACE, as well as CPA, PRODCOM, ISCO-88 and others are used for registering enterprises and collecting data in surveys. HS is used for external trade statistics. The level of IT is rather good, but needs upgrading. An IT strategy exists, which includes the establishment of a global Intranet inside the office, a link between the headquarters and the regions, and an integrated data warehouse. Dissemination of data should also be improved in terms of using modern information technologies.

Good progress can be reported on the infrastructure elements like the registers, classifications and introduction of sampling techniques. Basic business statistics are also developed, including first steps in structural statistics. Some of the surveys in business statistics were done as pilot sample surveys and need to be extended to regular survey practice. Social statistics are also on a good road, but need improvement in covering migration processes.

Substantial development is first of all needed in the whole area of macro-economic statistics, including national accounts, non-observed economy, price statistics, especially producer price statistics, external trade and labour market statistics. The comparability of data in all these areas should be improved. Energy statistics will have to be developed further, as well as service statistics. Agriculture statistics will be a challenge in the future based on the almost finished privatisation process and the increasing number of reporting units to be surveyed.

8. ANNEXES

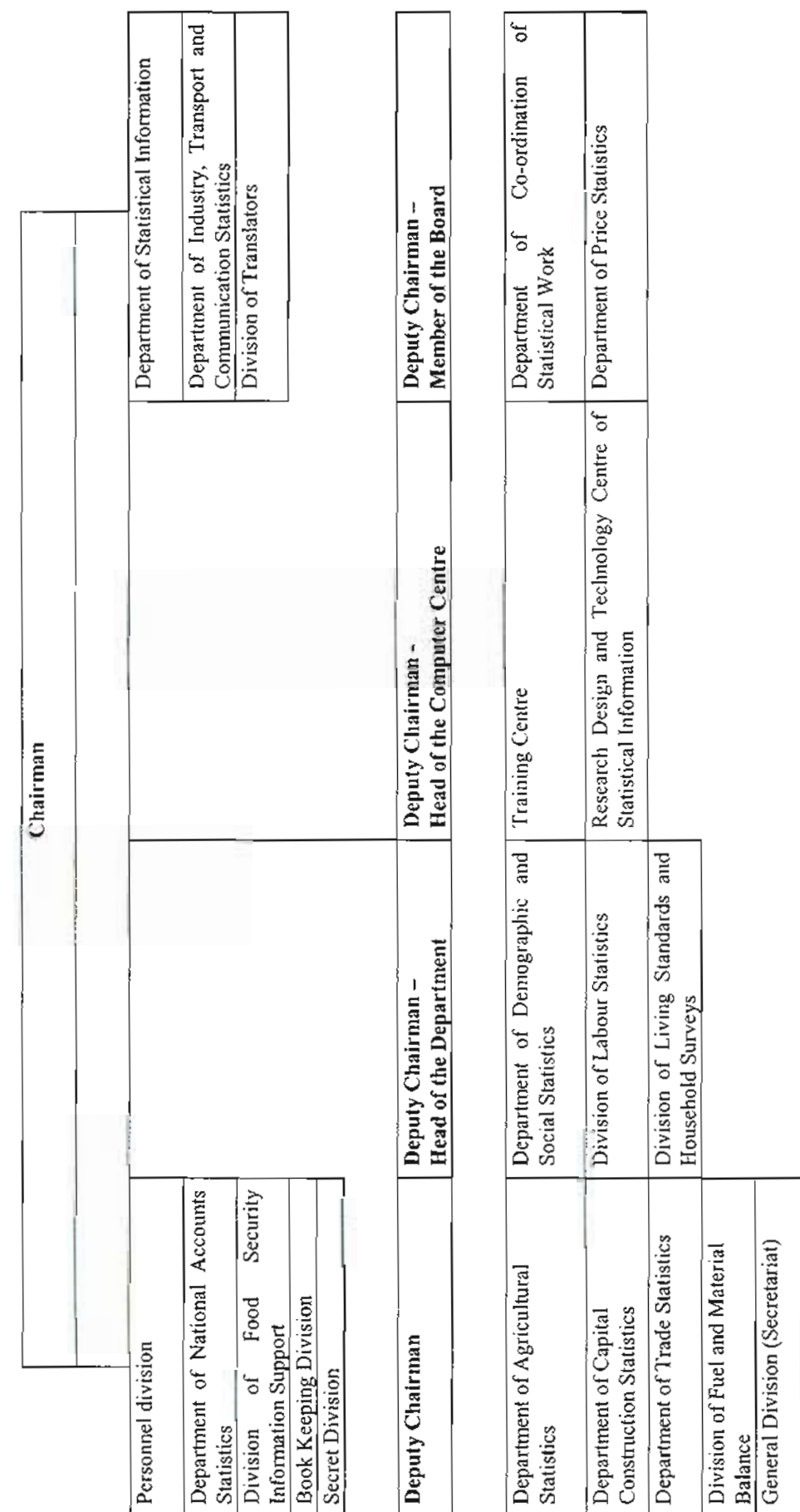
Annex 1: Chart of the SSC organisational structure

Annex 2: Staff numbers

Annex 3: List of main publications

Annex 4: List of co-operation projects

Annex 1: Chart of the SSC organisational structure



Annex 2: Staff numbers

The number of employees of the state statistical system of Azerbaijan is 1 449, including 169 in the Central Office and 270 in the Computer Centre.

The number of employees of the Central Office by structural units:

1. Management – 9 persons (Chairman, Deputy Chairmen – 4, Lawyer – 1, Secretary of Board – 1, Assistant to Chairman – 1, Deputy Chairman on Civil Defence - 1)
2. Personnel Division - 4
3. Department of Co-ordination of Statistical Work – 16
4. Department of Statistical Information – 9
5. Book Keeping Division – 7
6. Department of National Accounts – 18
7. Department of Agricultural Statistics – 12
9. Department of Industry, Transport and Communication Statistics -16
10. Department of Capital Construction Statistics - 8
11. Department of Trade Statistics - 9
12. Division of Fuel and Material Balance - 6
13. Department of Demographic and Social Statistics - 20
14. Division of Labour Statistics - 6
15. Department of Price Statistics - 9
16. Division of Living Standards and Household Surveys – 5
17. Secret division – 3
18. General division – 5
19. Division of Translators – 3
20. Division of Food Security Information Support - 4

Annex 3: List of main publications

Key publications in two or more languages, including English:

1. Azerbaijan in figures 1997, 1998, 1999, 2000, 2001
2. Independent Azerbaijan 10, 2001
3. Azerbaijan in XX century (2 volumes) 2001
4. Regions of Azerbaijan 2001
5. Statistical Yearbook of the South Caucasus 2000.
6. Statistical Yearbook of Azerbaijan 1999, 2000, 2001
7. Social indicators of poverty.
8. Construction and reconstruction works in Azerbaijan.
9. Report on the survey of passenger flows at the cross-borders of the Republic of Azerbaijan.
10. Survey of the external migration process in the Republic of Azerbaijan in 1991-1998.
11. External trade in the Republic of Azerbaijan 1997, 1998, 1999, 2000.
12. Women and men in Azerbaijan 1999 2001.
13. Social snapshot and poverty.
14. Report on the sample survey of industry - I and II stages.
15. National Accounts of Azerbaijan 1990-1997, 1999, 2001.
16. Industry of Azerbaijan 1998, 1999, 2000, 2001.
17. Construction of Azerbaijan 2001
18. Agriculture of Azerbaijan 2001
19. Labour market 2001
20. Trade and paid services 2001
21. External trade 1996-2000
22. Transport and communications 1998, 1999, 2000, 2001
23. Fuel and energy balance 1998, 1999, 2000, 2001
24. Population of Azerbaijan 2000, 2001
25. Education 2001
26. Culture 1997, 1998, 1999, 2000, 2001
27. Public healthcare 2001
28. Environment protection 1997, 1999, 2001
29. Population census 1999
30. Prices in Azerbaijan 1998, 2001

Annex 4: List of co-operation projects

Donor	Statistical field	Duration	Budget	Observation
Sweden (Sida)	Modern Technology Gender Statistics Demographic Statistics Management	1998-2000 Prolongation of Co-operation is under Negotiation	5 810 000 SEK	Az, Ar, Ge
Turkey	Agriculture Industry Price Statistics Labour Statistics	1992-2000	107 775 USD per the period	Completed
World Bank	Household Budget Statistics (Household Surveys)	1999-2000	293 000 USD	Completed
UNICEF	« -- »	2001	11 000 USD	Completed
ABD	« -- »	2001	119 000 USD	
IMF	Contacts			IMF mission only
ILO	Survey of Labour Flexibility Policy at Industrial Enterprises of Azerbaijan	2001-2002	40 000 USD	
Germany	Permanent Adviser (Generalist) under Preparation	2002-2003		

GEORGIA

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1 INSTITUTIONAL ASPECTS

1.1 Mission

The main tasks of the State Department for Statistics of Georgia (SDS) are collection, processing, storage, analysis and summarising of statistical information about the social-economic situation of the country according to international statistical standards and requirements.

Main functions/terms of references of the SDS:

- Development and implementation of the state statistical policy;
- Collection, processing, storage, analysis and summarising of statistical information concerning the country's social and economic development on the basis methodology, adapted to international statistical standards and requirements;
- Presentation and dissemination of statistical information to the government, to other state and public institutions and to the public in general.

1.2 Structural and Organisational Aspects

• Internal organisation of the NSI

The current structure of SDS was formed after the reorganisation held in the 1st quarter of 2001. The SDS consists of 21 divisions and comprises three main blocks (macroeconomics, social statistics and business statistics). The Information and Publishing Centre (Computer Centre) is an independent institution integrated into the structures of the SDS and being responsible for the development and introduction of information systems and technical applications in the SDS itself as well as in the entire statistical system.

• Appointment procedures

The Chairman of SDS is appointed by the President of the country while the deputy chairmen, heads of divisions and heads of local bodies are appointed by the Chairman of SDS.

• Regional structure

Regional offices exist in the Autonomous Republics of Abkhazia and Adjara, in the city of Tbilisi and in 9 other regions. Local offices operate in 57 towns and areas. Both regional and local offices are subordinated to the SDS and entirely financed by the State budget.

The main responsibilities of the regional offices include data collection and some times logical control. They also disseminate publications received from the SDS in their region. The regional offices prepare and disseminate aggregated data about the region on a monthly basis.

• Scientific institutes

The SDS structures also cover the Statistical Research Institute and the Institute for Informatics and Telecommunications. The Research Institute was established on 13 January 2001 on the basis of a Presidential decree.

The Statistical Research Institute is responsible for developing methodology and software solutions for statistical tasks.

The Institute for Informatics and Telecommunication is responsible for development and implementation of information and analytical systems of the national statistics and harmonisation of information resources classifications.

• Organisation and Working conditions

Due to the deep economic crisis in the country after the collapse of the former Soviet Union there up to now have been deficit of electricity in Georgia. Heating and water systems did not work for a couple of years. Only during the recent years the situation started improving. There are still problems with delivery of electricity in wintertime and with the central heating system.

As in the country as a whole the working conditions inside the SDS are rather bad. There are irregularities in electricity supply in wintertime, which hampers the use of personal computers and other equipment. Temperature in the offices does not exceed 12 to 15 C° in wintertime.

The headquarters of the SDS and the Computer Centre are located in the same building. There was no budget to repair or invest into the buildings of the SDS and of its regional offices although some of the latter were partly destroyed during the civil war (1992-1993). The electricity supply to the regional offices in winter time is too bad.

Due to these conditions working hours are reduced in wintertime by 1 hour. Salaries were not paid regularly in 1998-2000 (so far there are 4 month arrears of compensation for 2000). In 2001 the situation improved and salaries were paid regularly. Though it is worth noting that because of the abolition of quarterly and annual bonus payments, the size of the average salary has been considerably reduced.

During the recent years telephone, e-mail and fax connections with other institutions, as well as with the regional offices and reporting units, improved considerably, though some difficulties, especially in winter time, still exist.

1.3 Legal setting

• Law on Statistics

Official statistics are based on the Law on Statistics, adopted in November 1997 and on the Law on Entrepreneurs adopted in October 1994. The Law on Statistics defines the legal basis for all the state statistical activities. The Law empowers the statistical office to request reliable and objective statistical data from all the residents in Georgia within the specified time limits and in the specified quantities and in accordance with approved statistical reporting forms. It obliges all enterprises, whatever is their legal form, to submit timely and relevant information to the statistical offices. At the same time, the Law guarantees the confidentiality of primary data.

• Law on Population Census

In October 2001 the Law on the General Census of the Population of Georgia came into force, which determines the legal basis for preparation, conduct, data processing, and dissemination of the census results. The Law regulates relations between the central and local executive authorities arising in the course of the census, determines the main programme provisions and methods of the census implementation, and also the rights and obligations of citizens and census personnel. The Law provides for confidentiality of personal data obtained in the census.

• Other relevant administrative regulations

The Code of Administrative Offences (amendments passed in June 1999) and other regulatory acts affect the activities of the SDS.

The law on Entrepreneurs adopted in October 1994 is another administrative regulation that has to be taken into account when implementing statistical activities. It defines the legal and statistical units.

• Data confidentiality

The law on statistics regulates the principle of confidentiality of primary statistical information and the right of access to the final outcome of the statistical production process for all users. However, the confidentiality of individual data is not always kept as different regulations exist for different state authorities. That is why other state institutions like the Anti-Monopoly Department and Law and order institutions have legally the right to get individual data from the SDS. This situation was changed in so far that these institutions are asked to obtain individual data from the respondents themselves but the conflict of regulations still awaits its legal solution.

• Legislative changes under preparation

The draft amendments to the Law on Statistics are prepared dealing with ensuring confidentiality of individual statistical data. The draft provides for bringing this rule in full agreement with the recommendations of Eurostat and principles of official statistics accepted by UN/ECE.

Also prepared are the draft amendments to the Code of Administrative Offences providing for the increase of responsibility of heads of enterprises for violation of the reporting discipline.

The both drafts were agreed on with the relevant ministries and departments and submitted for consideration to the State Chancellery of the President of Georgia.

• Statistical work programmes

The five-year statistical work programme is approved by the government together with a formal obligation to provide the necessary budget for its implementation. Based on it the SDS develops the annual State Programme of Statistical Activity.

• Registers

The existence of a business register is defined in the statistical law and in other regulations of the President of the country.

The SDS is responsible for the development and introduction of a statistical register in Georgia. A concept of establishing a register exists. First steps are done in practice. More than 80,000 units are registered.

A population register does not exist.

1.4 Relations with Central and Local Authorities

- **Role of the SDS in the government**

The principles of relations of SDS with the central and local authorities are determined by the Law on Statistics (Article 4) as well as by the SDS Statute. Based on these documents the SDS shall provide relevant statistical information for the development of any State Programme and forecasts to the state authorities.

The SDS is subordinated to the President of the country.

The SDS is an independent legal body and part of the state executive power. It performs its tasks based on the annual State Programme for Statistical Activity as approved by the President of the country each year.

The SDS has a co-ordinating role for the statistical system in the country. Other Ministries or government institutions have to agree upon methodology with the SDS when carrying out own specific statistical surveys. Survey results can be published independently from the SDS.

Data provided by the SDS are recognised by the President and the government as being official statistics. There are no attempts from the government to influence data delivered by the SDS.

The Chairman of SDS participates in the Meetings of the government with the right of advisory vote.

- **Relations and Links at the central level with Ministries**

The SDS co-operates with Ministries, other departments and scientific institutions in the development of the appropriate statistical methodology and its implementation. For this purpose the leading specialists of the SDS take part in working groups, Scientific and Advisory Councils and other structures existing in various Ministries and departments. These groups discuss topics like the development of statistics priorities, standards and classifications, improvements of accounting and reporting in the employment sphere, estimation of non-observed economy, promotion of entrepreneurship, etc.

The Scientific and Advisory Council established at the Department is composed of representatives of governmental organisations and scientific circles.

Close relations are established with the Ministry of Economy, Industry and Trade as the main user of statistical information.

The SDS receives regularly data from the Ministry of Finance, National Bank, Customs Department and the Ministry of Labour, Health and Social Protection.

The SDS has access to the tax register.

- **Protection of SDS independence**

Independence of SDS is secured by the following procedures:
the President of Georgia directly

- appoints and releases the Chairman of SDS;
- approves the Statute of the SDS which reflects the principal tasks of the Department operation, its organisation and structure, etc.;
- approves the State Programme for Statistical Activity based on the requirements of governmental institutions, which includes the list of statistical surveys, their periodicity, indicators, etc.

- **Relations and Links at regional level with Local Governments**

SDS provides the local authorities with summarised statistical information as well as with analytical notes and reports. In order to reinforce the reporting discipline and state statistical accounting forms local authorities and the SDS often take joint decisions. The heads of local statistical bodies are appointed by the Chairman of SDS in co-ordination with the local authorities.

1.5 Relations with Users and Dissemination Policy

- **Relationship with the users**

The Scientific and Advisory Council of the SDS represents users of information like representatives of both governmental and non-governmental organisations and scientific circles. They contribute to the improvement of methods and ways of production of statistical information. This also allows the SDS getting to better know about the user's demands. Since 1998 special meetings with statistical data users have been regularly held, where the issues of satisfaction of users' needs and also approaches towards the organisation of work with them are considered.

However, a system of permanent surveying customers' interests and their level of satisfaction with the quality of statistical information does not yet exist.

There is no SDS Website till now.

The e-mail address is the following: stat@gol.ge

- **Dissemination and marketing policy**

The SDS publishes regular monthly reports in Georgian on the economic and social situation of the country. The government is the main user of this publication.

The existence of a special division has streamlined the process of dissemination. Quite a number of publications is already available in English (see Annex 3).

Since 1998 Tacis assistance in dissemination and publication of statistical information has allowed for remarkable improvement of the publications. The publication programme was expanded. The structure, content and design of publications were improved and relations with users of statistical information were intensified. The 1999 and 2000 Statistical Yearbooks were published in English and Georgian. The statistical Yearbook for the South Caucasian Republics was presented in Tbilisi in May 2000. It provides a large bulk of data for all the three countries.

At the moment the SDS is preparing the special statistical publication "Georgia: 10 Years of Independence, 1991-2001" and takes an active part in preparing the next issue of the "Statistical Yearbook of South Caucasus".

The development of a marketing policy is the topic for future Tacis cooperation. The experience in selling statistical publications exists, but has to be enlarged and put into a systematic approach.

- **Relations with the press**

Enormous importance is given to relations with the mass media since they often play the intermediary role in relations with the customers. A calendar of publications exists and is part of the annual State Programme for Statistical Activity. Publications planned for the next year are announced during press conferences.

A special public relations unit of four persons was created in the SDS in 1999.

A publicity pamphlet on statistical publications and a special booklet for statistical data users "Statistics and the Mass Media" have been published.

- **Publication of sensitive data**

Sensitive data are published (GDP, unemployment rate, inflation rate) within the monthly bulletin.

All users get the information at the same time.

- **Monitoring the demand for statistics**

The SDS considers equal access to statistical information as a priority for its work. The State Programme for Development of Statistics in Georgia for the period 2001-2005 puts special emphasis on the work with the customers and contains a special chapter on improvement of the relations with them. So far there is no real monitoring of the demands for statistics but this is put as a priority task into the next long-term programme.

1.6 Relations with Data suppliers

- **Access to administrative sources**

The SDS receives data from the Ministry of Finance, Ministry of Economy, Industry and Trade, Central Bank, other Ministries maintaining own registers and the National Labour Market Offices.

The SDS has also access to the taxpayer register (Tax Department) and to the register of enterprises involved in import and export activities (Customs Department).

- **Relations with reporting units**

For improving the collection of information the SDS holds periodically meetings with the providers of statistical information. In particular, lately meetings with foreign investors, their local firm-partners and Georgian entrepreneurs have been held. The importance of timely receiving reliable information from the business operators was explained and the fact that confidentiality of primary statistical information is guaranteed by the SDS was highlighted.

Old indicators were withdrawn from the statistical reports based on the demands of the business operators. Instead new indicators have been introduced, which are in conformity with international standards and describe the reform process in the country in an appropriate way.

Differing questionnaires for different sectors were replaced with the integrated questionnaire of business statistics.

- **Interviewer network**

An interviewer network exists for price, household and agriculture surveys covering in total about 1200 persons (1000 for agriculture surveys, 150 for household surveys and 30 for price surveys). The network covers all regions of Georgia. The work of the enumerators is partly borne by the state budget. Shortage of funding makes it difficult to organise training for the interviewers. In 2001 it was only arranged for the integrated survey of households and labour force within the social statistics project supported by the Department for International Development (DFID).

There are problems to ensure financing for the interviewer network.

1.7 Planning and Programming

- **Planning process**

During 2000 a new multi-annual programme was developed. It will cover the period 2001-2005. The programme was drafted by the top management of the SDS together with the heads of divisions. It was discussed and agreed upon in the Statistical and Advisory Board where representatives of some other Ministries and scientific organisations could comment on it. After it found principle agreement in the Board it was sent to all the Ministries, universities, other public institutions and Parliament working groups for comments. The programme was finally agreed by the President of Georgia at the end of 2000.

The annual State Programmes for statistical activity are derived from this five-year programme. They are developed together with the heads of the divisions each of them proposing surveys in their respective field. Hence, the annual programme covers a list of surveys to be implemented during the year. Each survey is classified by its name, the number and name of the questionnaire, the periodicity, the executing division of the SDS, the reporting units, the indicators to be surveyed and the deadline for presenting the results.

The annual programme is signed off by the Chairman and the Deputy Chairmen for its content. It is also subject for discussion in the Scientific and Advisory Council and in the Methodological Council of the SDS.

Afterwards the costs of the programme are calculated and sent for approval to the Ministry of Finance. The final approval on the budget part of the annual programme comes from the President of the country and the Parliament. The Ministry usually approves a certain part of the costs and assures the necessary budget at the beginning of the year to implement the programme. However, in the course of the year even the binding budget lines like salaries are not delivered to the SDS as promised. Therefore, the SDS experiences heavy underfinancing of surveys and operational costs.

The implementation of the annual programme is monitored by the government.

• Adoption procedures

The multi-annual programme is approved by the President of Georgia. The annual work programmes have to be confirmed by the Chairman of the SDS and to get the appropriate budget from the Ministry of Finance. The President and the Parliament also approve the financial part of the annual work programmes.

• Scientific board/Advisory board

A Scientific and Advisory Council was established in the SDS in 1997. Apart from the SDS staff specialists from the Ministry of Economy, Industry and Trade, University of Economy, National Bank, Economical Institute and others are members of the Council. The Council presents assessments, recommendations and considerations on the State Programme of Statistical Activities, statistical surveys, the structure of the SDS, broad directions of development in the area of statistics and on the issue of training and re-training of staff.

• Reference to the list of surveys

The appropriate units of SDS jointly with the division of statistical standards and registers prepare questionnaires (statistical reporting forms) for surveys. They take into account recommendations of the SNA division. In other cases the draft questionnaires are agreed with the data suppliers as well as with the main users (state institutions, banks, etc.). Usually survey questionnaires are tested in some well-known enterprises.

A huge number of different surveys still exist although the SDS reduced it already in the past. At the same time lots of old-type indicators were abolished from the surveys.

1.8 Financing and Budgeting

• National budget

The funds allocated to the SDS from the state budget are inadequate. In 1999 SDS received from the state budget of Georgia 1537,0 thousand lari (882,8 thousand lari for the current expenses of the Central office and territorial offices, 282,4 thousand lari for implementation of the state statistical work programme, and 371,8 thousand for the actions within the population census), which accounted for 39,3% of the amount requested by SDS. In 2000 the situation deteriorated and SDS only received 600,5 thousand lari from the budget (i.e. 21,8% of the required amount). The funds allocated only covered 27% of current expenses and 37,3% of the statistical work programme budget. No funds at all were allocated for the population census. In 2001 the SDS received 2211,0 thousand lari, or 62% of the request, of which 1200 thousand for the population census. The total real funding within the year made 88% of the required amount and the funding of the census – 80%.

There is a serious underfinancing of the SDS even for operational costs and surveys. Therefore, the SDS heavily depends on external support to implement all the surveys planned. This is even more obvious for large-scale surveys like the population census.

• Assistance received from bilateral and multilateral donors

- Tacis has been providing assistance to the Republic of Georgia in the field of statistics since 1993. The first four contracts were funded by an interstate budget, and then, since 1996 (Statistics 2), 1998 (Statistics 4) from resources allocated by national Tacis budgets.
- UN and their specialised agencies (UNFPA, UNDP) provide assistance in the 2001 population census
- World Bank financed the integrated household budget survey in the past and will start a new supporting programme in the near future
- IMF helped to set up price and balance of payments statistics
- Department for International Development (DFID) – social statistics project.

1.9 Staffing, Staff recruitment and development

• Main characteristics of staff

The SDS employs 636 people in total, of which 184 are employed at the headquarters. 85% of headquarters staff are women (75% in the whole system) and the average age of employees is 40 years.

98% of the headquarters staff (80% of the whole system) have higher education, 2 are doctors of science, 6 - candidates of science, and 4 - postgraduate students.

Georgian is the native language for 97% of the SDS staff. 60% of the staff has good command of a second language (Russian), 5% has good command of three and more languages.

In the period January-September 2001, the average monthly salary of employees in the Central office amounted to 56 lari (i.e. 28 \$) and in the whole system to 49 lari (24 \$). The young specialists' turnover in the Department is low.

- **Recruitment procedures**

Based on the Law on State Civil Service, new staff is recruited based on competitions. During 1998-2000 in total 16 new people were hired whereas 30 people left the SDS. In 2001 three new persons were given employment and 21 persons were dismissed (of which 17 persons failed to pass the attestation in the process of reorganisation).

- **Management style**

The management of the SDS is still very centralised, but some improvements can be seen. Training courses for the staff helped to re-organise the internal structure of the office and to introduce new methods of data collection and processing. Language courses in English were also implemented.

However, there are still some management problems inside the SDS. The internal structure of the office has to be changed (a methodology co-ordination unit is needed, some branch statistical divisions should be re-organised, an international division with better defined tasks and responsibilities is needed). The tasks of the Computer Centre need to be integrated into the SDS. Team-oriented work is not very common in the office.

- **Language abilities**

Language courses were organised during the last five years for the staff of the SDS. In 1999, 30 employees of the Department passed the three-month English courses financed within the TACIS Programme. Approximately 5 to 10 people in the office are capable to read methodology documents in English. About 10 % of the staff have certain understanding of English for reading guidelines and limited communication. In December 2001 a group of employees started to attend English courses within the DFID project on social statistics.

1.10 Training policy (including TACIS component)

- **Training Plan**

In the area of statistics training and retraining are conducted mainly at the faculty of economics at the Tbilisi State University and at the Tbilisi Finance and Economy Academy. At the SDS permanent workshops are held with the participation of SDS employees and specialists invited from various ministries and departments and also foreign experts. Training courses and workshops under the Tacis statistical projects and project on social statistics are implemented at the SDS training centre (in 1999-2001: on migration statistics, business statistics, statistical classifications, preparation of statistical publications, and use of charts in statistical presentations).

The staff training is one of the pillars of SDS international co-operation policy. Training constitutes an essential component of all the co-operation programmes. However, there is no comprehensive training concept yet and training is organised on an ad-hoc basis. The top management is aware of the need to have a training policy developed but there are financial constraints to do so.

Several training sessions were organised with the regional offices and in the field of computer training. In November 2001 a course on MS Word was organised at the SDS Training Centre for heads of the regional and local statistical offices.

Some kind of training is also organised by the SDS itself allowing sharing knowledge, skills and experiences. It covers the following:

1. Seminars for reporting on the results of study visits, business trips and participation at international meetings.
2. Presentations of new publications, methodological materials, fresh information.
3. Courses held by international experts.

- **Library**

A statistical library exists in the SDS. The responsible person was trained at the National Library of Georgia. The stock of books has been cleaned-up and an electronic catalogue is under development. The service of readers has been started.

1.11 Organisation of International Co-operation

- **Existence of a dedicated department**

An international relationship division formally exists. The head of the division is simultaneously one of the deputies of the head of the finance and management division. Two personnel are employed in the division (of which one under a temporary labour contract). The division is to perform a co-ordinating function in various international co-operation projects, like the TACIS Programme and the Social statistics project, and carry out all duties and responsibilities arising in the process of co-operation. One employee of the division has proper English language skills.

At the moment the First Deputy Chairman of SDS is responsible for the co-operation within the TACIS Programme. The duties and responsibilities are not properly distributed between the both structures. It is recommended to set up a co-operation division with adequate powers.

Agreements on international co-operation:

- Netherlands (signed 17.12.1993)
- Russia (signed 16.04.1996)
- Moldova (signed 16.11.1997)
- Germany (signed 28.08.1998)
- Ukraine (signed February 1997)
- Turkey (signed 14.07.1997)
- Greece (signed 16.09.1997)
- Bulgaria (signed December 1997)
- Romania (signed 11.12.1997)
- Turkmenistan (signed 05.12.1997)
- Kazakhstan (signed 11.11.1997)
- Israel (signed 09.09.1998)

Agreement on the exchange of statistical data on external trade with Eurostat (signed 14.06.2000).

Memorandum of Understanding between National Statistics of Azerbaijan, Armenia and Georgia (02.10.98).

Memorandum of Extension of co-operation between National Statistics of Azerbaijan, Armenia and Georgia (signed 26.05.2000).

2 STATISTICAL INFRASTRUCTURE

2.1 Information technology

An integrated computer network was established and operates on the basis of 60 PCs (486 and Pentium) for 2 years already. Three servers operate in the Windows NT Server environment. MS Access 97 and Paradox 7.0 are applied for the maintenance of statistical databases.

Main software used are Microsoft applications. Up to 40% of statistical work most of them being labour intensive tasks are computer-supported.

Since the move to the client-server mode the DBMS (data base management system) MS SQL will be used for both data processing and maintenance of the business register database.

12 specialists with higher education in information technology and good command of cutting-edge computer technologies are working in the Information and Publishing Centre of the SDS. They have set up an integrated network linking all sector divisions of the SDS.

More than 20 applications for labour-intensive statistical tasks have been developed and introduced and are operated. A similar process took place for the regional statistical offices where automated working places for collecting, processing and transfer of statistical information were created in 8 out of 12 regions (including the city of Tbilisi).

Based on own efforts the statisticians of 8 regions were trained in using electronic mail within the programme for the establishment of a single information network of the Department.

During October-December 1999 computer training courses for 40 people from the SDS were organised within the Tacis programme. The training covered MS Word 97, MS Excel 97, and MS Access 97.

In March-May 2001 the computer course on the same software attended 48 personnel of the SDS and Information and Publishing Centre.

In October-November 2001 within the framework of the EC Food Security Programme 12 personnel of the divisions of national accounts and macroeconomic analysis, agricultural and environment statistics, and price statistics were trained in MS Excel and MS Access.

In November-December 2001 the course on MS Word was organised with the support of DFID for the staff of local statistical offices (18 persons).

• Level of equipment

The level of computerisation has considerably improved over the past years. Staff was trained in computing and equipment was delivered. The current situation in the SDS is as follows:

Level	Number of units	Number of statisticians	Number of computers	Statistician s per PC
SDS	1	184	104**	1.8
Information and Publishing (Computer) Centre	1	60	10	6.0
Regions (oblasts)	12	180	27	6.7
Districts (rayons)	57*	212	12	17.7
Total	71	636	153	4.2

*) Including 5 regions within Tbilisi

**) Including 3 PCs working as server

• Projects of development

A general concept for IT development exists. It relies on available resources and is developed and updated on a yearly basis.

For the future it is planned to equip the local statistics offices with PCs that are connected with the regional centres through global network interfaces. In the regional offices computer networks should be organised through which the information coming from the local offices will be collected, processed, stored and transmitted to the SDS.

The introduction of a database-oriented production system should be a priority for further development. The present phase of implementing more or less isolated databases for different applications can be considered as an important step in the direction towards a more integrated system.

A strong interest has been observed in SDS to continue the information statistical systems development. The staff is motivated to improve the production system but recognises the limitations and restrictions of available resources. A dedicated future support to improve the statistics production system using more advanced database technologies would be very appreciated and with the necessary assistance lead to significant progress in the statistics production.

Besides the more technical aspects of future development it is recommended to start training in using databases. It is necessary to introduce statistical metadata in a more systematic way. Although there is a basic awareness about the importance of metadata it is still necessary to introduce metadata into practice.

The general aim is to introduce database technologies in a broader way. Future IT projects should concentrate on the:

- Development of a general database-oriented architecture
- Development of a metadata base
- Development of a distributed database system
- Dissemination techniques based on databases (e.g. Internet, Intranet, CD-ROM, etc.)

The Tacis project includes both the transfer of know how and implementation aspects, but there are financial restrictions. The lack of an appropriate state budget should be mentioned as hindering the equipment and related training development. In particular, a sufficient number of software licenses are needed.

In the future the main important fields for training are computer network administration, information archiving, storage application and Internet applications.

2.2 Classifications

• Use of international nomenclatures

According to the Law of Georgia on Statistics the SDS is the highest national authority for the development of the national system of classifications and coding of technical-economic and social information. Implementation of the work is financed from the state budget in the framework of the State Programme of Statistical Activity. The funds are spent for the development of classifications, translation, copying, development of normative and methodological information, etc. Furthermore, since 1998 there has been a Tacis project "Classifications" that provided practical assistance for the development and introduction of statistical classifications.

On December 8, 1997 the Georgian translation of the classification of economic activities NKVED-001-97 based on NACE was officially introduced. It was then adapted by the SDS to the national needs and specifics. Though this draft classification will be further improved in accordance with the requirements of the new version of NACE developed by the EU Expert Group on International Economic and Social Classifications and based on the improved Russian version and then submitted for approval to the Gosstandard (State Committee of Standards) in 2002.

The classification of products by activities CPA was also translated into Georgian and came in force in September 1999. The development of the draft classification of products NACE-CPA-PRODCOM, that incorporates the codes of different but interrelated classifications in a single group code, has been concluded. This classification is scheduled to be introduced in 2002.

The Nomenclature of Foreign Economic Activity based on the Harmonised System (HS) 1996 version and with the amendments of 2000 taken into account has been translated into Georgian and introduced.

The classification of administrative and territorial division of Georgia has been developed and approved.

The International Statistical Classification of Diseases, Injuries and Causes of Death, 10 rev. has been translated into Georgian and introduced together with the Ministry of Labour, Health and Social Protection.

Together with the State Department of Georgia on Tourism the Standard Classification of Activities in Tourism was developed and introduced in June 2001

The work on the National Classification of Countries of the World based on ISO-3166-2-98 has been concluded and the classification will be submitted for approval to the Gosstandard in I quarter of 2002.

The development of the draft classification of currencies has been finalised.

The classifications of waste and occupations are now under development.

• Introduction into questionnaires

The Georgian versions of NACE and CPA are introduced into statistical surveys. Based on the law on statistics these classifications are an obligatory standard for all legal and physical units.

2.3 Business Register

• Description

The Single State Register of Enterprises and Organisations (EGRPO) is the main and most complex register of Georgia. Its development started in 1995. Legal and physical units as well as local units are included in the register with a unique identification code. The identification code granted by the Register is the main identifier of Georgian enterprises and organisations.

As of December 1, 2001 the Register contained more than 78,000 legal and physical entities and about 20 indicators for each unit. It has now been transformed into a statistical register and constitutes the basis for databases containing various statistical indicators.

Once a month other national registration bodies shall provide data for the Register (establishment, liquidation and alteration), as well as information about all kinds of entities established under other normative acts, to the SDS.

The main problem with the Business Register is its quality.

The Register is maintained by the new structural unit within SDS – the Division of Statistical Standards and Registers - which is staffed with 8 employees.

• Updating strategy

An updating strategy of the registered units exists. It is based on:

- monthly information coming from statistical surveys,
- feedback from sample surveys organised on register information,
- check of the tax register information and its comparison with the statistical register.

Efforts for applying the updating strategy are implemented in practice. In particular, an internal SDS regulation is under development, which will define the main responsibilities and tasks to organise the updating procedures.

- **Use for statistical purpose**

In the past first sample surveys were organised based on the tax register. Only in 1999 the SDS moved to its own statistical register as a basis for sampling. The SDS used the statistical register during the three recent years to introduce more than 10 sample surveys in construction, transport, trade and restaurants, education, healthcare, etc.

3 ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1 National Accounts

9,5 personnel are in the national accounts division.

The methodology is based on SNA93 and ESA95. The normative basis for starting the use of SNA in 1992 was the "State Programme for Reorganisation of the System of Accounting and Statistics in Georgia" which introduced an orientation towards international standards in this field. The first experimental calculations were made for 1990-1992.

Since 1996 a new system for surveying the non-observed economy was introduced into national accounts. Methodology for doing so has been developed and based on it the 1991-1995 data will be recalculated.

The current accounts are compiled by branches of the economy. Until 1995 they were also compiled by institutional sectors. Data are available in current prices and in prices of the previous year. Results for 1996 are the first comparatively reliable ones with some estimations of the non-observed economy and more complete data sources.

Monthly and annual data are obtained through

- the business statistics surveys,
- sample surveys in trade, agriculture and other sectors,
- the household budget survey,
- information from the Ministry of Finance, the National Bank, commercial banks and insurance companies,
- special surveys covering some phenomena of the non-observed economy.

The collected information is not sufficient for calculating the financial accounts. The calculation of capital accounts is under way but lack of information does not allow finalising the accounts.

Annual GDP is calculated using the production and expenditure methods. Quarterly GDP is calculated in current prices and in prices of the previous year.

In 1997 a statistical abstract on "National Accounts of Georgia" and the booklet "National Accounts of Georgia: What? How? How Many?" were published. In 2001 the publication "Non-observed Economy in Georgia: definitions, methods, measurement and estimates" was released. Based on the results of the 2001 sample survey of entrepreneurs the publication "State of Entrepreneurship in Georgia" was issued, where the results and analysis of the survey are presented. For 2001-2005 the development of balances of assets and liabilities, make-use tables and satellite accounts (tourism, environment) is planned. The methodology for better estimating non-observed economy will be further developed.

3.2 Estimation of Non-Observed Economy

Non-observed economy is a very substantial part of the Georgian economy. Estimations of the SDS show that the share of non-observed economy comprises more than half of the entrepreneurial sector's activities and 30-32% of the country's GDP.

Therefore, a number of special sample surveys was conducted to study different areas of the economy where non-observed economy represents a substantial share like the volume of services rendered by petrol stations and minibuses in the city of Tbilisi, the turnover of agricultural market places, and expenditures of households for health care and education. The results were published and used to get a picture of these economic activities. National Accounts data were improved based on the survey results. The estimation of tobacco products consumption allowed adjusting the resources (production and imports) of those products.

The National Accounts Division co-operates with the CSO of Poland on improving the coverage of non-observed economy under the Tacis programme.

3.3 Price Statistics

Based on the recommendations and support of the IMF since 1995 the estimation of the consumer price index for Tbilisi has been adjusted. Since 1996 the consumer price index is based on price collection in 5 cities of Georgia (Tbilisi, Kutaisi, Batumi, Gori, Telavi). The basket includes 296 items of goods and services. The CPI is calculated on a monthly basis by the Laspeyres formula. The basic month for calculating the index is December 1997. The data on weights of goods and services included in the consumer basket are taken from the 1996-1998 household survey results.

From 1997 the producer price index has been calculated for the mining and processing industry (Section B and C of NACE). From 1999 the estimation includes also Section E - energy, gas, heating and hot water supply. The data are calculated monthly using the Laspeyres formula. The basic month for calculation is December 1998.

The CPI and PPI are published monthly on the 5th day following the reporting period. The both indices are published in a monthly report.

The division of price statistics needs support for the calculation of price indices in agriculture, construction, wholesale, transport, and tourism services.

The SDS participates in the International Comparison Programme.

3.4 Foreign Trade and Balance of Payments Statistics

The Customs Code was passed on November 14, 1997 and the methodology of custom statistics was developed on the basis of recommendations of the UN Statistical Division. The Commodity Classification of Foreign Economic Activity based on the Harmonised System 1996 version is used in SDS.

Data are based on customs declarations since January 1, 1994. There is extra information available on import and export of natural gas and electricity from the relevant agencies. From 1994 onwards monthly data on foreign trade by country and commodity groups were published. For better data treatment the software "Eurotrace" was provided within the framework of the Tacis Programme. Mirror statistics exercises were conducted with the neighbouring countries Armenia and Azerbaijan in 1996-1999 to improve the quality of data. One of the most serious problems for data quality is the wide spread smuggling that leads to bad data coverage. The non-organised (shuttle) trade at the borders is another reason for underestimated export/import data.

The balance of payments of Georgia is calculated in SDS quarterly in accordance with the IMF Balance of Payments Manual, 5 rev. For the first time it was published in 1994 (based on the results of 1993).

4 POPULATION AND SOCIAL CONDITIONS

4.1 Demographic Statistics

The division is staffed with 8 employees. Population data are received from the registration offices subordinated to the Ministry of Justice, which provide the local statistical offices with data on birth, death, marriage and divorce. Demographic data are published annually.

In January 2002 the Population Census will take place in Georgia. In the mountain areas of the country it was successively concluded in October 2001. The greatest problem of the census was its funding. Because of the lack of funds SDS failed to undertake a pilot census, though the methodology and instructions were prepared in accordance with the international standards. The first results will be published in summer 2002, and the final – in the autumn of 2003.

Data on migration are received from the passport department of the Ministry of Internal Affairs and the Consular Department of the Ministry of Foreign Affairs. The overall registration of migrants crossing the border is carried out by the State Department for State Boundary Protection. The provided information is put into a database and monthly resulting tables are produced from it. All data are processed by gender, age, urban and rural distribution. For the country total migrants are registered by countries of origin and destination.

The statistical information on migration is published annually. In September-November 1998, December 2000 – February 2001, and April-June 2001 the migration sample surveys were held at the airports and border crossing points. The survey was financed by the Tacis programme.

Within the framework of the DFID Social Statistics Project the component on reforming the birth and death statistics was launched in 2001.

The information is processed with the application of Excel and Paradox.

4.2 Labour Force Statistics

Labour force data are based on the following sources:

- household budget survey (since 2002 data on labour force will be collected with the integrated survey questionnaire);
- statistical quarterly and annual reports from enterprises, organisations and institutions;
- administrative sources (registers).

Enterprises, organisations and institutions (excluding individual entrepreneurs) provide quarterly data on the number of employee, wages and salaries, hours worked, labour force movement, forced leaves, and arrears of wages. Once a year information on labour costs is collected. The data are collected on an exhaustive basis.

Because of the lack of funding the labour force surveys, including the labour force flexibility and wages, were not conducted either in 2000 or in 2001. Starting from 2002 it is planned to include some questions on labour force into the household survey.

Information about the number and structure of registered unemployed is obtained from administrative registers.

4.3 Living Standard Statistics

The division is staffed with 9,5 regular employees. Two more persons are employed under temporary contracts.

Since 1992 the SDS calculates the subsistence level for men of working age, average consumer, and families of various sizes. The subsistence level calculation is based on the cost of the consumer basket computed by average prices of food stuffs in 5 cities of Georgia. The information is provided after 15 days following the reporting month.

In 1995-1996 a system of integrated household survey was developed and introduced in Georgia due to the co-operation with the Statistics Canada and with the financial support of the World Bank. The survey covered the whole territory of the country, excluding Abkhazia and Tskhinvali region. 3350 households constitute the total sample. 1/12 of the total sample is monthly renewed. The rotation is implemented both on the country and regional levels. Aiming at comprehensive study of the social conditions of the population, starting from January 2000, in parallel with the integrated household survey, the project on monitoring of poverty has been implemented.

With the purpose to improve the system of the integrated household survey and introduce the labour force survey into it, in 2001, with the assistance of the Department for International Development of UK (DFID), preparatory works were launched: the questionnaires of the integrated survey were revised and then used in a pilot survey. Based on the results of the survey, it was decided to include since January 2002 into the household survey additional questions on labour force.

Until 2001 the household survey was financed by a long-term World Bank loan. From 2002 resources allocated by the DFID also will be used. For the future serious problems are possible in remuneration of labour and employment of interviewers.

5 BUSINESS STATISTICS

5.1 Statistics of Industry and Energy

The division has 7 employees and 4 PCs.

The division has developed a new methodology for introducing an integrated monthly and annual questionnaire for all the branches of the economy. This questionnaire is broadly in line with international recommendations. In 1995 first pilot surveys using this questionnaire were implemented and starting from 1996 the questionnaire was used for all regular business surveys. At the same time instructions and guidelines for filling in the questionnaire were drafted, sent to some reporting units and tested. The Scientific and Advisory Council approved the integrated questionnaire. Large and medium enterprises are exhaustively surveyed, whereas small enterprises are surveyed on a sampling basis (10%). The threshold for small enterprises is determined according to the number of employees and is 40 employees for industry, 20 for construction, and 10 for trade. A new version of the Law "On Promotion of Small Businesses" has been prepared, which determines a single criterion of attribution of enterprises to small businesses in all economic activities. All the surveys are carried out on a monthly basis (short-term indicators) and annually (structural survey). Indicators surveyed monthly are the number of employees, kind of activity, turnover and production output. Results are published in the monthly bulletin "Socio-economic situation of Georgia" and in the annual statistical abstracts "Industry of Georgia in 1995-1996" and "Industry of Georgia in 1995-1997" and also in "Entrepreneurship in Georgia, 2000".

The division of industry is also responsible for estimating data on the non-observed economy in the industry sector. For the year 2000 its share is 42.5%. This is added to the normal production figures and the total is provided to the NA division for GDP calculation.

The most serious problems are the quality of the register, its coverage and updating of enterprise information and the quality of data delivered by the reporting units. Lack of financing also hampers the relations with the reporting units for purely establishing permanent contacts with them and providing better instructions on how to use the classifications.

In 2001 a new instruction was approved on defining selected industrial production indicators.

In 1999 the division drafted a manual on fuel and energy balances in cooperation with the Ministry of Economy, Industry and Trade and the Ministry of Fuel and Energy.

The Tacis programme started a component on energy statistics in October 2000. Within this component in June 2001 a sample household survey was implemented aiming to measure the consumption of different kinds of energy by households. The results were published.

5.2 Statistics of Investment and Construction

The division includes 5 employees, 2 of them work on construction statistics and 3 on investment statistics.

In the field of construction full coverage monthly surveys of construction organisations are implemented using the integrated questionnaire. Indicators surveyed on a monthly basis are the number of employees, kind of activity, turnover and construction output. Quarterly surveys cover prices of construction materials and operational costs of construction equipment. A semi-annual survey collects data on construction permits, completed construction and buildings taken out of the fixed capital. The annual survey reports data on changes of the fixed capital in construction enterprises.

Data are published in the monthly bulletin "Major Indicators of Entrepreneurship" and in the quarterly bulletin "Prices of Construction Materials".

The main problems are the quality of the register and the coverage of the construction production. Newly established small construction enterprises (as a rule private ones) do not consider themselves as accountable and therefore information on construction and investment is under reported.

Since 1998 a project on statistics of construction and investment has been implemented in the framework of the Tacis programme. Based on the recommendations of the experts, new survey questionnaires on construction permits, completed construction and liquidation of buildings were introduced in 1999. The questionnaire on incompleting construction is under introduction.

In the field of investment a monthly survey of investments financed by the state budget and by own resources from enterprises and organisations is implemented. The quarterly survey covers investment in private housing construction. The annual survey collects data on all investment including on environment protection.

Data are published in the monthly bulletin "Investment in Fixed Capital".

The main problems are the coverage of the register concerning newly established construction enterprises, the correct definition of investment and finished construction as well as incomplete information about investments. Enterprises are used to keep and provide data only on foreign investments.

In 1998 a sample pilot survey on investments in fixed capital was implemented within the framework of the Tacis programme. The results were extrapolated to the whole population of enterprises and published in the report "Investment in Georgia".

5.3 Statistics of Retail and Wholesale Trade

The main tasks of the division for Statistics of Trade and Services are to produce data for the sectors of retail and wholesale trade, hotels and restaurants. The division has 5 employees.

After the privatisation process in the country the number of retail and wholesale trade enterprises and that of restaurants and hotels exceeded 20000 units. At the same time the current statistical surveys inadequately reflected the economic reforms in the country and difficulties in obtaining and processing statistical information appeared.

From March 1996 onwards sampling was introduced in these economic activities. Large enterprises with more than 10 employees are surveyed with total coverage and small enterprises with less than 10 employees are sampled at 10% coverage. The survey covers legal and physical units.

Concerning trade market places a monthly survey of 10% of the traders provides data on the turnover and number of traders. A yearly survey covers all registered market places in the country and collects data of the total turnover broken down by different groups of products.

First pilot surveys were implemented in hotels (in 1999), fairs (1997) and for trade and public catering (1999). Starting from 2001 data on hotels have been collected on a regular basis.

Results of the surveys are published in the bulletins and booklets "Trading Enterprises and Restaurants in Georgia" (1998), "Trade and agriculture markets in Georgia" (1996), "Fairs in Georgia" (1997), "Hotels in Georgia" (1999), "Trade and Public Catering in Georgia" (1999).

Data on physical persons involved in trading activities are collected from the tax offices and include only those units that pay taxes. There is rather heavy underreporting for this kind of units.

Main problems of the sector are the register, which does not contain a huge number of physical units, the underreporting of turnover and non-response.

5.4 Statistics of Transport, Communication and Tourism

The division of transport, communication and tourism is staffed with 4 persons.

Main data sources are the integrated business statistics questionnaires, which are collected on a monthly, quarterly and annual basis. The basis for the surveys is the business register. Furthermore, a special survey on tourist expenditure is implemented every quarter in cooperation with the State Department for Tourism.

A pilot survey on mini-buses in Tbilisi was implemented in 1999. Results of the survey were used by the government to define the level of taxes in this business area in Tbilisi and to reorganise the price system for the latter.

The division prepares monthly express information about the current situation in transport and communications, which is also included into the monthly report of the SDS on the "Socio-Economic Situation in Georgia". Similar information is prepared for the statistical abstracts "Entrepreneurship in Georgia" and the "Statistical Yearbook of Georgia".

Main problems are the insufficient quality of the business register, which is not enough coordinated with the register of the Police Department and the enormous underreporting on transport services for goods and passengers.

6 STATISTICS OF AGRICULTURE

The main tasks of the division of agriculture and environment statistics is to obtain information in the field taking into consideration the requirements of national accounts. The division is staffed with 7.5 people.

Agriculture contributes 23% to the total GDP of the country. There are two main agricultural producers in Georgia - agricultural enterprises and households.

According to the Law on Entrepreneurship agricultural enterprises are farms established on the basis of former collective farms and state farms of any kind of ownership and organisational and legal status (limited liability company, joint stock company, co-operatives, etc.). The current registered number of them is 3000. Information on their activity is to be obtained on a monthly basis through exhaustive surveys.

The main producers of agriculture products (more than 90%) are farmers' households of which more than 600000 exist. Data are collected via a 3% quarterly sample survey from the households themselves. In total there are 20 000 households surveyed by interviewers coming from the local administration. Main indicators collected are arable lands, gross harvest of annual and perennial crops, number of livestock, structure of agricultural production and volume of agriculture products.

Agricultural statistics is published in the monthly bulletin "Socio-Economic Situation in Georgia". Besides, the statistical book "Agriculture in Georgia" is published annually, which covers data both for the whole Georgia and also for regions and districts.

Current methods fail to meet modern requirements of statistical information. To improve the quality of data it is necessary to carry out an agriculture census and to replace the current system of surveys on households with the system comparable with international standards.

Aiming at bringing results of the sample surveys in line with international standards, the revised questionnaires have been introduced, which in addition to the above-mentioned indicators also include variables like agricultural production costs, equipment purchase costs, payment for different services, land rent, etc.

At the present stage the households to be surveyed are selected based on random sampling: in each sakrebulo (rural council) a list of all households is made, of which 20 entities are selected.

The supply/use balances have been resumed: prepared are balances of wheat, corn, potatoes, vegetables, milk, and meat.

Based on the division of agricultural and environment statistics the Observatory of Food Security has been created, which has been operating since January 2001 and systematically (quarterly) publishes the statistical bulletin "Food Security Situation: Trends in Figures" both in Georgian and English.

Data on environment cover the status of air, forest and water resources, national parks and state reserve areas, indicators of hunting organisations, expenses for environment protection and rational use of water resources. Information on the use of water resources, air pollution and environment protection is provided to the SDS by the Ministry of Environment. Primary data about reforestation is provided by 61 national forest agencies. Data on operating costs for the protection of air basin and environment is provided by around 160 enterprises to the regional statistical offices. Information reflecting the activity of state reserve areas (15) and National Parks (2) is also processed at the SDS. Data about hunting agencies are provided by the State Department for Protected Areas, Reserve Areas and Hunting Agencies of Georgia.

Environment statistics is published in semi-annual and annual reports.

Since a census of enterprises was not carried out and the list of enterprises, which should submit data on the protection of the air basin could not be defined there has been no real possibility to obtain data on the expenses for environment protection.

The SDS lacks information about the formation, use and removal of waste, use of mineral water sources, impact of environment on the human health, etc.

The statistical book "Nature Protection and Natural Resources of Georgia" has been published in Georgian and English.

7 CONCLUSIONS

The State Department for Statistics (SDS) bases its operations on the statistical law adopted in 1997. The law constitutes a proper legal basis and guarantees the independence of the SDS, confidentiality and timely provision of reliable statistical data in principle terms. However, the confidentiality of individual data is difficult to ensure due to differing and contradicting legal regulations for various state institutions. That is the reason why the Anti-Monopoly Service and Law and Order institutions have the legal right to request individual data from the SDS. The SDS always endeavours to keep the confidentiality principle, but needs to solve the conflict of regulations to ensure a more stable basis for applying the principle. The first steps in this direction were made in 2001. The SDS developed draft amendments to the Law on Statistics, where the article on individual data confidentiality was clearly and strictly defined. At present the draft amendments are at the stage of discussion by the Government and Parliament.

The statistical system is a centralised one with regional and local offices being mainly involved in data collection and disseminating regional data. The existence of both levels is still needed due to the poor infrastructure in the country. The SDS is entirely financed out of the state budget and budget cuts happen very regularly. Even binding budget lines like for salaries are not guaranteed by the state. Therefore, the SDS has great arrears of salaries and suffers from shortage of funding for infrastructure costs and survey operations. The poor budget situation creates a large dependence of the SDS on external resources not only for large-scale surveys, but also for regular ones. Sustainability of operations is not ensured.

The SDS has improved its user orientation during the last years. Various circles of users are involved in statistical programming and first steps have been undertaken to monitor the demand for statistical data. The latter is however, not done on a regular basis. The publication programme has expanded and the content of the publications has been improved considerably.

Permanent liaison is kept with the mass media via press conferences. Topics for future development are the elaboration of a marketing policy for selling more data and the permanent monitoring of user's satisfaction. The SDS should also pay more attention to its reputation outside the government users.

In 2000 the first long-term programme for statistical development was drafted. It involved at an early stage representatives from other Ministries and scientific organisations before it was sent to an even wider circle of users for comments. It was finally approved by the President of Georgia at the end of 2000. As it was the first programme of its art it was kept on a general level of surveys to be implemented but not yet backed with the necessary resource analysis. The annual statistical programme is derived from the long-term programme but is drafted by the top management of the SDS in cooperation with the middle management. It needs approval from the Chairman of the SDS for its content and from the President of the country and the Parliament for the budget. After that it gets the necessary budget backing from the Ministry of Finance but the resources really needed are not provided in reality. The government of the country monitors the implementation of the annual programme.

The SDS has some co-ordinating role for the statistical system of the country. Access to other registers is ensured and various data are provided by other ministries and government agencies. Other ministries have the right to carry out surveys but have to agree the methodology with the SDS beforehand. Survey results can be however, published independently from the SDS and do not always reflect the same data as published by the SDS. There are as well a number of differing regulations affecting the SDS activities but not directly agreed with the SDS. Therefore, the SDS has to strengthen its co-ordinating role in the future.

There are only 184 people working at the headquarters, almost all of them having higher education. The total number of employees is 636 the rest of them working in the regional and local offices. Staffing could be considered as sufficient if working conditions allowed a normal rhythm of work. This is not the case due to long lasting salary arrears and poor working infrastructure. Both create a heavy overload of work for the staff at the headquarters, but also in the regions. Certain solutions have to be found by the top management to ensure the normal operations of the SDS be it data collection or processing and publication. The general situation in the country is definitely not in favour of developing a well functioning statistical system.

Training of staff is also largely necessary and organised so far more on an ad-hoc basis, no training concept exists. A training centre has been established with the support of the Tacis programme. It is used for consultations both within the regional projects implemented in the three South-Caucasian countries and within other projects implemented by SDS with different foreign partners (World Bank, DFID, etc.).

Language capacities are rather good at the top management level, but poor among the other staff. The management style has improved over the past years, but still needs some improvements regarding the introduction of teamwork.

Other infrastructure elements like the business register and classifications are mostly in place. Since 1999 the business register is a statistical one and used for drawing samples. An updating strategy exists and first steps in applying it have been undertaken. The quality of the register needs however considerable improvement to include especially the fast developing sector of small enterprises.

As for classifications, NACE, CPA and HS have been translated, adapted to local conditions and are introduced into the register and survey practice. ICD-10 is also used.

The level of IT is rather good at the headquarters, but suffers from electricity cuts. Equipment is also ensured at regional level but rather poor at local level. Aiming at improving the situation, district offices were provided with 20 personal computers within the framework of the social statistics project.

The staff at the headquarters is relatively well trained but this has to be expanded to the other two levels. Links between the headquarters and the regional and local offices have to be improved. For that a concept for the computer system development was elaborated and is updated every year.

Progress has been achieved in the transfer of know-how and in sampling methodology. An integrated questionnaire has been introduced for business statistics. First methodology for estimating non-observed economy has been drafted and a number of surveys have been implemented to cover some of the most obvious phenomena. All this has improved national accounts. A number of basic data is available for business statistics and social statistics.

Substantial development is needed in the areas of national accounts, price statistics, external trade statistics, business statistics, especially for energy, services, trade and construction, and also in the field of social and labour market statistics.

8 ANNEXES

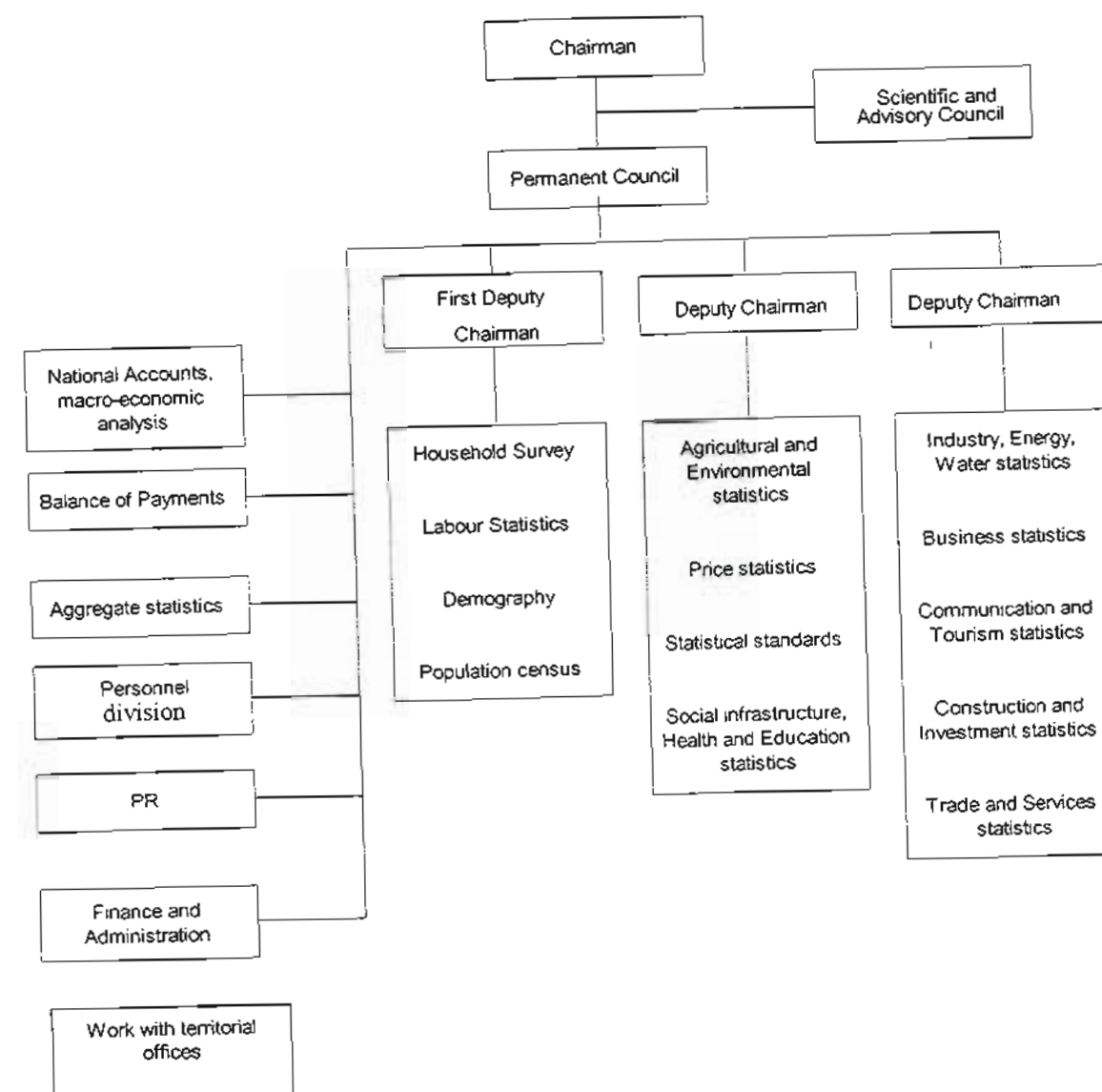
Annex 1: Chart of SDS organisational structure

Annex 2: SDS staff and PC distribution

Annex 3: List of main publications

Annex 4: List of co-operation projects

Annex 1: Chart of SDS organisational structure



Annex 2: SDS staff and PC distribution

Division	Number of employees, person	Number of PC	
		total	o.w. connected to the LAN
National Accounts and Macroeconomic Analysis	9,5	9	8
Balance of Payments	7	5	1
Business Statistics	47	10	10
Agriculture and Environment Statistics	7,5	4	1
Industry, Energy and Water Supply Statistics	7	3	2
Construction and Investments Statistics	5	3	2
Trade and Services Statistics	5	3	1
Communication and Tourism Statistics	4	2	1
Price Statistics	8	4	1
Labour Statistics	9,5	7	7
Social Infrastructure Statistics	4,5	2	1
Household Survey and Statistics of Living Standards	9,5	17	13
Demography Statistics	8	8	1
Population Census	11	3	
Statistical Standards and Registers	8	7	1
Summary Statistics	6	3	1
Public Relations	3,5	3	1
Work with Territorial Offices	3		
Administration (incl. Chairman, Deputy Chairmen, Financial and management division, Personnel division)	21	8	6
Total	184	104¹⁾	58

¹⁾ Including 3 PCs used as servers

Annex 3: List of main publications

1. Statistical Yearbook of Georgia: 2000, 2001 (Georgian, English)
2. Statistical Yearbook of South Caucasus: 2000, 2002 (Russian, English; in co-operation with the NSI of Armenia and Azerbaijan and Eurostat)
3. Households of Georgia: 1999, 2000 (Georgian)
4. Entrepreneurial Activities in Georgia: 2000, 2001 (Georgian, English)
5. State of Entrepreneurship in Georgia: 2001 (Georgian, English)
6. Consumer Price Indices: 2000, 2001 (Georgian, English)
7. Investment Activities in Georgia: 2000, 2001 (Georgian)
8. Youth of Georgia in 1990-1998, 1999 (Georgian)
9. Women and Men in Georgia: 1999, 2000 (Georgian, English)
10. Industry of Georgia: 1985-1997, 1998 (Georgian)
11. Agriculture of Georgia: 2000, 2001 (Georgian, English)
12. Trade and Public Catering in Georgia, 1999 (Georgian, English)
13. Crime Statistics, 1999 (Georgian)
14. Migration Statistics: Sample Survey, 2001 (Georgian, English)
15. Economic Barometer, part I, 2001 (Georgian)
16. Barometer of Consumer Behaviour: 1999-2000, 2001 (Georgian, English)
17. Education Services in Georgia: 2001 (Georgian, English)
18. Food Security Situation: Trends in Figures, ### 1,2,3,4,5
19. Healthcare Services in Georgia: 2000 (Georgian, English)
20. Non-observed Economy in Georgia: Definitions, Measurement, Estimates, 2001 (Georgian,)
21. Racha-Lechkhumi and Kvemo Svaneti in Figures, 2001 (Georgian)
22. Survey of Households' Energy Consumption in Georgia, 2001 (Georgian, English)
23. Labour Force in Georgia: Statistical Report 1998-1999, 2001 (Georgian, English)

Annex 4: List of co-operation projects

Donor	Branch of Statistics	Period	Funds	Comments
World Bank	Household budget statistics (household surveys)	1999-2002	299 000 USD	WB supports several projects: household sample surveys, welfare statistics, poverty monitoring.
IMF	Contacts (IMF missions only)			IMF deals with the balance of payments.
FAO	Food Security Observatory	2001-2002	303 200 lari	
United Kingdom (DFID)	Social Statistics	2000-2003	948 000 pounds	

KAZAKHSTAN

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1. INSTITUTIONAL ASPECTS

1.1. Mission

The Agency on Statistics of Kazakhstan (AoS) has adopted the following mission statement:

The mission of the Agency on Statistics, Kazakhstan's official statistical agency, is to provide national and international users with a high quality, cost-effective and objective statistical service. This includes responsibility for the development of concepts, definitions and classifications to be used by all other Kazakh public agencies that play a role in official statistics.

Name of the Statistical Office: Agency on Statistics of the Republic of Kazakhstan (AoS)

Head of the Office: Chairman of the Agency

1.2. Structure and organisational aspects

- Internal organisation of the AoS

The AoS with its regional statistical divisions bears the full responsibility for the general management of statistics at all levels. The Statistical Office is entitled to draw up the statistical work programme.

The AoS consists of 8 departments, 16 regional offices, 191 district/city offices and 3 subordinated institution (for more detailed information see annexes 1 and 2).

The subordinated institutions are the following: Information and Computing Centre (ICC), Institute of Economy and Statistics (IES), and Kazstatinform.

The ICC is responsible for collecting, checking, capturing and processing statistical data as well as for the information technology of the AoS.

The IES, as the scientific institute of the AoS, is responsible for the vocational training of the AoS staff both in the field of statistics and in the field of information technology and it supports the statistical departments of the AoS in developing new statistical methods. Moreover, it is involved in the education of students in the mentioned fields.

Kazstatinform disseminates statistical information.

- Appointment procedures

The Prime Minister of Kazakhstan appoints the chairman of the AoS and, on chairman's advice, two deputies. The chairman of AoS appoints the heads of departments, the heads of the regional offices and the heads of the subordinated institutions.

An organisational chart is attached as Annex.

- Regional structure

The structure at regional level (oblasts) comprises three entities involved in the whole statistical process:

- the Regional Statistical Office (RSO), which is in charge of dissemination and analysis of information at regional level.

- The Centre of Statistical Information (CSI), which is in charge of data collection. Until 1999, this entity was included into the RSO. It receives now a separate budget and has subsidiaries in the districts (raions). The CSI fulfils AoS work programme and reports to the RSO.
- The Computer Centre of the Oblast (CCO), also called "daughter enterprise of the ICC". It is independent from the AoS and reports directly to the Information and Computing Centre. It disseminates information on a paying basis.

Merging these various regional institutions is currently not possible, as there is a Kazakh Law, which forbids civil servants to be involved in commercial activities.

1.3. Legal setting

- Law on statistics

The current Law on State Statistics was adopted by the Parliament in 1997. A revision of this Law was adopted by the Parliament at the end of 2001.

The law states the right of the statistical offices to conduct statistical surveys, to elaborate programmes for statistical observations, to collect statistical data from natural and legal entities, to check the reliability of data and to verify the primary information.

The main elements of the law are general provision, organisation of the official statistics, right and obligation of other state institutions in the field of statistics and penalty clauses.

The main changes introduced by the current revision consists in an expansion of the contents of the Law where social, economic, demography and ecology statistics are now explicitly mentioned. The co-ordinating role of the AoS is reinforced and the objective of setting definitions harmonised with international standards is introduced. The treatment of households databases in the villages has been specified. There are still some problems with implementation of confidentiality principle.

- Other relevant administrative regulations

By order № 1184 of 29 July 1997, the Kazakh government established the Inter-Institutional Council for Improvement of Statistics in order to co-ordinate the reform of the statistical system. The Board consists of 10 members, that is the AoS Chairman, together with members of the Government. The Board meets 2 or 3 times a year, as a rule. The implementation of the Board decisions is controlled by the Government. Among the issues recently tackled by the Board, the most important are the following:

- Approval of the creation of population register
- Relation between tax and statistical offices on registration of legal entities
- Transfer of the responsibilities of the Balance of Payment's compilation from AoS to the National Bank of Kazakhstan

By order № 1180 of 19 November 1998, the Kazakh government established a seven-year programme for improvement of official statistics setting up priorities, purposes and targets. It requires funds for about 40-50 million USD, and it is financed through the State Budget and international co-operation.

- Data confidentiality

The confidentiality of primary statistical information is guaranteed according to article 13 of the Law on Official Statistics. Primary statistical information can only be published with the permission of the legal or natural person who has provided the information.

In practice the principle is not always strongly followed. Upon requests from the Presidential administration or the Cabinet of Ministers, especially concerning individual enterprise data, the AoS would have to provide the information. This however has not been the case during the last two years.

- Statistical work programmes

The seven-year statistical work programme was adopted by the government in November 1998 for the period 1999-2005 with the principle obligation to provide the necessary budget for its implementation. Based on the seven-year statistical work programme the AoS develops the annual programmes

- Registers

There exist both a statistical business register and an administrative register. While the statistical register is under AoS responsibility (see point 2.3), the Ministry of Justice is responsible for the Administrative Register.

1.4. Relationship with Central and Local Governments

- Role of the AoS in the government

The AoS is a Governmental Agency, subordinated directly to the Prime Minister. The Chairman of the AoS is not member of the Government.

The AoS has a co-ordinating role for the statistical system in the country. Other Ministries or government institutions have to agree upon methodology with the AoS when carrying out own specific statistical surveys. Survey results can be published independently from the AoS.

Data provided by the AoS are recognised by the government as being official statistics. There are no attempts from the government to influence data delivered by the AoS.

- Relations and Links at central level - with Ministries

AoS has close links with different Ministries, which provide data for several statistics.

The AoS signed in December 2001 a new agreement with the Customs Committee concerning monthly data delivery on external trade by electronic means.

Relations with the Ministry of Finance guarantee the provision of government finance statistics to the NSS. The Central Bank delivers monthly bank statistics to the AoS.

The AoS signed in December 1999 an agreement with the Ministry of State Revenue concerning monthly data exchange between the tax register and statistical register and an agreement in January 2002 concerning monthly data delivery on active individual entrepreneurs. Also, other Ministries such as Labour and Social Protection, Ministry of Healthcare, Ministry of Education as well as other Governmental agencies provide the AoS with their administrative data.

- Protection of AoS independence

The Law on Statistics ensures AoS independence in the field of methodologies and statistical production, but it does not contain explicitly any mention of the protection of the independence of the Chairman and of the AoS itself. The adoption of the statistical programme includes a principle obligation to provide the necessary budget for its implementation.

- Relations and Links at regional level - with Local Governments

The regional offices operate independently from the local governments. They provide statistical information also to the local authorities.

1.5. Relationship with users and dissemination policies

- Relationship with users

Main users are the Government, the Administration of the President, the Parliament, Ministries and Agencies, local governments, National Bank, companies, enterprises, banks, mass media, higher education institutions, scientific institutes, foreign embassies, international organisations, libraries, citizens, etc.

On 12 December, 2001 the AoS organised an open-doors day where all users of statistics - and in particular the media - were invited. It included a press conference of the Chairman of the AoS with all present media. Two users seminars were organised in 2001, which concerned the fields of social statistics. The AoS intends to develop different communication strategies for different groups of users in order to increase satisfaction of the various clients/users.

AoS has started disseminating a questionnaire attached to the publications. Users are asked about purpose of their use and their opinion on content and presentation. The feedback will be considered in order to improve future publications.

- Dissemination and marketing policy

Since 1997 Tacis assistance in *dissemination and publication of statistical information* has allowed for remarkable improvements in publication policy. The publication programme was expanded. The structure, content and design of publications were improved and are now at international level. The AoS is looking for a continuing improvement of the contents and list of indicators that are published.

AoS issued 70 publications in 2001 in Kazakh, Russian and English on the economic and social situation of the country (the list of main publications in annex 4). Some of the publications are published quarterly and others annually. They cover all branches of statistics, including the results of 1999 Population Census.

The focus of the EU assistance was the preparation of the 1999 Statistical Yearbook. The EU experts have made recommendations concerning content, structure and layout, and the Tacis programme provided financial support for printing and purchase of computer equipment.

Differently from previous editions the 1999 yearbook covers all social and economic fields, includes more time series, is designed in a more clear and understandable way and contains well designed graphs.

The acquired experience was used for preparing other publications, namely the quarterly publication "Statistical Bulletin".

Information about AoS and the main statistical information are available on the AoS Web Site (<http://www.kazstat.asdc.kz>) and Web Sites of 16 regional statistical offices. The AoS has also its own official e-mail address (kazstat@mail.banknet.kz).

- Relations with the press

AoS organises with a certain regularity press conferences and press releases (mainly in electronic form) and is willing to improve its practice of press conferences.

In 2001, 5 press conferences were organised, and 280 press release were issued. In the same year, AoS top management appeared 8 times on TV and AoS specialists released 6 interviews for the radio. The same work is done at regional level by regional offices of AoS.

- Publication of sensitive data

The AoS publishes a special press release with all sensitive indicators (GDP, inflation, etc.) each 15th of the month.

1.6. Relationship with data suppliers

- Access to administrative sources

The AoS has access to the State Register of Legal Entities, Branches and Representation (which is under the responsibility of the Ministry of Justice) and to the Register of Land owners (under the Ministry of State Revenues). The National Bank provides data on the banking system and on international financial services, while The Ministry of Finance provides data on the State Budget. The Customs Committee provides data on customs declarations. Data needed for some thematic statistics are also collected directly from the concerned Ministry (Ministry of Interior Affairs, Agency of Healthcare, Ministry of Defence, Ministry of Labour and Social protection, etc.).

- Relations with reporting units

Households provide reports on a voluntary basis. Enterprises provide reports both on a voluntary and a compulsory basis (depending on the questionnaire). In case of non-response they are subject to administrative penalties.

Response rate for economic surveys is 95% for large and medium-sized enterprises (7000 enterprises) and 60% for small enterprises (40000 enterprises). Response rate for household surveys is 100%, and for other social surveys 98% (constant annual network of surveyed households is used).

- Interviewer network

12,000 households and 400 interviewers are involved in the data collection process. Only the supervisors receive special training, and then they are responsible for the training of the interviewers. They are all financed by the State budget. For ad-hoc and Tacis paid surveys interviewers are hired on a contractual basis.

1.7. Planning and programming

The statistical work of the AoS is based on the "Programme to improve Official Statistics in the Republic of Kazakhstan for 1999 - 2005", adopted by the government on November 19,

1998. This long-term programme was prepared in close collaboration with different ministries and institutions as well as with regional statistical offices.

The programme describes the strategies for developing an independent national statistical service according to international standards as well as the resources needed.

More specifically, the seven-year programme defines the following priority areas: classifications, registers, business statistics, macro-economic statistics, social development, information technologies, publications and dissemination, training and international co-operation.

The seven-year plan includes a commitment of the government for its financing. If that is not possible, actions are postponed like the agricultural census which is now foreseen in 2005. Some new topics (gender statistics, environment, sciences, etc) have been included. There is a general will to go quickly for the reforms that are implemented in many domains at the same time.

The *annual plans* are derived from the long-term programme. These plans define the concrete activities needed to convert the long-term programme into practice and contain the yearly tasks for each department with their time schedule, as well as necessary co-operation with ministries and other governmental bodies.

- Scientific board/Advisory board

In order to assist and to co-ordinate the statistical work of the AoS two councils exist, an internal and an external council.

The *Inter-institutional Council on improvement of statistics*, chaired by the Deputy Prime Minister. The Council consists of 6 Ministers, Chairman of the National Bank, Chairpersons of 3 Agencies, Chairpersons of 2 Committees which are part of Ministries, 3 Head of Units in the Prime Minister Chancellery. The Council has advisory functions and deals with problems of inter-institutional statistics.

The *Methodological Council of the AoS* consists of Deputy Chairman, of directors of departments and of the Directors of Kazstatinform, the Computer Centre and the Institute for Economics and Statistics. The Council has an advisory function and deals with common methodological developments, working programmes of the Agency and general issues of improving statistics.

- Adoption procedures

On the basis of solutions of the *Inter-institutional Council on improvement of statistics* and recommendations of the Methodological Council, the Chairman of the AoS adopts the annual plans.

1.8. Finance and budgeting

- National budget

AoS headquarters and its regional offices are financed by the government budget, according to the agreed plan on statistical work.

The total AoS (including the IES) budget for 2002 amounts to 1.64 bln Tenge (approximately 10.9 million USD), that is 0.3% of the total Government budget. Comparatively to the budget of 2001 AoS budget for 2002 has been increased by 30 %; comparatively to the budget of 1999, by 81 %.

44,7 % of the budget goes to personal costs, 48,0 % to operational costs (electricity, heating, telephones, etc.), 29,7 % of the budget goes to the Headquarters, 63,0 % to the regional statistical offices and the remaining 7,3 % - other costs.

- Assistance received from bilateral and multilateral donors

Apart from the Tacis Statistics Programme, the AoS is co-operating with the following organisations:

- World Bank : a project on improvement of poverty statistics is underway;
- IMF : short-term missions on national accounts;
- Asian Development Bank: a project on environmental statistics is underway;
- FAO : is mainly engaged in the preparation of the 2005 Agricultural census;
- ECO (Islamic Economic Cooperation Organisation): mainly exchange of publications;
- GTZ (Germany): in the fields of price indices in construction, wages and salaries statistics, a project on transition from censuses to sample surveys and a project on the general organisation of statistics;
- TICA (Turkey): strengthening of statistical activity mainly through providing computer equipment and funds for publications;
- National Agricultural Office of the USA: cooperation started already in 1995 and is now also directed towards the 2005 Agricultural census;
- China (Autonomous Region of Sinjiang): share of methodologies and common organisation of seminars and conferences on specific methodological topics; China also contributed financially to the Population Census.

1.9. Staffing, staff recruitment and development

- Main characteristics

The AoS has about 3871 staff members (IES not included) out of which about 86% are working in the regional institutions. 90% of all staff are females; in the central office of the AoS they represent about 80%. The average age of the staff members is about 41 years. About two third of all staff members have higher education (university, etc.), this ratio is higher in the central office than in the regional offices.

In 2001 the number of staff was increased from 3,807 to 3,871. In particular the ICC was strengthened.

The staff is mainly financed through the state budget.

- Recruitment procedure

The Chairman of the Agency is responsible for recruitment that is based on competition and corresponds to the new legislation on civil service. The main source of personnel is the contingent graduates from national universities and high schools.

- Management style

The management style has improved over the last years. The middle management is more involved in the decision-making process through, for instance, the Methodological Council. The final decisions are taken by the Chairman of the Agency within his responsibility, taking into consideration the opinion of the Collegium. The Chairman and during his absence his First Deputy make decisions on current issues.

Dissemination of experts' reports and documents received abroad is generalised, but more attention has to be given to co-ordination and exchange of information among the different departments.

- Language skills

All staff members have good command of two languages (Kazakh, Russian). In the Central Office, 3 persons are fluent in English and about 10 are able to understand written documents in English. For the time being there is no centralised plan of foreign language training; currently each staff member studies at own initiative.

1.10. Training policy

- Training plan

The training of the AoS staff is conducted by the Academy of Civil Service subordinated to the President of Kazakhstan and is based on an official plan of retraining for civil servants.

Moreover, the AoS adopts annual plans on retraining of staff members through seminars on statistical subjects and on information technology organised by its subordinated Institute of Economy and Statistics. The IES is also supporting the AoS in developing new statistical fields. The annual programme of training of the IES is adopted by the Chairman of the AoS. Between 600 and 700 persons were trained in 2001. The Institute has also got 9 subsidiaries in the regions in order to multiply the training actions.

A new project started in 2000 under the Tacis programme on training policy. This component will be mainly twofold with the setting-up of training policies and the training of trainers in the field of social statistics. The draft Training Strategy paper was elaborated and sent to TES Institute in November 2001. Tacis Statistics Programme will also fund the establishment of the new training room *statistika*, equipped with computers.

- Library

Currently there is no library within the AoS but one is planned to be set up in 2002. The library should be financed from the 2002 national budget. For the time being, it is possible to consult publications in the bookshop at the ground floor of AoS central office, and also to make copies.

1.11. Organisation of International Co-operation

An "International statistical co-operation" unit exists, which co-ordinates all the international contacts. The staff of the unit is well qualified and has the necessary language skills. The division is well organised.

The AoS has signed international co-operation agreements with Azerbaijan, China, Georgia, Russian Federation, Tajikistan and Turkey and a Memorandum on the exchange of external trade data with Eurostat.

2. STATISTICAL INFRASTRUCTURE

2.1. Information technology

- Architecture

A large-scale Ethernet Local Area Network (LAN) is used in AoS central office. All servers and 410 PCs (including ICC) are connected to the LAN. Centralised big database servers are used; IBM cluster technique has been introduced. Window NT 4.0 is used as network operating system. The LAN is connected to Internet and many PCs have access to it.

Databases are operated by the database management system MS SQL 6.5; a transition to Oracle8 is planned. Currently no file server is used. For the future the use of NetWare 5 is planned.

As a processing server MS SQL Server is operational along with an MS Window NT print server and telecommunication servers Windows Exchange, Wingate, Winroute, Proxy server, DNS server, Web server, MS IIS and X.400.

The typical configuration for the PCs is a Pentium or Pentium II processor, from 16 up to 128 MB of RAM, from 1.5 up to 6 GB hard disk, CD-ROM and 14, 15, 17 and 21 inches monitors.

There are numerous databases that have been developed, are being maintained and used in relation with individual applications. Such databases contain data for primary processing of statistical questionnaires.

- Level of equipment

At present the AoS, including the Information and Computer Centre, with its regional office has about 1 200 PC; this is in average there are 2.5 members of staff per computer. However, this ratio changes significantly moving from the central office to the regional ones. Whereas there are 1.3 statisticians per computer in the central office; the ratio grows to 2.5 in oblasts (regions) and to 4.9 in rayons (sub-regions).

The Tacis Statistics Programme made an important contribution to improve computerisation of the AoS. Since the beginning of Tacis statistical co-operation about 100 computers together with software and consumables as well as printers and copy machines have been provided to AoS.

The following table shows the current situation in computerisation of the AoS at the end of 2001:

Level	Number of units	Number of statisticians	Number of computers	Statisticians per PC
AoS	3	530	410	1.3
Regions (oblast)	16	2 462	980	2.5
Districts (rayons)	191	879	180	4.9
Total		3 871	1 570	2.5

- IT Development

For application development, statisticians compile detailed specifications and transfer them to programmers for implementation. The process of application development is divided into three steps: design, coding, testing. For programming purposes standard packages like FoxPro, MS Excel, MS Access, and MS Visual FoxPro are widely used. Sometimes the programming language MS Visual C++ is also used. Almost all applications make use of modules already developed.

2.2. Classifications

The following international classifications and nomenclatures are used in Kazakhstan: NACE, CPA, HS-96, ICD.

NACE and CPA were introduced in all surveys on 1 January 1998 and old nomenclatures were abolished at the same time. The transition was ensured in asking in each questionnaire the value for the current period and the value from the similar period of the previous year.

The nomenclature of building construction and the CPC were recently translated. The PRODCOM list was prepared by CISSTAT as "Model Classification of Products". It will consist of 10 to 12 digits. Their implementation is foreseen in the near future.

Nomenclatures were translated into Russian. Their translation into Kazakh language does not appear as an urgent need.

A Tacis project has just started and will concentrate on the development of a metadata system.

2.3. Business Register

Establishment of an administrative business register as a main tool of statistical work started in 1994. Since 1995 this development has been assisted by the Tacis Statistics Programme both through transfer of know-how and through provision of computer equipment. In 1997 the Ministry of Justice took over the responsibility for the administrative business register, whereas before it was under AoS. The regional databases of the register are automatically updated as a part of the process of issuing licenses to new enterprises. The central register is updated on a monthly basis. The register consists of about 140 000 legal entities.

A statistical business register exists in Kazakhstan. It is used for drawing samples in all surveys and lists of enterprises. At the end of 2001, it contains 140,000 legal units, out of which about 100,000 are active. It contains also about 160,000 individuals (or physical units). All units are classified following the local version of the NACE (OKED).

The AoS uses direct and indirect sources to update the Business register. Administrative changes are received from the Ministry of Justice on a monthly basis. Type of activity is checked with the Ministry of State Revenue. At the end of year, the quality of the register is checked by exchange of information with each concerned ministry.

Registered legal entities by type of ownership and size (as at 1/1/2002)

Size	State	Private	Foreign	Joint ventures	Total
Small ¹⁾	16 799	105 442	3 117	856	125 566
Medium ²⁾	6 120	4 678	187	425	10 856
Large ³⁾	815	1 280	60	212	2 127
Total	23 734	111 400	3 364	1 493	138 549

¹⁾ less than 50 employees

²⁾ from 51 to 250 employees

³⁾ more than 250 employees

3. ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1. Investment Statistics

The AoS has developed a national methodology in investment statistics taking into consideration international and European standards; the system of indicators and their definitions were revised on the basis of the recommendations of the EU Technical Assistant.

A new questionnaire on financial assets was drafted and was tested by a pilot sample survey. As a result of the survey semi-annual figures on Financial Assets are currently available in the AoS Kazakhstan.

During follow-up actions the questionnaire for collection of data on investments was revised and improved, taking into account the past experience. Surveys related to investments are carried out annually and quarterly.

The continuation of the component is foreseen. It will be focused on the following main directions

1. Methods for the calculation of investments at constant prices (deflation)
2. Statistics on building licences, buildings completed and construction in progress (unfinished buildings) used as a source of information on building investments in a national economy (catalogue of respondents, survey organisation, survey questionnaires, definitions, plausibility checks, publication, data analysis).
3. Methods for the determination of foreign investments and credits (structure, calculation, analysis)
4. Analysis of the influence / dependence of investments on / from the economic development.

3.2. External Trade Statistics

The AoS is responsible for external trade statistics in goods as the National Bank of Kazakhstan is responsible for external trade in services. The AoS introduced the customs-based external trade statistics in 1995. The commodity nomenclature is based on the Harmonised System (HS-96). The decision upon the introduction of the 2002 version of the Harmonised System belongs to the Customs Committee.

Co-operation with the Customs Committee (CC) so far does not work very well. The Regional Statistical Offices receive a paper copy of each declaration that they encode and process. Following the agreement, which should be signed in January 2002, the CC should provide the AoS with data in electronic format from the beginning of 2002. This agreement will cover the conditions of this exchange, the data structure (format, indicators, and codification), the procedures and the organisation of future mirror statistics exercises. Data would be received each 10 days from CC. List of mistakes will be sent monthly for corrections to CC.

Eurotrace software does not cover all AoS needs in particular in terms of outputs. Therefore AoS is obliged to run in parallel own programmes.

The AoS started in 1997 to exchange data with Kyrgyzstan, Uzbekistan, Azerbaijan and Belarus on a quarterly basis (data are sent on paper at 4-digit level). When significant discrepancies are found firstly on values then on quantities, AoS staff looks at the detail of declarations. Special investigation on energy products with Kyrgyzstan, conducted in 2000, allowed to increase figures by 603,6 thsd USD. Given the importance of the Russian Federation in Kazakhstan trade, the development of such an exercise with Russian Customs could reveal very favourable.

Following the requirements of the Partnership and Cooperation Agreement signed by Kazakhstan and the EU, regular exchange of data in external trade is done between the AoS and Eurostat.

Concerning the statistics of external trade in services, which is the responsibility of the National Bank, the development of a national methodology meeting the needs of National Accounts and Balance of Payments is strongly needed. This methodology must take into consideration all kinds of external activities in services including transfers of money by persons leaving or entering Kazakhstan.

3.3. Estimation of Non-Observed Economy

A project which aims at improving the exhaustiveness and international comparability of the GDP estimates in relation to the non-observed economy (NOE) in the framework of the implementation of the new version of the SNA93 started in November 2000. NOE is evaluated in Kazakhstan at about 30% of the GDP.

Estimations are made mainly on the basis of indirect methods, using data from sector departments. Data on labour market and households consumption are particularly useful. Corrections are made by the AoS in order to improve the plausibility of the figures produced. As for enterprises, the gap between the output of enterprises and the information collected from the VAT system by the National Accounts Department is the main basis for NOE estimation.

The purpose of the Tacis component is to improve the system of estimations coming from the analysis of the employment situation (and not only from an income point of view). The objective of the AoS is to move the collection of data necessary for NOE estimation to the oblast level. This creates a new need to train the staff of the Oblast Statistical Offices about these specific questions.

3.4 Short Term Business Tendencies

A Seminar on the organisation of Business Tendency Surveys and Analysis was organised in September 2001 under the aegis of the Tacis programme.

All main stakeholders were represented, like the Ministry of Economy, the Central Bank and the Economic and Research Institute (ERI). Collection of information started three years ago in both the AoS and the ERI. Risks of redundancy in this system of double collection are obvious.

The methodology followed by the ERI for collecting data is not transparent for the other users and in particular the AoS. For instance, the AoS does not know exactly neither which kind of enterprises are surveyed nor their exact number. The AoS estimates that the sample is smaller and that the results are not so reliable. It seems that the ERI collects information only on investments and small businesses. This specialisation on small enterprises looks a priori rather strange as this population is the most difficult to sample as this Institute cannot have a complete picture of the development of small businesses in Kazakhstan.

The AoS started to collect information on industry from exhaustive surveys on medium-and big-sized enterprises. Investment, trade, construction and agriculture were added over the time. Now, the AoS would like to collect as well information on services, transport and communication and to survey also small businesses for all statistical areas.

The purpose of this component is to improve the quality of the questionnaires, samples and analysis in order to create aggregated indicators. These data are of great interest for many users as for instance banks and enterprises.

4. POPULATION AND SOCIAL CONDITIONS

4.1. Labour Market Statistics

The AoS introduced in 2001 a new survey for the whole Kazakh territory in order to deliver up-to-date and reliable data on the national labour market situation. It is financed by national sources and covers about 21,000 households (0.5% of the whole number of households) who are questioned quarterly. The sample will be renewed each year by third.

Future co-operation project will deal with the improvement of the sampling tools. The Population Census allowed setting up a register of households, from which samples are nowadays drawn.

A pilot sample survey financed by the Tacis programme was launched in 2000 for two oblasts of Kazakhstan (Almaty and Eastern oblast) where 5,785 households were surveyed. The purpose of this survey was to study the labour market using international standards. The organisation of this survey allowed Kazakh experts to get acquainted with international methodology and standards, to develop tools and manuals.

The project was aimed at transferring to both the central and regional offices necessary knowledge and skills on conducting the sample survey. Around this task training actions have taken place with particular attention to the multiplying effect. The German experts gave recommendations at each stage of the implementation of this project, which was extremely useful for the generalisation of this survey to the whole country.

The results of this component are particularly important as the Kazakh government expects AoS to provide reliable and internationally comparable information about the employment situation. For instance, this survey gave a rate of unemployment which differs significantly from the Ministry of Labour figure.

4.2. Statistics on Health, Education and Environment.

The availability of statistics on Health, Education and Crime is foreseen in the Partnership and Cooperation Agreement between Kazakhstan and the EU. Moreover, the revised Law on Statistics explicitly mentions the necessity of production of social and Environment statistics.

The production of statistics in these fields is fragmented between the AoS and line ministries. Also, other State agencies and institutions involved produce their own data.

Tacis is assisting at present the AoS with a project focusing on Health and Education Statistics. The results to be achieved are:

- in the case of Education, to develop a national methodology that respects international and European standards
- in the case of Health, the national methodology should be in line with WHO standards.
- indicators, definitions and classifications in line with international and European standards
- modern data collection methods introduced
- quality of statistical data analysis and publications improved

In the framework of this project, a Manual on Education Classification is being prepared, and the International Standard Classification of Education (ISCE 97) recommended by UNESCO will be introduced in Kazakhstan. Indicators on Education are being improved. For this, the cooperation between the AoS and other producers of statistics is being enhanced.

Education and health statistics modules are being introduced at present in other statistical areas.

The experience of the Tacis partner in this project will be used for the production of the publication "Education in Kazakhstan", to be released in 2002.

In Health statistics, the introduction of the ICD 10 is under way. The professional disease part of this classification is already used by one questionnaire. Moreover ICD is being introduced into parallel areas of statistics, notably in demographic statistics in order to compile a basis for the register of causes of death.

Statistics on Environment will be subject of future Tacis cooperation since this area is a priority of the Government.

5. BUSINESS STATISTICS

The AoS is confronted to the structural question of how to implement the transition from the functional approach (by branch of activity) to the institutional approach (where the enterprise is at the centre of the surveys). One can say that there is currently no plan in Kazakhstan on how to implement this transition.

The various experiences and practices in the use of sampling techniques have allowed a generalisation of the use of sample surveys in Kazakhstan. Problems remain for the representativity of samples at regional level, where the AoS would like to receive support.

5.1. Structural Business Statistics

The creation of structural statistics, common to all branches, is a starting point for the development of business statistics.

Quarterly and yearly structural surveys were introduced in 2000 on an exhaustive basis for all enterprises. Quarterly questionnaire is simplified. Small-sized enterprises are surveyed exhaustively but non-response is rather high (an average of 45,000 answers out of 85,000) although questionnaires are slightly simplified for them. Data collected covers the production, the expenditures, the financial results, the debt (total and foreign), taxes, balance and, from 2002 onwards, capital investment. Sample surveys have not been introduced for small enterprises as experts are doubtful whether sample techniques can be reliable for financial indicators.

5.2. Transport and telecommunications Statistics

A new component started with the assistance of the Statistical Office of Latvia. The objectives of this component are to review in depth all questionnaires and indicators used in transport statistics (freight, passengers, energy, environment), to improve the relation with national accounts needs and to develop statistics concerning the new telecommunication technologies (Internet, payment by credit cards, etc...).

Current questionnaires cover on a monthly basis only the big and medium-sized enterprises (which have main activity as transport) and on quarterly and yearly basis all enterprises. Yearly questionnaire covers also enterprises for which transport is not the main activity. These questionnaires use NACE and CPA.

The number of active enterprises in that branch of economy is of 490 big and medium-sized and 1336 small-sized.

Now, two new sample surveys on freight and passengers are under preparation in the eastern oblast. These surveys will cover all entities, i.e. not only transport enterprises, based on the copy of the register received from the Ministry of Internal Affairs.

The estimation of non-declared activities by private persons is made according to the methodology, which is verified by the mean balances between the total consumption of fuel and the number of kilometres declared.

5.3. Service Statistics

EU experts assisted AoS in preparing national methodology for service statistics, in defining new indicators and definitions, in drafting a new questionnaire for service and domestic trade enterprises. The new questionnaire using NACE and CPA was tested in 1999 by a pilot survey for small wholesale and retail enterprises in all regions (oblasts). The basic purpose of this survey was to obtain analytical data on volume of commodities turnover in the field of retail and wholesale trade, as well as on volume of services rendered in this field.

The evaluation of the pilot survey showed that it was not possible to measure the value added, that the updating of the business register has to be improved in order to avoid data collection problems, and that involvement of the regional offices would improve data quality. The results of the survey have been published in a booklet, which is distributed by AoS.

As from 2001, the information on small enterprises is collected quarterly with sample surveys and yearly with exhaustive surveys. Other enterprises continue to be surveyed exhaustively. Results of the sample survey for small businesses are satisfactory also at regional level. It represented a clear diminution of the burden for the concerned enterprises.

Future priorities will concern the integration of the estimation of non-observed economy in the surveys and the treatment of electronic trade.

6. CONCLUSIONS

The third Programme to improve State statistics in the Republic of Kazakhstan, which covers 7 years, confers full accountability to the Agency of Statistics (AoS) for performing the major steps needed towards this improvement. The AoS, which is not the only administrative agency conducting statistical activities, is officially entrusted with a co-ordinating role to reform State statistics in the country.

In order to implement the Programme, the AoS prepares, together with the other executive agencies, draft annual plans which implicate resources from the Republic's budget and establish an upper limit for these costs. It has to submit to the Government justification for this financing and reports to the Government on the implementation and progress of the Programme. The Programme is subject to Government approval.

The Law on State Statistics (1997) has been revised at the end of 2001. The revised text enlarges the scope of activities of the AoS and, according to the new priorities of the Government, social, economic, demography and ecology statistics are now explicitly mentioned. Moreover, the co-ordinating role of the AoS is reinforced and the objective of setting definitions harmonised with international standards is introduced. However, the confidentiality principle is not always observed in the practice and may be violated when the governmental authorities request individual data for administrative purposes.

Inter-administrative coordination still needs to be reinforced in Kazakhstan although the AoS is completely involved in this process. An official agreement has been signed with the Customs Committee, which should improve the exchange of information in the field of external trade statistics. The Ministry of Revenue is still reluctant to send detailed information to the AoS for the update of the business register.

The AoS has about 3900 staff members out of which about two third have higher education. 88% of the staff is working in the regional offices. Four fifth of the staff are females. Only a limited number of staff has knowledge of Western languages, however all staff have good command of Kazakh and Russian. The Chairman of the AoS is responsible for recruitment through competitions corresponding to the new legislation on civil service. The management of the AoS is being improved, involving the middle management in the decision making process.

The move of the AoS to Astana remains an issue. The Chairman needs to travel every 2 weeks to the capital and the Government would like to have the AoS located close to the Ministries and main users.

The AoS is engaged in a deep and quick reform of official Kazakh statistics. A population census was conducted in 1999.

Sensible progress in data dissemination has been done by modernising publishing activities and introducing electronic and other types of communication, in particular the Internet. The AoS is making a remarkable effort in approaching the statistics to the general public: at the end of 2001, an "Open Doors Day" was organised. Also, two users seminars have been held. Nevertheless, it is not clear yet how user needs are met and monitoring the demand for statistics should be enhanced in future.

Training is among the priorities for future development and a subordinated body, the Institute of Economy and Statistics (IES) is responsible for the vocational training of the AoS staff both in the field of statistics and in the field of information technology.

The IES, which is also supporting the AoS in developing new statistical fields, is assisted by Tacis in a project on vocational training.

Other infrastructure elements like registers and classifications have made great progress. The statistical business register is fully used for the implementation of sample surveys in several fields: transport, trade, services, industry, etc... Sample techniques are also used in labour market statistics on the basis of the results of the last population census. International classifications are used or being currently introduced, like NACE, CPA and PRODCOM.

Good progress can be reported in the general theoretical knowledge of European standards and concepts. In most fields of business statistics the acquired knowledge is used in practice. Structural and short-term statistics have been introduced. In external trade statistics, a customs-based methodology has been introduced and mirror exercises take place regularly. A new Labour Force Survey was introduced in 2001 based on the results of the pilot survey financed by the Tacis programme.

There are also a number of areas that need significant development. This concerns first of all the move from a branch to an institutional approach (surveying of institutional units) in the area of business statistics. This transition towards surveying of statistical units will become a real challenge for the AoS because it requires many changes in data collection and processing procedures. Sample surveys for small-sized enterprises should be extended to structural surveys and to the construction sector.

Macro-economic statistics need to be developed substantially in order to improve the data published. There is some progress in the National Accounts, but in this area further improvement in concepts, coverage and data quality is still needed. The quality of external trade statistics should be improved by the development of mirror statistics exercises, in particular with the Russian Federation.

Future challenges will be to further enhance the development of information technologies, to improve the quality of statistical data, and to increase statistical knowledge in some other areas like investment, tourism, small business and environment statistics.

7. ANNEXES

Annex 1: Chart of NSI organisational structure

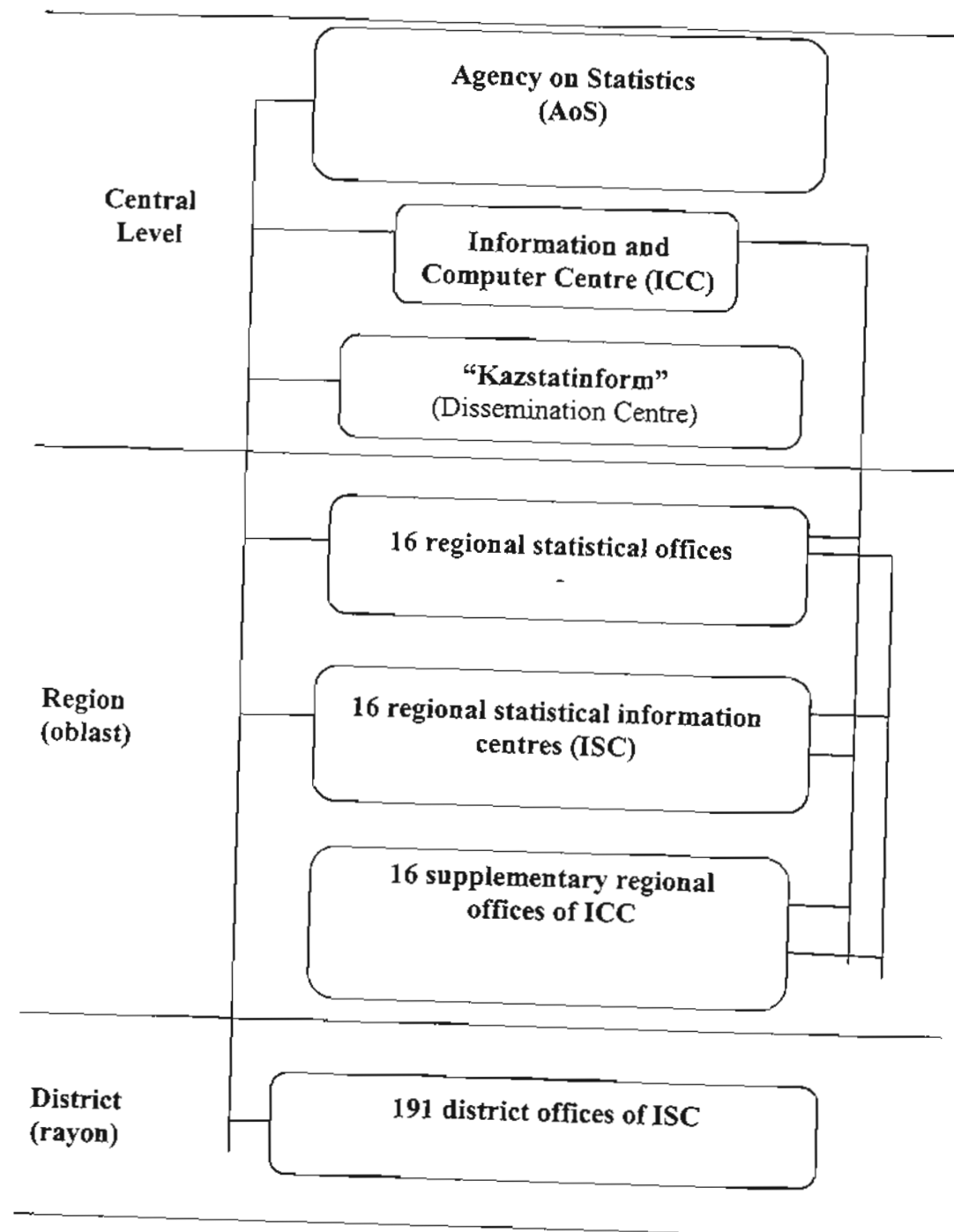
Annex 2: Staff numbers

Annex 3: Schedule of press releases

Annex 4: List of main publications

Annex 5: List of co-operation projects

Annex 1: Structure of AoS



Annex 2: AoS staff in 2001

AoS staff in 2001:

- Central office of AoS (in Almaty)	180
- Information and Computer Centre	320
- Kazstatinform	30
- Statistical offices in oblasts	371
- Information and statistical centres (ISC) in oblasts	2 750
- Support service of ISC	220
- TOTAL	3 871

AoS Central Office

In central office of AoS there are 8 Departments, consisting of 14 Divisions and 34 Units (31 Units within Divisions and 3 Units not within Divisions but within Departments). Total number of staff in central office is 180, of which:

Top management	4	
Coordination and Statistical Tools Department (incl. Director of the Depart.)		23
Coordination of statistical activity Division (consisting of 3 Units)	12	
Statistical methods, classifications and standards Division (incl. 2 Units)		10
Analysis and publication of statistical information Department	21	
Analysis and market research Division (incl. 2 Units)	10	
Publication and statistical information Division (incl. 2 Units)	10	
National Accounts Department	20	
Input-output and finance statistics Division (incl. 2 Units)	9	
National accounts Division (incl. 2 Units)	10	
Production Statistics Department	24	
Industry and construction statistics Division (incl. 2 Units)	12	
Agriculture and investment statistics Division (incl. 2 Units)	11	
Service Statistics Department	21	
Internal and external trade statistics Division (incl. 2 Units)	10	
Service statistics Division (incl. 2 Units)	10	
Price and Labor Statistics Department	22	
Price Statistics Division (incl. 4 Units)	17	
Labour Statistics Unit	4	
Social and Demographic Statistics Department	24	
Demographic statistics and surveys Division (incl. 2 Units)	10	
Social statistics and household surveys Division (incl. 2 Units)	13	
Administrative and Financial Work Department	21	
Personnel, special work and document circulation Division (incl. 2 Units)	11	
Budget Planning and Analysis Unit	4	
Bookkeeping Unit	5	

Annex 3: Schedule of press release

AoS has issued 89 press releases in 2001. According to the topic, they are organised on a monthly, on a quarterly or on a yearly basis. The most important are scheduled as follows:

- 1) Survey on business activity of industrial enterprises (monthly)
- 2) Survey on business activity of trade enterprises (monthly)
- 3) Survey on consumers (monthly)
- 4) Survey on business activity of agricultural enterprises (quarterly)
- 5) Survey on business activity of construction organisations (quarterly)
- 6) Results of socio-economic development of the Republic of Kazakhstan (monthly)
- 7) Production of consumer goods in the RK (yearly, in February)
- 8) Results of industrial activity in the RK (in April, July, October)
- 9) Money income of the population in the RK (yearly, in March)
- 10) Money expenditures of the population in the RK (yearly, in March)
- 11) Living standards of the population in the RK (yearly, in March)
- 12) Higher education establishments and colleges in the RK (yearly, in March)
- 13) Vocational and technical schools in the RK (yearly, in March)
- 14) Migration of the population in the RK (yearly, in February)
- 15) External trade in the RK (yearly, in March)
- 16) Tourism in the RK (in April, July, October)
- 17) External trade of the RK with CIS countries (yearly, in September)
- 18) GDP at current and constant prices (in February, May, August, November)
- 19) Gross regional product at current and constant prices (yearly, in December)
- 20) Production and financial activity of enterprises (in February, April, July)
- 21) Inflation in the RK (monthly)
- 22) Industrial producer price index (monthly)
- 23) Prices on food products in the RK (monthly)
- 24) Price index in construction (quarterly)
- 25) Inflation and prices on consumer market (quarterly)
- 26) Price index in external trade (quarterly)
- 27) Sales price index in agriculture (quarterly)
- 28) Labour market in the RK (quarterly)
- 29) Agriculture in Kazakhstan (in April, July)
- 30) Development of peasant farms in Kazakhstan (yearly, in June)
- 31) Financial and economical activity of agricultural enterprises (yearly, in July)
- 32) Gross yield of agricultural crops (yearly, in October)

Annex 4: List of main publication

About 70 different publications have been issued by AoS in 2001. The main are:

- 1) General Statistics
 - Social and economic development of the Rep. of Kazakhstan (monthly report)
 - Statistical review of Kazakhstan (quarterly journal)
 - Kazakhstan and CIS countries (quarterly journal)
 - Kazakhstan and its regions (quarterly journal)
 - Statistical Yearbook of Kazakhstan (yearbook)
 - Regional Statistical Yearbook of Kazakhstan (yearbook)
 - Kazakhstan in figures (yearbook)
 - Statistical bulletin (quarterly bulletin)
 - Economics and statistics (quarterly journal)
- 2) Economy and Finances
 - System of national accounts (yearly reference book)
 - Finances in the RK (yearly compendium)
 - External trade and joint entrepreneurship in the RK (yearly compendium)
 - Prices in Kazakhstan (yearly compendium)
- 3) Population and Social Conditions
 - Demographic yearbook of Kazakhstan (yearly compendium)
 - Women and men in the RK (yearly reference book)
 - Labour and employment in Kazakhstan (yearly reference book)
 - Households in Kazakhstan (yearly reference book)
 - Living standards of the population in Kazakhstan (yearly compendium)
- 4) Industry, trade and Services
 - Industry of the RK and its regions (yearly reference book)
 - Agriculture, forestry and fishing in Kazakhstan (yearly reference book)
 - Construction in the RK (yearly reference book)
 - Investment activity in the RK (yearly reference book)
 - Retail and wholesale trade in the RK (yearly compendium)
 - Transport in the RK (yearly compendium)
 - Tourism in Kazakhstan (yearly compendium)
- 5) Environment
 - Environment protection (yearly reference book)

Annex 5: List of Co-operation Projects

1. **German society on technical assistance (GTZ)**
"Promotion of the development of Kazakhstan' statistics" (component "Wages and salaries structure survey")
2. **Turkish International Cooperation Agency (TICA)**
"Strengthening the statistical activities in Kazakhstan"
3. **World Bank**
"Household budget survey"
4. **Asian Development Bank**
"Institutional strengthening and collection of environment statistics"

KYRGYZSTAN

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1. INSTITUTIONAL ASPECTS

1.1.Mission

The mission of National Statistical Committee (NSC) of the Kyrgyz Republic consists in providing complete, objective, reliable and timely information to meet the requirements of government bodies and departments, the mass media, the scientific community, the general population, commercial organisations and entrepreneurs as well as international economic and statistical organisations.

Its main functions and tasks are :

- organising a common state system for recording, collecting, storing, processing, analysing and aggregating statistical information;
- developing a common scientifically-based methodology which meets the requirements of a market economy and is in line with international standards;
- organising state statistical surveys;
- using modern information technology and systems to ensure the completeness and increase the quality and timeliness of statistical information;
- ensuring that aggregated statistical information is open to the general public and accessible;
- presenting various categories of users with official statistical information on the socio-demographic and economic situation in the country;
- developing international cooperation in the statistical field.

1.2. Structural and organisational aspects

- Internal organisation of the National Statistical Committee of the Kyrgyz Republic (NSC KR)

The National Statistical Committee of the Kyrgyz Republic, its territorial bodies and subordinate enterprises, institutions and organisations constitute the common state system for statistical information. It is structured in accordance with the Law of the Kyrgyz Republic on State Statistics and the Statute of the National Statistical Committee of the Kyrgyz Republic, and comprises the central office, the territorial statistical bodies, the Main Computer Centre, the Institute of Statistical Research and the Training Centre.

The central office of the NSC consist of the governing body, including its directors, two branch administrations, fourteen branch departments and one section. The NSC is led by a chairman, who has three deputies, including a first deputy.

The Main Computing Centre (MCC) of the NSC is an independent organisation with regard to financial, personnel and organisational matters. At the same time, being an element of the common system of official statistics and in correspondence with the functions imposed on it, the MCC carries out collection, accumulation, automated processing, transmission and storage of statistical data using modern technologies, based on the extensive use of electronic, printing and organisational hardware and communication.

A detailed organisational chart is appended in Annex 1.

- Appointment procedure

The Chairman is appointed to and removed from his post by the President of the Kyrgyz Republic. The deputy chairmen are also appointed by the President of the Kyrgyz Republic on the proposal of the Chairman. There is no fixed length of appointment to these posts: they run until new appointments have been made.

The Chairman appoints to and removes from their posts central-office staff and the heads of subordinate enterprises, organisations and institutions.

In accordance with current legislation, the heads of the territorial statistical bodies are nominated by the Chairman of the NSC in agreement with the main local government administrations, and with no fixed length of appointment.

To strengthen the independence of regional statistical offices a new National Law "On Local Government and Local Public Administration in the Kyrgyz Republic" was adopted on 12 January 2002, according to which Heads of local statistical offices are appointed by the Chairman of the National Statistical Committee without consultations with the Heads of local public administrations.

- Regional structure

The administrative structure of the NSC comprises a three-level system: the central offices, the regional administrations, including the municipal administration of Bishkek, and the local state statistical departments and sections.

The statistical system comprises 8 regional (7 regional and 1 municipal) and 49 local (district/municipal) statistical bodies, which are financed, mainly, from the state budget resources allocated in accordance with programme budgeting.

Information in the form of statistical data and details provided by enterprises and households is collected at local level. The data are transferred to the regional level on paper or magnetic media.

Regional bodies are responsible for collecting statistical reporting data, establishing the databases and transferring the data in aggregate form to the central level by electronic mail or on diskette.

Aggregate statistical work is carried out at the central level, and the processed results are transferred down to lower levels.

The regional statistical bodies are responsible for setting up and running the regional sections of the Common State Register of Statistical Units, on the basis of statistical registration cards which are allocated by local statistical bodies to registered economic units.

Regional statistical services are also entitled to provide information services within their field of competence and operate a publications policy at their level.

- Scientific institutes

The Institute of Statistical Research (ISR) operates within the NSC system.

The main areas of activities of the ISR are: research in the various statistical fields, developing methodological recommendations on statistics during the transition to a market economy, furthering the analysis of the process of economic reforms and the establishment of market conditions, and introducing mathematical and econometric methods into statistical analysis.

The ISR has been running postgraduate courses since 2000 to prepare specialists wishing to compete for higher science degrees in the following two areas: "Economics and Administration" and "Statistics".

Since 1998 a scientific journal "Economics and Statistics", which covers issues relating to institutional transformations in the economy, fiscal, monetary and structural policy, social security, small and medium-sized businesses, domestic and foreign markets, reforming the Republic's statistics and the situation and the development of the regions and the various sectors of the economy.

- Internal organisation and working conditions

The building occupied by the NSC was built in 1967 and its new section was completed in 1972. The building is divided evenly between the Main Computer Centre and the National Statistical Committee. The central offices of the NSC occupy one of the two blocks of the building (1967 building), with 52 offices. Each office has an average of three occupants.

In view of the difficult financial situation over the last decade, repairs have only been carried out in individual work areas. Over the winter period, a heating system is in operation; in the summer period, air conditioning units are used. There are no problems with the electricity supply, and the telephone system is fairly good. The President and his deputies are entitled to make international calls, the head of the central offices is entitled to make city-to-city calls with CIS countries; city-to-city calls within the Republic can be made from any department. The central offices of the NSC and the MCC have a local network, and there is access to electronic mail and the internet.

Payment for communal services (water, electricity, heating and telephone) are settled by joint agreement.

Special (extra-departmental) protection has been organised for the building

The remuneration of government staff in the NSC is higher than the overall average remuneration in the Republic. However, owing to problems of financing in the regions, there is a certain delay in paying wages and salaries. The percentage of wage arrears for 2000 was 6.23%

1.3. Legal setting

- Law on State Statistics

Official statistics are based on the Law of the Kyrgyz Republic on State Statistics, adopted on 12 January 1994.

This Law defines the powers and functions of the state statistical bodies and the main principles for establishing, collecting, storing, analysing, presenting and publishing statistical data, and regulates the legal relationships in the operation of primary accounts and statistics.

The Law also establishes the basic requirements to be met by official statistics.

- In addition, the Law stipulates the responsibility of state statistical bodies with respect to failure to provide reliable and timely statistical information and breaches of state and commercial secrecy. Other legal acts

In 1994 the President of the Kyrgyz Republic signed the following decrees: "on the National Statistical Committee" and "on issues relating to the activity of the National Statistical Committee of the Kyrgyz Republic".

In addition to the Law on State Statistics, the NSC is guided in its activity by the Constitution of the Kyrgyz Republic, the laws on the population census, the agricultural census and the civil service, the codes on administrative responsibility and professional ethics of civil servants, and other legislative and normative acts of the Kyrgyz Republic.

- Data confidentiality

The Law on State Statistics provides a guarantee to legal and natural persons that commercial secrecy will be maintained with respect to the statistical reporting data, which they provide.

The statistical data collected on citizens are used only in aggregate or anonymous form, with no indication, which could be used to identify individuals. Primary data on private individuals and families may not be published without their consent. Users of statistical data are not allowed to sell or transfer these data to any third party without the agreement of the statistical body, which provided the information. Primary data is submitted by enterprises to their higher ministries and agencies only in exceptional cases, taking into consideration the importance of certain performed tasks. In other cases statistical data is provided only as aggregates. This clearly shows that the confidentiality principle is not yet strictly applied, when Government institutions request data.

- Statistical work programmes

The NSC carries out its statistical activity in accordance with the annually-approved statistical work programme. The programme takes into account the information requirements of government bodies at central and regional levels.

The programme covers all spheres of statistical activity: conducting statistical surveys and censuses, registers and classifications, methodologies, economic analysis, publication and dissemination of statistical data, staff training, international cooperation, automation of statistical work and conducting reliability checks on statistical data.

- Registers

In accordance with the Law on State Statistics and other normative legal acts of the Kyrgyz Republic, state statistical bodies are responsible for operating the Common State Register of Statistical Units (CSRSU), which fulfils the function of an administrative register and serves as a basis for establishing and operating the system of statistical registers (register of business activity, register of individual entrepreneurs and register of agricultural units).

The Common State Register of Statistical Units (CSRSU):

- contains main official information about each economic actor which is created and registered on the territory of the Kyrgyz Republic.
- opens the possibility for partner research by establishing business contacts among commodity producers, distributors, debtors and others.
- allows to determine whether it is advisable to establish an economic unit with a certain type of activity on a given territory:
- allows to organise statistical data exchange by e-mail between executive authorities, enterprises and international organisations.

- forms a basis for conducting full-coverage and sample surveys, censuses.

There is no population register in Kyrgyzstan. The database of the population census, which was conducted in the Republic in 1999 is used as a household register to form samples for household surveys.

1.4. Relationship with central and local governments

- The role of the NSC in the Government

The National Statistical Committee of the Kyrgyz Republic is the main state statistical information body, which independently organises and coordinates statistical activity throughout the territory of the Kyrgyz Republic.

The data presented by the NSC are considered official statistical data. Its status of independence ensures non-interference in the statistical activity on the part of the government and political system.

On the basis of a decree by the President, the NSC is not part of the government and is accountable only to the President of the Republic.

The Chairman of the NSC attends government meetings.

The principles governing the relationships between the NSC and the central and local government bodies are set out in the Law on State Statistics (Article 5) and the Statute of the National Statistical Committee of the Kyrgyz Republic, approved by Decree of the President of the Kyrgyz Republic.

- Relationships and links with ministries at the central level

Statistical cooperation between the NSC and other organisations is conducted on the basis of agreements on the reciprocal exchange of statistical information. The ministries and other government bodies are entitled to receive information on enterprises located within their field of operation and in which there is a share of state capital or local budget resources.

In order to foster mutually beneficial cooperation, the NSC has concluded bilateral agreements with the Ministry of Finance, the State Committee for Administering State Property and Attracting Direct Investments, the National Bank, the Social Fund of the Kyrgyz Republic and the State Commission on Anti-Monopoly Policy. There is a multilateral agreement on cooperation between the NSC and the Ministry of Finance, the Ministry of Agriculture and Water, and the State Agency for Registering Property Rights.

The CSRSU database is updated every month on the basis of a multilateral agreement on cooperation between the CSRSU and the departmental registers. The reciprocal exchange of data makes use of the unique identification code given to statistical accounting units by statistical bodies.

- Moreover, on the basis of the Law on State Statistics, the ministries and the administrative departments are entitled to conduct departmental statistical surveys and collect departmental statistical reporting data in accordance with the procedure laid down by the NSC but the survey methodology is not necessarily agreed upon by the NSC. This results in a situation where the data from ministries on particular indicators differ from the data obtained by the NSC. Moreover, individual ministries elaborate their data without using the state classification adopted in the Republic, which results in a lack of comparability

between the data in the various information systems.. Protecting the independence of the NSC

On the basis of the Law on State Statistics, the NSC has the right to manage the business of administrative reporting and statistics throughout the territory of the Kyrgyz Republic. This defines its independent status.

In this, the NSC is also governed by the 1994 Basic Principles of the UN Statistical Commission, which sets out that "official statistical data must be kept up to date for society, and must be independent of political influence and accessible to each member of society at various levels".

At present, on the basis of the Decree of the President of the Kyrgyz Republic aimed at reinforcing the status of independence of state statistical bodies in the field, a law on introducing changes in the legislation of the Kyrgyz Republic concerning the appointments of the heads of the territorial statistical bodies without the agreement of the main local government administrations has been put into practice. Relationships and links with local government bodies at the regional level

The NSC cooperates with the territorial government and administrative bodies through the network of regional administration and local bodies.

The regional statistical bodies apply the state statistical policy at the regional level.

Through the primary local authority bodies (ayil okmotu), statistical bodies collect statistical data on the activity of peasant (farm) holdings, the production of agricultural products on private plots and industrial activity by private individuals, etc.

In accordance with the Law on State Statistics, the NSC is required to provide official statistical information to government bodies and administrations at all levels. On this basis, regional statistical bodies, as part of the statistical work programme, provide local government bodies and administrations with statistical information on the socio-economic situation in the region.

1.5. Relationship with users and dissemination policies

• Relationship with users

The main users of statistical information are the President's Administration, the Government, the Parliament of the Republic, the ministries and departments, the local government bodies and administrations, the National Bank, international organisations, scientific and academic institutions, enterprises, the mass media and the general public etc.

An annual catalogue of the main statistical publications is prepared in Russian and English. It includes more than 130 titles and their publication times are disseminated to users. The overall annual volume of publications is approximately 500 titles, with a total print-run of approximately one million copies.

Mainly publications are issued in Russian language but separate publications are also prepared in Kyrgyz language (Annex 3). The results of the first national population census of the Kyrgyz Republic in 1999 are published in Kyrgyz, Russian and English languages.

In order to provide access to statistical information and extend the volume of the information available to domestic and foreign users, the NSC has set up a regularly updated web site on

the internet, based on the General Data Dissemination Standard (GDDS) and including detailed, regularly updated information on all sectors of the economy.

The address of the NCSA's web site on the internet is :<http://nsc.bishkek.su>

The electronic mail address is: 311@nsc.bishkek.su

One of the main tasks of the NSC is to develop a dialogue and cooperation between producers and users of statistical information and increase the level of confidence in official statistics. To this end, in June 2001 the Statistical Society was created in the Republic. Bringing together users and producers of statistical information in the Statistical Society will enable more extensive use to be made of the common statistical methodology for analysing the economic and social processes taking place in the country, and enable inter-regional exchanges of statistical information and greater efficiency in publication activity, as well as help to reinforce the professional status of statistics.

• Information dissemination and marketing policy

Data dissemination policy is based on the principle of transparency in providing access to data prepared by the NSC and its territorial services, as well as information on the data itself, i.e. on its methodology, coverage, periodicity and publication and dissemination schedule etc.

Official statistical information is disseminated in the form of annual, quarterly, monthly and special publications (Annex 3). Carrying out the Tacis project enabled a significant increase in the volume of statistical information produced in electronic form.

The new technical printing resources which were acquired under the Tacis programmes enabled publication times to be reduced and publication design to be significantly improved.

In conjunction with the Main Computer Centre, the NSC created an information publication department with the main task of marketing and disseminating published statistical information.

In February 2001, the Kyrgyz Republic subscribed to the IMF's General Data Dissemination Standard (GDDS), which presents a description of the methodology for compiling statistical data according to international standards as well as plans for developing the data.

At the same time, the data dissemination area saw a series of problems connected, in particular, with the development of the marketing and advertising of statistical information, the organisation of a well-defined mechanism for meeting the requirements for statistical information on a commercial basis, and the search for and use of new information technologies to increase the speed and efficiency of information dissemination.

• Relations with the press

One of the most important forms of communication between official statistics and society in general is the preparation and dissemination in the mass media of quarterly information on the socio-economic situation in the country over a defined period. Other occasions for press information are provided by major events such as international seminars and censuses, which are of great importance to the Republic. Another form of communication is interviews and speeches on radio and television by the NSC Chairman or his deputies.

If the announced or written information needs to be supplemented press conferences are held by higher management of the NSC. When these press conferences are held for mass-media representatives, press releases are prepared with the main statistical indicators on the current situation in the economy or information on other measures being carried out.

The scientific journal "Economy and Statistics" has been published since 1998 and its editorial board includes statisticians as well as representatives from scientific and economic circles.

- Publication of key data and sensitive data

All the main economic indicators are published regularly according to an established periodicity and times of publications and are disseminated widely. GDP data is published in quarter report. The inflation and unemployment rate are included in monthly economic reports and statistics bulletins. The press releases are not published for this sensitive data.

- Monitoring the demand for statistics

The requirements for statistical information by main group of users, including the non-governmental users is taken into consideration when the forms of state statistical reporting are reviewed for the following year. However, monitoring of the statistics information demands through the users is carried out only at the level of state government bodies at the preparatory stage of compiling the annual statistical work programmes.

1.6. Relationship with data suppliers

- Access to administrative sources, relationship with other administrative bodies

In accordance with the Law on State Statistics, the NSC is entitled to receive and use data from the financial, banking, tax, customs and other departments and services, as well as the results from branch (departmental) statistical surveys in order to develop macro-economic indicators and compile statistical resources.

Approximately 10 % of statistical information is developed from data from administrative sources. This information enters the statistical services in aggregated form in two ways: for the central office - from the central ministries and departments to compile macro-economic indicators for the Republic; for regional statistical bodies - from the regional departments for analysing regional socio-economic development.

Cooperation with ministries and departments takes place on the basis of agreements under the approved statistical work programme. The information exchange between authorities occurs on a regular basis (monthly, quarterly or annually).

Extensive use is made of banking, financial, tax, customs and other forms of administrative statistics. Data on foreign trade come from the State Customs Inspectorate. Data are exchanged on the balance-of-payments on the basis of a bilateral agreement with the National Bank. The Ministry of Finance provides data on the state budget. The State Committee for Administering State Property and Attracting Direct Investment provides the NSC with information on the privatisation of economic units. The Ministry of Labour and Social Protection regularly provides data on poverty and employment.

On the basis of the cooperation procedure for departmental registers to update the Common State Register of Statistical Units, the NSC has access to the State Register of Legal Persons of the Ministry of Justice and the database of taxpayers of the State Tax Inspectorate as well as the registers of other ministries and departments.

Alongside this, the process of exchanging information between the NSC and other departments has thrown up a series of serious problems, requiring the development of a regulatory basis and common methodological approaches to organising and transmitting data.

At present, resolving this problem was hampered partly by the existing technical and data incompatibility of the information resources of the various departments.

- Relationship with accounting units (enterprises, households and private individuals)

In accordance with the Law on State Statistics, all legal persons are required to provide statistical reports to statistical bodies at all levels, and natural persons are required to provide information on their socio-demographic situation and entrepreneurial activity.

Household surveys are conducted on a voluntary basis. In order to get households to participate in the survey and increase their incentive to provide reliable information to the questions in the questionnaire, the NSC employs material incentives and guarantees the confidentiality of the information obtained. Alongside this, however, the NSC explains to respondents the objectives and significance of carrying out surveys like these. The result is a fairly high level of response (refusals to participate in surveys are approximately 1-1.5% per annum).

In order to reduce the reporting burden on respondents, the NSC makes extensive use of sample survey methods in its statistical practice and has introduced integrated forms.

Moreover, the Code on administrative responsibility provides for administrative penalties in the case of infringements of the procedure for providing state statistical reports and other data used in the statistical activity and in the case of distortions of statistical data.

- Network of interviewers

There is a well-organised network of interviewers consisting of 120 interviewers and 28 supervisors, who carry out the household survey. Training of interviewers takes place every year. Interviewers are paid from the state budget.

Moreover, the process of registering consumer prices and industrial producer prices uses 25 registration officers, some of whom work on a contractual basis. Instruction takes place as required, financing permitting. Registration officers are paid from the state budget.

1.7. Planning and working out action programmes

- Planning process

The statistical activity of the NSC is based on long-term programmes for improving and developing statistics and the annual statistical work programme. The strategic planning and defining of the areas of work of the statistical bodies at central and territorial levels are based on the principles of a common:

- scientifically-based methodology of accounts and statistics;
- modern technology for collecting, developing and transmitting statistical information;
- system for classifying and codifying socio-economic information;
- policy for disseminating statistical information.

Starting in 1992, statistics have been reformed in stages on the basis of the state programme for the transition of the Republic of Kyrgyzstan to an internationally-accepted system of accounts and statistics (1993-1997) and on the basis of the state special programme for reforming statistics in the Kyrgyz Republic (1998-2000).

In 2000, the 2001-2005 statistical development programme of the Kyrgyz Republic, which had been developed on the basis of Eurostat recommendations, was adopted; this programme describes the strategy for developing the state statistical system over the next five years,

taking account of the requirements of the market economy and in accordance with international standards.

The programme sets out the priorities for the further development of statistics and the activity plans, the ways and means of achieving the tasks set out and the resources required to do this.

The routine tasks to be carried out by state statistical bodies are set out and planned in accordance with the annual statistical work programme, which includes also measures contained the long-term programme but implemented during the current period.

A review and approval of statistical reporting forms for the coming year takes place before the organisation of the annual programmes.

All the operational and long-term programmes are developed with the participation of all the ministries and departments concerned and the regional statistical services, which enables the information requirements at both central and regional government level to be taken into account. Non-governmental users' needs are satisfied in accordance with annual statistical work programme. If the requests from non-governmental organizations are non-standard ones, the information is payable.

The programmes are financed from the state budget, within the allocated budgetary appropriations and financing is also available by applying for grants and project resources.

The NSC carries out quarterly monitoring of the implementation of the programmes and reports on the results only to the Government and to the Ministry of Finance. Also, annual report of the NSC and territorial bodies activities is published in the scientific and information magazine "Economy and Statistics".

- Approval procedure

The operational and long-term programmes are considered by the NSC Scientific Council. They are then submitted for agreement to all ministries and for consideration to the Government.

The final version of the programme, taking into account the observations and suggestions made, is considered by the NSC Board and approved by the Government of the Kyrgyz Republic.

- Scientific Council

The Scientific Council is the scientific consultative body on matters of statistical methodology and it consists of members of the NSC Board of Directors, the heads of the branch departments, experienced departmental specialists and scientific workers in the NSC system and other scientific workers and highly qualified specialists from economic departments and educational and research establishments in the Republic.

The Scientific Council is responsible for taking decisions on the following issues: developing a common methodological basis for statistical observations, censuses and surveys; methodological development by adopting international rules and standards and in-depth experience in international statistics, as well as raising the overall level of theory, comprehensiveness and practical significance of statistical surveys and economic analysis.

- Reference to the list of surveys

The annual programme contains a full list of statistical surveys grouped by statistical area, indicating their periodicity, means and times of presentation, survey instruments and sections where survey results are to be developed.

The survey forms are developed by the branch departments of the NSC in conjunction with the Department of Statistical Methodology and Organisation, with a view to the requirements of the system of national accounts. In a number of cases, the forms are tested on individual economic units, and following any changes, they are distributed to the full set of respondents.

In view of the limited financial and staff resources in recent years, further development of the national statistical system has been directed towards developing the system of sample surveys and using the most advanced methods of collecting statistical data, enabling not only resources to be saved but also the burden on respondents to be reduced.

1.8. Finance and budgeting

- State budget

The NSC institutions are financed from the state budget in accordance with the approved statistical work programme. The NSC budget in 2000 was 51.4 million som, 19.5% of which went to the central offices. Wages and salaries accounted for 79% of the overall finance available. Extra-budgetary resources amounted to 1.6 million som.

Financing from the state budget does not fully cover the NSC requirements in terms of finance, as it represents less than 50% of the resources required. Due to state budget deficit, the available finances and human resources to carry out statistical work are limited.

- Bilateral and multilateral assistance

At present, the NSC is carrying out 10 main international projects (see annex 5).

- Tacis programme: the NSC works on 8 components with the Statistical Offices of the European Communities, with the participation of the CBS of the Netherlands, the FSO of Germany, the National Statistical Institutes of Sweden, Italy and Lithuania:
 - "Business statistics"
 - "Business register"
 - "Foreign trade statistics"
 - "Statistics on investment"
 - "Regional structure of the statistical system"
 - "The non-observed economy"
 - "Information technology"
 - "Construction price statistics"
- The UN Statistical Department and Population Fund: allocation of financial and technical assistance in preparing and carrying out the first national population census in 1999 and publishing the results;
- UNFPA: in a sub-programme of the UN Population Fund, which is aimed at boosting the national capacity for including demographic and gender indicators in national, branch and regional planning, and devising policy with respect to the steady development of the population of the Kyrgyz Republic;
- IMF: allocation of assistance in the field of macro-economic statistical methodology, developing the system of statistical indicators and other documents to raise the level of disseminated statistical information;

- The World Bank: financial support for the component "Monitoring poverty" as part of the project "System of social protection in the Kyrgyz Republic" and cooperation under the project "Strengthening the institutional resources of the NSC";
- FSO of Switzerland: allocation of technical and methodological assistance in processing the data of the first national population census, and financial support in establishing the Statistical Society of the Kyrgyz Republic; cooperation under the programme "Strengthening the regional structure of the statistical system;
- FSO of Germany: present assistance is also directed at preparing the agricultural census in 2002;
- German Society for Technical Cooperation: the aim of the project "Assistance to the National Statistical Committee of the Kyrgyz Republic" is the development of new approaches and working methods for collecting and processing data under the new market conditions, and the allocation of methodological, technical and financial assistance in preparing and carrying out a pilot agricultural census in the Ysyk-Atinsky district of the Chuy region;
- The Asian Development Bank: at present a project is being carried out on environmental statistics;
- The Turkish Agency for International Cooperation (TIKA) and the NSI of Turkey: the project "Strengthening statistical activity in the Kyrgyz Republic" is underway; the priorities of this project are statistics on agriculture and households and issues relating to employment, sample surveys and the "shadow" economy.

1.9. Staffing, staff recruitment and development

- Main features

The specialists of central office of the NSC and territorial bodies are ranked according to the categories of the state list of civil servants approved by the President of the Kyrgyz Republic.

The state statistical system employs 1396 staff, 95 of whom work in the central offices, 188 in the Main Computer Centre, 600 in the regional bodies and 513 in the local (district) statistical bodies. Due to the limited financing available, the trend is towards a reduction in staffing.

Approximately 98% of staff in the central offices have higher educational qualifications, mainly in the field of economics. This figure is higher in the central offices than at the regional and local level. Approximately 74% of all staff are female. The average age of staff is under 43.

The overall level of knowledge is fairly high, however it is necessary to increase the knowledge of modern methods and approaches using new information technology, especially at the regional and local level.

- Staff recruitment procedure

Because of the fairly low level of pay in state institutions, especially at the regional and local level, problems arise in trying to recruit highly qualified specialists to state statistical bodies.

In accordance with the new national legislation, state officials are recruited to fill vacancies in the civil service on the basis of competitions. Competitions are announced in the mass media. The competition is conducted in the form of a written examination, scrutinised by the NSC Examination Board. In the course of the competition there is an interview with the candidates for the vacant posts. Once the competition has been completed, the NSC Chairman, on the

basis of the Board's proposals, decides on the appointment of the selected candidate to the vacant post.

Staff are also recruited from the graduates of the Department of "Statistics and Management" at the Kyrgyz State National University.

- Form of administration and management style

There is a board comprising seven members to consider issues relating to the tasks to be carried out by the NSC and its territorial bodies, subordinate enterprises, organisations and institutions. The Board is composed of the Chairman of the NSC (Chairman of the Board) and his deputies, as well as the heads and officials of state statistical bodies and other national economic bodies.

The department for statistical methodology and organisation is responsible for the cooperation between the branch departments when forming the system of statistical indicators and the methodology of survey organization by the branch departments. Common methodological and organizational issues are solved by working groups composed of leaders and specialists from branch departments of the central office and representatives of regional offices. Specialists of other ministries and authorities can be involved in the work of the statistical experts when necessary.

The style of management is still rather centralised but improvements are underway. A vertical structure for information flows and a decentralised approach for data collection is existing. The new law on Local Government and Local Public Administration in the Kyrgyz Republic paves the way for further progress.

- Command of foreign languages

Over the past three years, language courses have been organised for NSC specialists. In the central offices, two members of staff are fluent in English, and 8 have enough command of English to read methodological material and to converse. Approximately 70% of specialists have some grasp of English.

Special training courses have been included in the training programme in order to increase the language skills of NSC specialists.

1.10. Training policy

- Staff training programme

The National Statistical Committee implements a common staff related policy with regard to both the central office and all its structural units and subordinated enterprises, organisations and agencies.

The training programmes are based on requests coming from middle management throughout the whole system and are aimed at raising the professional skills of statisticians who work at both the central level (Central office, Main Computing Centre, Institute of Statistical Research) and the regional level.

Training consists of thematic seminars and short courses on statistics and information technology at the NSC Training Centre and its affiliates. In some cases, the seminars involve specialists from international organisations; visits of trainers, managers and experts of the

central level to the regions in order to train the lower level staff are a matter of common practice.

An agreement on cooperation in the field of science and staff training until 2005 has been concluded with the Kyrgyz National State University. Arrangements have begun to train specialists for higher qualifications through post-graduate and doctorate study.

Under the specialised programme of computer training for NSC specialists, the Training Centre has trained 217 specialists from the regional statistical bodies in basic computer literacy. There are future plans for an advanced training course for system programmers and specialists in the operating departments of the regional statistical bodies.

English language courses are organized on a regular basis to allow use of international documents.

- Library

The NSC has a library with a stock of approximately 4000 books, journals and periodicals on economics, statistics and information technology etc. The library also has methodological documentation, statistical yearbooks, quarterly statistical reports and bulletins on the socio-economic situation in the Republic and its regions, as well as foreign specialist literature. However, there is no Russian language version of the foreign training and methodological material, which makes access to them difficult for many users.

The library has taken on one permanent librarian, who is employed full-time in the working week. One PC has been installed in the library. It is planned to connect the library to the internet, and in order to automate library work, a BIS programme has been acquired and internal library processes have been automated.

The library is open to any user with unrestricted access to all its information. The library has more than 1000 visitors every year.

1.11. Organisation of international cooperation

- Special department

International cooperation is coordinated by the Chairman (Mr.Kudabaev). The general coordination of international components is provided by Mr. Bajumanov, who nominates the leaders of international components.

There is a section for international cooperation and it maintains contacts with all the international organisations and foreign statistical services. The specialists are highly qualified and have a command of a foreign language (English). All documents coming from international offices are directed to this section and after translation they are forwarded to the related divisions. This section is also responsible for the preparation of project implementation reports, assists in preparation of project documentation and organizes workshops, training seminars and meetings on Tacis activities.

Although coordination and cooperation with international organisations is efficient, greater awareness of international cooperation inside NSC could be enhanced in future.

- Agreements on international cooperation:

With Moldova - signed 10.06.96

With Armenia - signed in April 1997

With Ukraine - signed 16.10.97

With Turkmenistan - signed 27.08.96

With Russia - signed 18.07.95

With Turkey - signed 19.10.94

With Mongolia - signed 27.02.96

2. STATISTICAL INFRASTRUCTURE

2.1. Information technology

- Architecture

The central offices of the NSC and the MCC have 174 work stations which are connected to a local network. The workstations use computers based on Pentium and Pentium II processors. The basic structure of the local network is constructed according to the principle of packet switching. The network technology provides for simultaneous output to an unlimited number of users; and the cable network provides a data transfer rate of 10/100 Mb/s at any point, enabling full use to be made of the network equipment, with an eye to development over five to six years. There are two servers in the Novell NetWare 5.0 operating environment and three servers in Windows NT.

The NSC system uses the following operational systems and standard programs:

- the network operating system Novell NetWare 5.0;
- MS DOS, Windows 95/98/2000/NT;
- Clipper, Delphi, Visual Basic programming languages;
- software packages MS Office 97/2000 (Word, Excel, Access etc.);
- a text editor - Multi Edit.;
- a desktop publishing program - Adobe PageMaker;
- graphics editors - Adobe Illustrator, PhotoShop.

The local network is connected to the internet, but only a limited number of users can access it. Few Tacis project leaders have access to e-mail directly from their desk.

The following programs were used to create the electronic information processing system: Clipper 5.x, FoxPro, Delphi. The bulk of the system was created using the Clipper program.

Modern programming software (Delphi, SQL-server) was used to process the material from the 1999 population census. New information processing technology using the client-server architecture was introduced at the stages of input, correction and production of output tables, which enabled the information in the population census database to be used simultaneously by several users.

The regional and district statistical committees do not have enough modern computer technology. A local network is installed in three of the eight regional state statistical administrations and is operated with the network program, NetWare 4.1. The network architecture provides for successive connection of users to the local network. In the remaining regional statistical administrations, all the computer technology is used separately for entry, correction and processing of statistical information.

All the programs for processing statistical information were created by programmers at the NSC Main Computer Centre; more than 150 systems were created in the form of databases, the majority of which run successfully in the regional statistical bodies.

- Equipment level

At present, the NSC and its departmental and structural units have 388 PCs. As an average across the system, there is one computer for 3.5 staff. However, this figure varies considerably at various levels in the system. Whereas in the central offices, there is one computer for approximately two staff, in the regional administrations, it is one computer to five staff and in the districts, one computer to seven staff.

	Total	Toshiba laptops	Pentium	486	386 and others
Total for the system	388	6	247	91	44
of which:					
Central level	193	5	173	5	10
Central offices					
NSC	86	5	81		
Main Computer Centre	86		81	1	4
NSC ISR	9		4	1	4
Training Centre	12		7	3	2
Regional level	122	1	54	54	13
Local level	73		20	32	21

• Development of information technology

The main focus of the technical development of the NSC system is: to use modern technology and software to fully equip and modernise the technological basis of the NSC system, so that advanced technology can be introduced to provide various categories of users with statistical information resources; and to create a common statistical information area in the Republic.

In order to achieve the above-mentioned objective, the following tasks have to be completed:

- organising the sets of statistics on the basis of a common modern technology used in international practice and creating a distributed statistical database;
- developing a telecommunications environment for incorporating the statistical system into the information area in the Republic;
- introducing the latest technology for collecting, processing and publishing statistical information, and ensuring its timeliness and high quality;
- ensuring efficient cooperation in the field of information between the structural units of the NSC system;
- linking up with other state and departmental automated systems;
- ensuring the compatibility and interaction between the information systems on the basis of modern technology, international standards, classifications and registers;
- providing foreign users with access to relevant statistical material;
- ensuring systematic protection of the information resources from unauthorised access;
- raising the level of computer and information literacy;
- developing an information storage system including electronic publication;
- disseminating and publishing statistical material;
- introducing international experience in the field of information technology;
- archiving, creating back-up copies and protecting computer systems.

This is why the NSC is interested in developing cooperation with international organisations in this area of activity.

At present, the project "Information technology" is being carried out and financed under the Tacis programme.

It is planned to introduce in future Tacis programmes a component concerning issues of strengthening the information technology basis of the regional structure of the national statistical system and raising the professional level of specialists at the district level of the NSC.

2.2. Classifications

• Use of international classifications

Following the establishment of a common information space on the basis of international, inter-state and national standards, the Common System of Classifications and Codification of Technical, Economic and Social Information was set up. This system comprises six international and inter-state classifications: the Standard International Trade Classification (SITC); the Inter-state Classification of Currencies (ICC); the Inter-state Classification of Countries of the World (ICCW); the International Statistical Classification of Diseases and Causes of Deaths, REV-10 WHO (ICD - 10); the International Standard Classification of Education (ISCED); and the International Classification of Occupations (ISCO-88).

The European classification of types of economic activity (NACE) was used as a basis for developing the state classification of kinds of economic activity, which was approved by decree of the Government of the Kyrgyz Republic.

The transition was made to a system of coding entries on causes of death on death certificates according to the international statistical classification of diseases and causes of deaths, REV-10 WHO (ICD - 10).

A distribution of the population employed in the national economy is being produced according to the international classification of types of economic activity and the international standard classification of occupations (ISCO-88). The international classification of employment status was introduced.

In order to assess the reform taking place in the education system, statistical indicators on education were developed in terms of the international standard classification of education (ISCED).

The state classification of products and services (GSKP) is at the approval stage; it was developed on the basis of the European statistical classification of products by type of economic activity (CPA) and the list of products for European production statistics (PRODCOM).

In 2002 it is planned to introduce the following international classifications: classification of individual consumption by purpose (COICOP), classification of functions of government (COFOG), classification of purpose of non-profit institutions serving households (COPNI) and classification of outlays of producers by purpose (COPP).

The use of international classifications is problematic due to non-availability within NSC of updates. Also information on corrections made is lacking. In addition, not all necessary

European classifications are available in Russian: CPC, ICICP, ICFSGB, ICNO, ICPEP, ISIC.

- Incorporation into statistical questionnaires

Since January 1995 the NSC has used the ISIC (national version OKED-1) for statistical purposes and registering economic units. In 1998 the decision was taken to move over to NACE.

In 1999 the state classification of types of economic activity (GKED) was adopted as the state standard and, as such, must be used by all ministries, departments and economic units.

The following classifications were used for statistical questionnaires for 2002: types of economic activity (GKED); and products and services (GSKP).

2.3. Business register

- Description

The common state register of statistical units (CSRSU) was created in 1992 on the basis of the all-Soviet classification of enterprises and organisations (OKPO). It has been operated on the republic level by the Main Computer Centre of the NSC and on the regional and local levels by MCC regional departments.

The CSRSU is a common system of state registration and identification of all economic activity on the territory of the Kyrgyz Republic: enterprises, organisations and institutions, public associations, peasant (farm) holdings and individual entrepreneurs, as well as subsidiaries and representatives of legal persons. Units which are registered and included in the CSRSU are allocated a unique identification code (OKPO), which must be used by all ministries, departments and economic actors.

As of 1 January 2001, the CSRSU contained 215,514 economic units, including agricultural units (43,713 legal units and 171,801 physical units, among them also 3,835 local units).

The CSRSU fulfils the function of administrative register and contains the main administrative information on each unit. The CSRSU is maintained at the central level and is composed of territorial sections which are maintained and updated by the regional statistical services.

The CSRSU is updated on the basis of statistical surveys, censuses, questionnaires for economic actors and from administrative information registered by authorities. Information exchange takes place by e-mail.

According to the information obtained from statistical surveys and administrative sources, only 49.1% of the economic units in the CSRSU are economically active.

The need to create a reliable and up-to-date database, for the organisation of statistical surveys and selection of units to carry out various thematic sample surveys, was the reason for using the CSRSU database to organise a statistical register and a register of agricultural units. These registers are currently under construction.

The statistical business register contains 20,846 legal units. The register of agricultural units contains 77,104 economic units including 70,665 peasant (farm) holdings.

The existing information system is able to respond to user requests. Registers information is published in the quarterly publication "Social-economic situation of the Kyrgyz Republic"

and the thematic statistical bulletin "Economic units of the CSRSU". The next step in register development is migration of the register system to the most advanced software.

- Updating strategy

The update of the register data is carried out for statistical and administrative purposes. CSRSU is the basis for organization of the statistical observation. The registration and update of units in the CSRSU is carried out by the state statistical bodies in cooperation with the state registration body as well as government bodies and other legal persons. A monthly adjustment of CSRSU units with the data from departmental registers is carried out on the basis of the identification code allocated by the statistical bodies. The CSRSU data and the databases of the tax authorities are checked using the OKPO code and the tax identification number (INN).

The information on an economic unit is updated using the following sources: the official information of the registration bodies on the registration or the re-registration of economic actors, regulatory documentation, statistical reporting data, sample surveys and business surveys. Moreover, the main type of activity and the activity status of a unit is updated once a year on the basis of the annual statistical reporting and survey material.

- Use for statistical purposes

The CSRSU serves as a basis for organising statistical surveys and sampling. It is used as the general population for structural analysis of a given population of economic actors. The CSRSU is used as a basis for forming the economic demography of enterprises.

The register can be used to obtain data on a set of economic units by region, type of economic activity, form of ownership, legal form and other characteristics.

- Quality of the business register

The quality of the statistical business register requires further improvement. Current legislation lacks a precise mechanism for removing economic units, which have ceased activity and have not undergone liquidation. 24% of the units in the register fall into this category. In order to ensure full coverage and complete reliability of the information in the register on economic actors, it is planned to develop the legal basis and reinforce the status of the CSRSU.

In order to ensure the reliability and improve the quality of the statistical register, a pilot census of legal persons extracted from the territorial section of the register for the City of Bishkek was conducted in 2000 with support of the Tacis programme, which allowed:

- to determine the quantity of actual legal persons
- to update the territorial section of the business activity register
- to update the various fields in the CSRSU (family name, name of general manager, telephone number, e-mail address, fax number, number of employed, name of country of foreign partner)
- to enter information about demographic changes
- to correct for the existence of local units

The pilot census of legal persons carried out in the city of Bishkek demonstrated the necessity of conducting a similar census in all regions.

A special survey of economic units has also been carried out. Moreover, when full or sample statistical surveys or censuses of economic units in various areas of statistics are carried out,

the survey or census questionnaire will include data required for updating the CSRSU and the statistical register.

3. ECONOMIC AND FINANCIAL STATISTICS AND STATISTICS ON TRADE

3.1. National accounts

The Republic is carrying out work to develop and adopt the concepts in the 1993 UN system of national accounts (SNA-93). All estimates and calculations use the recommendations of international organisations (OECD, Eurostat, IMF) and the CIS statistical committee.

In the development and construction of national accounts, the main focus has been data coverage and reliability and recording non-observed economy.

GDP is calculated using three methods (production, expenditure and income). The Kyrgyz national accounts cover all transfers except financial transfers. Work is currently underway to adopt financial and profit-and-loss accounts.

The national accounts cover all resident units in the Republic, including producers in the informal sector of the economy. Accounts are also produced for the sector "Rest of the world".

The national accounts are calculated for five institutional sectors: non-financial corporations, financial corporations, general government, non-profit organisations serving households, and households. Moreover, the production, generation of income and capital accounts are calculated by branch of the economy.

GDP and its production and final expenditure components are drawn up at current prices and prices of the previous year. Methods for the income based GDP calculation have been developed in order to determine the cost structure of the GDP by its structural components. According to these methods the GDP is calculated as the sum of incomes produced by employee's labour income plus production and import taxes, plus gross profit of enterprises plus gross mixed incomes of non-corporate household enterprises. The data for the income formation account is collected by means of statistical censuses, sample surveys of households and individual entrepreneurs, as well as by means of expert estimates of the non-observed ("shadow") part of economy.

In 2000, the expenditure method was used for the first time for quarterly estimates of GDP. Calculations covered the period 1995-2000.

Holding gains and changes in inventories were calculated in accordance with the methodology recommended by the IMF, and production accounts were drawn up for the non-financial corporations sector using the vector method.

In accordance with the recommendations developed by the NSC, gross regional product is calculated at current prices since 1995. The results are published in the annual report on National accounts.

The programme for compiling an inter-branch balance of the production and distribution of goods and services, which was developed jointly with the World Bank, provided the basis for

constructing "input/output" tables by types of economic activity for 1998 using an extensive classification.

In 1998-1999, there was a special sample survey of 2,500 enterprises and organisations on the cost structure related to the production of goods and services, the results of which were used to compile input/output tables.

In contrast to the previously used methodology for drawing up input/output tables, all calculations during 1996-1998 – as one of the first CIS countries to do this – were made at basic prices, enabling a definition of the real structure of costs and final use by type of activity. Using the "supply-use" tables enabled all three methods of calculating gross domestic product to be reconciled.

The results of the development of the inter-branch balance of production and distribution of goods and services are reflected in the yearbook "Inter-branch balance of the output and distribution of goods and services of the Kyrgyz Republic".

Apart from the "input/output" tables, this publication includes production supply tables, matrices of direct and absolute input indices and so on.

The annual and quarterly national accounts of the Kyrgyz Republic are compiled and disseminated via annual and quarterly publications: "Socio-economic situation", "Socio-economic development", and monthly estimates are put on the Internet. Moreover, GDP data and annual national accounts are published every quarter in the annual report "National Accounts of the Kyrgyz Republic".

3.2. Estimation of non-observed economy

With the emergence of the problem of under-recording of GDP, attention is starting to turn to the issues of recording the non-observed economy in the Republic. The data for 1992-1994 were recalculated. In the "household" sector, adjustments were made for internal trade, catering and transport. Since 1995 much work has been done to improve the recording and methodology of adjusting the non-observed part of the economy. Methodologies were developed to determine the informal sector's volume of internal trade, transport, education, health care, financial intermediary activity, housing and consumer services etc. Methods were developed for recording hidden turnover and market services provided to individuals.

This work resulted in provisional "Methodological recommendations on calculating the size of the non-observed economy", which were considered by the Scientific Council of NSC and approved by decision of the NSC. The data in the recommendations, however, only consider the non-observed economy from the production side: by branch of the economy. Since the production boundary in the system of national accounts is somewhat narrower, considerable attention has been devoted to determining the non-observed economy and the production boundary in accordance with the SNA.

A detailed, more precise methodology for calculating the non-observed economy is reflected in the recommendations drawn up in the World Bank project. This work was carried out in a joint working party consisting of NSC specialists and a consultant of the World Bank. The project covered assessments of the non-observed economy using the three methods to calculate GDP for 1995-1997. At present, the calculations for 2000 have been completed.

Special sample surveys by individual branch of the economy are used to assess hidden and informal activity. Data from the household budget surveys are also used to assess the informal sector. In compliance with the recommendations of the World Bank, calculations are made in

order to separate the informal sector into a production component in accordance with the rules, on the one hand, and a hidden component, on the other hand, using data from the State Tax Inspectorate and a number of other inspection bodies.

Using the production approach, the non-observed economy was estimated at over 13% of GDP for 1999, and over 25% according to the income approach. Taking into account agricultural output from private farm plots, the non-observed economy represents 32% of total GDP.

At present, work is being carried out as part of the Tacis project, "The non-observed economy", to introduce the Italian method, the basis of which is the estimation of GDP using data of labour force survey.

3.3. Price statistics

Price statistics are based on monitoring and sample surveys of prices and tariffs for representative goods (and services).

Price indices are calculated both monthly and quarterly by the Laspeyres formula as well as in a cumulated way from the beginning of the year.

Industrial Producer's Price Index (PPI)

The PPI is calculated based on monthly price registrations carried out at industrial enterprises. The producer price corresponds to the actual price paid to the producer by first purchasers and does not include indirect taxes. To ensure representativeness 102 steadily active (basic) enterprises of various ownership forms were selected. The index includes 176 representative goods and covers 13 main industries, 28 branches and 50 groups of goods.

As basic weights for surveyed products and groups of goods data about the cost of products in the previous year is used.

The data on prices for non-observed goods is provided by enterprises on the 25th of each month to regional statistical offices, which transmit this information to the Main Computing Centre of the Republic for further processing.

Price Indices in Construction

At present the system of price registration for construction activities is being established in the country. In order to analyse developments of prices in the construction industry the NSC used the price indices compiled by the Governmental Commission on Architecture and Construction attached to the Government of the Republic of Kyrgyzstan and agreed with the Ministry of Finance.

In order to improve price calculation for construction activities and to bring it in line with the international standards the National Statistical Committee participated in the design and implementation of the Tacis project on Price Indices in Construction.

In the framework of this project the Kyrgyz catalogue of 150 construction activities was compiled, representative construction objects (dwelling house, school building, motorway) and a basis period were determined.

To register prices for construction activities respective shares (weighting schemes) were calculated.

In the framework of the Tacis project 2 pilot surveys were conducted: in 1999 20 construction institutions were surveyed in the city of Bishkek, while in 2000 200 construction institutions were surveyed in the entire country. The sample of surveyed institutions was made on the basis of the statistical register. The main purpose pursued by these surveys consisted in determining prices for representative construction objects and in testing statistical tools and software, developed in line with the international standards. 14 interviewers were engaged.

Based on the survey results the developments of prices in construction were analysed, the publication "Pilot Survey of the Price Index in Construction by Construction Activities" was prepared and the methods for price index calculation by construction activities were developed. On the basis of the conducted survey a regular quarterly price survey over the whole territory of Kyrgyzstan is planned.

Agricultural Price Indices

Monthly prices of 56 agricultural products are surveyed in order to calculate agricultural prices. Prices are registered at the stage of selling goods, which is closest to the agricultural producer. The producer price corresponds to actual prices of sold agricultural products excluding taxes on goods and transport margins. The sample survey relates to all state and collective farms as well as individual farms. Selling prices of agricultural products sold by individual households are surveyed on market places in capital cities of regions and districts.

Consumer Price Index (CPI)

The primary data on prices registered in each surveyed settlement, in each trade outlet represent the basis for all index related calculations. Monthly data is collected and on the 25th day provided to the national level for further processing at the Main Computing Centre.

To calculate the consumer price index (CPI) regional and district cities are selected that have more than 20,000 inhabitants, concentrate the main purchasing power of the population and are representative for the degree of the market saturation with goods and services.

To register prices large, middle and small enterprises of all ownership forms are selected, that perform regular trade in consumer goods over a considerable period of time. These enterprises are identified on the basis of the statistick and tax registers.

Every two years price collectors are invited to a course or a seminar for training in price registration.

The goods and services sample includes a representative set of 342 items of most consumed goods and services. This set of items is uniform for all the regions of the country. To draw a centralised sample of goods use is made of the household survey data about the distribution of family expenses on acquisition of goods and services. The data is applied to the "total population" group and corresponds to the nomenclature at an aggregated level. For each item of goods 2-5 price quotations are indicated.

In order to survey the inflation processes in the economy, in parallel to the monthly index a consumer price index referring to periods less than one month is calculated (on a weekly basis).

For the purpose of quick provision of users with information on the price rate a project on an Automated Statistical Database of Consumer Prices was designed and will enable analysing the price situation in the republic by applying econometric estimation methods. For calculating regional price indices, there exists a problem related to considerable differences in

people's consuming habits but at current the same weighting is applied for all regions. In order to obtain a more reliable consumer price index in the republic it is foreseen for the future to apply a population consuming expense structure specified by each region.

The information on the price indices is included in the monthly report about the social and economic situation in the Republic of Kyrgyzstan and in the quarterly publication "Price Indices in the Republic of Kyrgyzstan".

Purchasing Power Parity

In order to implement international comparisons a list of representative goods/services with their technical and economic data is being formed following the scheme CIS-Kyrgyzstan and introducing the necessary adjustments based on national specifics of this country. The list of surveyed representative goods/services consists of 825 consumer's goods/services and 60 investment goods.

The selected goods and services are represented on the internal market and are in consumer's demand. Purchasing prices are registered in the capital cities of 7 districts and in the capital of the country. For international comparisons the same trade outlets sample is used as that for the CPI calculation. The mean prices of goods and services over the whole territory of Kyrgyzstan are calculated through weighting mean prices in surveyed regions. As territorial weights the share of consumer's expenses in the region within the total expenses is used. The mean prices of consumer's goods and services represent the average national prices obtained from the monthly registration of prices on goods and services. Once a year the national mean annual prices are reported to the CIS Interstate Statistical Committee.

Moreover, data about average annual salaries of civil servants of certain occupations is reported. The information is collected at 6 Ministries and Agencies of this country. Indicators on actually paid rents for various types of dwellings are calculated on the basis of statistical data.

3.4.External trade statistics

External trade statistics are compiled in accordance with the international classifications of the Goods Nomenclature for Foreign Trade (TNVED), based on the Harmonised system (HS which version? 1996?), and on the basis of customs declarations and state statistical reporting on goods not covered by customs statistics. Foreign trade data are compiled centrally at the national level and then transmitted to regional level in primary and aggregated form and published in the annual statistical report and quarterly statistical bulletin "Foreign trade of the Kyrgyz Republic".

In order to introduce modern methods of data collection, establish a unified methodological position on the external trade statistics and develop the cooperation between various government institutions, a multilateral agreement was negotiated in 1999 about mutual cooperation and informational interaction between the NSC, the State Customs Inspection and the Ministry of External Trade and Industry of the Kyrgyz Republic for the period 2000-2003. On the basis of the above agreement, the State Customs Inspection provides the NSC with the customs declarations. In turn, the NSC provides data about registered and operating economic subjects in the territory of the Republic.

Approximately 20 main tables are compiled monthly on Kyrgyz Republic, commodity, countries, transactions, procedures, TNVED chapters, branches of economy. Data is compiled quarterly by regions, by enterprises with foreign investment, small and medium-size enterprises, agricultural units and free economic zones.

In order to ensure more complete processing of foreign trade data, the «EUROTRACE» program was installed in 1997 to manage the data and data transfer, load and edit data in databanks, extract and present information from databanks and manage the code tables, classifications and other aspects of the system configuration.

The «EUROTRACE» programme does not give the possibility to obtain output tables in Excel. Further improvement of program would be necessary in order to transfer data in Windows and to introduce the calculation of export and import price indices.

The state statistical reporting on foreign trade in services and direct foreign investment was introduced in accordance with IMF recommendations on balance of payments statistics.

Under the Tacis project "Foreign trade", a special one-time survey on foreign trade in services (tourism, bank, transport, insurance, education and health) was carried out, which allowed to extend the set of economic actors offering and receiving services in foreign trade, and to establish the volume of exports and imports of services more precisely.

The volumes of exports and imports of goods in "unorganised" trade are recorded quarterly. "Unorganised" trade is export and import of goods carried out by private persons without completion of the freight customs declaration. A survey is carried out to determine the percentage of expenditure on transport and insurance in the overall volume of imports, so that imports can be recorded f.o.b prices.

Mirror-statistics are carried out with Russia, Ukraine, Kazakhstan, Uzbekistan and Tajikistan in order to measure and explain discrepancies of foreign trade flows between Kyrgyzstan and these countries.

4. POPULATION AND SOCIAL CONDITIONS

4.1.Demographic statistics

Kyrgyzstan has adopted the concept of a state demographic and migration policy. In order to carry out these measures, there is an annual calculation of natural and migration movements of the population, which provides the basis for estimating the population, with a breakdown by sex, age and ethnic nationality.

Under the UNPR project, the following indices are calculated on a regular basis: the index of human development, the index of human development taking into account the gender factor, the indicator of extending the opportunities of women and the index of poverty in the population, which are used to draw up the national report on human development.

In 2000 the transition to Revision 10 of the WHO International Statistical Classification of Diseases and Causes of Death was implemented in the area of coding causes of death. Currently one is considering the country's transition to the criteria of live birth adopted by the WHO. These criteria will ensure international comparability of such principal demographic indicators as infant and child mortality.

The main sources of data on the population are the general population census (1 every 10 years). In the period between censuses, there is an ongoing estimate of the population based on constant demographic monitoring through the system of records in the civil registry and migration coupons.

In 1999 the first national population census of the Kyrgyz Republic was carried out with the technical and financial assistance of the UN Population Fund and the Government of Switzerland. The methodological provisions and the census programme were developed using the recommendations of the UN Statistical Department, the UN Population Fund, the UNECE, the FSO of Switzerland and the CIS statistical committee.

The experience of carrying out the population census in Kyrgyzstan was the subject of study at seminars on managing censuses in Bishkek (June 1999), Almaty (September 1999) and Yerevan (June 2001). The difference between the census results and the data from demographic monitoring is extremely small (the census data being 2 % higher than the monitoring data).

4.2. Migration statistics

Migration statistics is part of the demographic statistics component. Regular monitoring is done at rayon and oblast level using records of registration and departure cards. Information about migration of population is published regularly in the "Demographic Yearbook".

4.3. Labour force statistics

Data on the labour force is compiled every year by calculating the balance of labour resources. The calculations for the balance are based on data from current statistical reports provided by enterprises, institutions and organisations, the common state register of statistical units, the household surveys and data from the Tax Inspectorate on the number of persons exercising individual entrepreneurial activity on a patent basis.

The distribution of the population employed in the national economy is produced in accordance with the State classifications of Types of Economic Activity (GKED) and by organisational and legal form of the economic actors.

The material from the first national population census carried out in March 1999 provided data on the distribution of the labour force by occupational status in accordance with the International Standard Classification of Occupations (ISCO-88) and the International Classification of Occupational Status.

Annual statistical reporting provides data on the average annual wages by occupation and labour costs.

Since 1995 statistical surveys on wages by occupations are implemented for the sectors of civil aviation, communication, construction, trade, finance and credit, health care and education. This survey is based on the annual October ILO survey. The survey covers permanent, temporary and seasonal employees being at a working age and having worked through all the days of October full time. Enterprises, organisations and institutions are selected from the statistical register.

In line with the recommendations made by the CIS Statistical Committee and the ILO the most representative occupations within the observed economy were selected: pilots, aircraft mechanics, communications workers, commodity experts, accountants, teachers, monitors, physicians, (hospital) nurses, construction workers etc.

Based on the survey outputs the wages by individual occupations are analysed for gender differences.

Yearly the NSC collects data on labour costs at 15 thousand enterprises including small businesses, institutions and organisations with over 600 thousand employees in total. Based on the obtained results a comparative analysis of labour costs and wages is made and the level and structure of earnings are determined.

The increase in the number of reporting units in recent years has made it more difficult to carry out exhaustive statistical surveys on wages and salaries. This is why it is planned to move over to a system of sample surveys in the next five years. To this end, a pilot sample labour force survey has been carried out.

In accordance with ILO recommendations, the levels of economic activity and official unemployment are calculated for the country as a whole and for the various regions.

However, owing to the structural changes in the national economy, traditional survey methods cannot be used at present to estimate the real scale of overall unemployment and the unemployment level by sex and age category. The results of the sample household surveys were used in the "monitoring poverty" component to estimate the overall level of unemployment and to determine the difference in wage levels according to sex by branch of the economy.

External labour migration is surveyed based on the data delivered by migration statistics concerning the citizens who left the country for jobs, as well as on semi-annual statistical reports provided by the placement services.

4.4. Household statistics

The household budget survey programme is a system of balanced accounts of receipts and expenditure of resources (monetary and in kind) in the household over the calendar month and contains approximately 4000 questions. The household survey forms contain not only quantitative but also qualitative indicators (access to drinking water, health services, etc.).

The household budget surveys are carried out as monthly sample surveys in all regions and district of the Republic. When the project "Social security system" was carried out under the aegis of the World Bank, the household sample surveys carried out on a continuous basis were merged with the "Monitoring poverty" component. As a result of this merger, the number of household surveyed increased to 3000, representing 0.27 % of the total number of households. Increasing the number of households offers the possibility of obtaining representative data on the population's standard of living not only for the Republic as a whole but also at regional level.

The data from the first national population census (1999) provided the basis for creating a register of households, which is used to construct various household samples.

A methodology for determining indicators on poverty in the Republic and its regions was developed jointly with the World Bank. Methods were also applied to analyse income disparities in the population. Work is being carried out to improve the methodology of household sample surveys and extrapolate indicators to the general population using new software for statistical data processing (SPSS).

At present, the programme on food safety is being implemented. Under this programme, which is supported by the EU Food Security Programme, the NSC is carrying out a survey of food in households in the Kyrgyz Republic.

5. BUSINESS STATISTICS

At present, the "Business statistics" project is being implemented under the Tacis programme. This project provides for the introduction of new statistical systems. Under this project, skills were acquired with respect to drawing up questionnaires for carrying out sample surveys and three sample surveys were carried out and the results were used to prepare the following publications:

- "Sample survey of financial and economic activity of trade enterprises for 1998";
- "The results of pilot sample survey of small enterprises in the food processing industry in the Bishkek city of the Kyrgyz Republic for 2nd quarter of 2000";
- "The results of pilot sample survey of small trade enterprises in Bishkek city of the Kyrgyz Republic for 1st quarter of 2000"

In order to be able to produce timely short-term indicators and determine the growth trend of separate branches of the economy on a monthly basis, pilot sample surveys of small trade enterprises and industry enterprises involved in processing agricultural products, were carried out in 2000 under the Tacis project "Business statistics". The short-term indicators for trade enterprises determined the volume of turnover, industrial output and number of employees for industry enterprises.

A comparison of the data from full recording with the results of the pilot sample surveys carried out reveals sufficiently high reliability for current reporting indicators and confirms the usefulness of further developing knowledge of the methodology of sample surveys and moving over from full recording to sample surveys.

In order to compile the full set of balanced national accounts, from 2000 onwards an integrated statistical reporting questionnaire was introduced for industrial enterprises, which took into account the new accounting standards. The questionnaire is drawn up once a year taking into account the new system of financial accounts. It provides data for internal monitoring of the quality by comparing the value for savings in the accounts of current and capital transactions. An integrated questionnaire for the domestic trade and the construction industry was also developed.

Alongside this, the development of business statistics in the Republic is running into major organisational difficulties. Business statistics are based on the new accounting standards, which have been adopted in international practice. Since the Law on accounting has not yet been adopted, the new standards are being introduced into businesses very slowly.

The growth in small entrepreneurs in recent years has required statisticians to use sample surveys, based on methods of stratification of the general population, instead of full survey methods. In this area, the NSC is starting to carry out a pilot sample survey of small commercial enterprises, which is yielding fairly good results.

5.1. Industrial statistics

Industrial statistics are based on full recording and are compiled on the basis of the monthly state statistical reporting received from large and medium-size industrial enterprises and the quarterly integrated reporting form for small enterprises.

A sample survey of industrial businesses is conducted to estimate both current and expected developments of the main industrial indicators (without considering seasonality). The calculation of the volume index is performed on the basis of data about production of the major industrial commodities in natural terms in order to follow the dynamic of the industrial production volume.

Along with statistical surveying of industrial business activities also non-industrial businesses with industrial production or servicing units within their structure are surveyed.

The industrial activities of individual entrepreneurs are measured by means of data on individual entrepreneurs coming from questioning the population, from the Common State Register of Statistical Units (CSRSU), as well as from the State Tax Inspection on licenses for entrepreneurship issued to private persons.

The volume of industrial production from hidden and informal activity is determined on the basis of data from household, agricultural and external trade statistics.

The survey results are published in the monthly statistical document "Social and economic situation in the Kyrgyz Republic" and in the annual statistical reports "Industry in the Kyrgyz Republic" and "Kyrgyzstan in Figures".

5.2. Investment and construction statistics

In view of the growth in investment activity of economic actors in the Republic, since 1999 the recording of all types of investment (financial and non-financial) has been organised by sources of financing for all sectors and branches of the economy. Under the Tacis project "Statistics on Investment", a pilot survey on investment was carried out concerning the non-financial assets of industrial enterprises in Bishkek and the Chuy region.

The report, "Investment Activity of enterprises in the Kyrgyz Republic" was published for the first time in 2000.

In order to calculate construction cost indicators and fully record investment activity, two surveys are used:

- a quarterly sample survey of construction and renovation work on the basis of decisions on construction taken by the State Commission for Architecture and Construction;
- a special survey of private entrepreneurs engaged in construction and building-repair work.

In order to record the volumes for the "shadow" economy, calculations are made for the unrecorded volumes of individual housing construction, for building and renovation work and for building-repair work by private entrepreneurs.

In order to give an objective assessment and reduce the number of unfinished construction projects and incomplete buildings, in 2000 there was an inventory of buildings in an unfinished state and the results were presented for consideration to the President and the Government of the Republic. On this basis actions could be taken to reduce the number of unfinished construction objects.

In order to analyse the economic situation of construction organisations and produce short-term forecasts of growth in the construction industry in the Republic, the business survey "Business activity of construction organisations" is carried out every quarter.

5.3. Internal trade statistics

Statistics on internal trade are based on state statistical reporting and material from sample surveys. Gross value added for the domestic trade is calculated for the SNA on the basis of a sample survey of the financial and economic activity of units active in internal trade.

Against the background of intensive development of the private sector and the emergence of a considerable number of clothing, food and mixed markets, there was a change in the approach to defining the overall volume of retail turnover, which includes the sale of goods through all sales channels. Currently, a statistical survey is being carried out on sales of consumer goods by individual citizens (natural persons) and on their selling prices at clothing, food and mixed markets. The survey takes place during two days in a quarter; one survey is carried out on a working day, another at a weekend. The major commodity groups represented by the biggest number of sellers are selected for surveying.

The obtained data provides the basis for estimation of the sales volumes by categories of goods. The survey data is extrapolated to the months during which the market is not surveyed, based on the number of trading persons in those months. In the course of the next few months the average earning per trading place is adjusted with consideration to the consumer price index.

In order to ensure a general population of survey units, there was a census of internal trade enterprises, hotels and petrol filling stations in October 2000. The results of census are published in the handbook "The consumer market of the Kyrgyz Republic: 1996-2000". The results can be used to determine the full set of enterprises and develop statistical indicators describing the structural changes in this field.

In order to determine the parameters of the non-observed economy in the area of domestic trade and services, the volumes of hidden sales are estimated by expert assessment using balance-calculation methods.

5.4. Transport and communication statistics

The data come from three sources: 1) state statistical reporting, 2) data from sample surveys and 3) administrative statistics.

Sample surveys are carried out to define the parameters of the hidden and informal economy and calculate the volumes of services provided by private entrepreneurs (natural persons) engaged in commercial transport using motor cars.

The sample for the surveys is based on the population of all owners of buses, trucks and light commercial vehicles, whether or not they are licensed to exercise a commercial activity.

In order to forecast the economic situation for transport enterprises from a near term prospective, a survey of the business activity of enterprises was introduced, which will provide a basis for estimating changes in types of transport.

The provision of electronic and postal communication services by legal and natural persons was recorded, as were means of communication including mobile communications.

Information on transport activity is published in the monthly document «Socio-economic situation in the Kyrgyz Republic».

5.5. Services statistics

Activity on setting up statistics on paid services has been started and continued for the formation of short-term and annual indicators and conducting related surveys.

Statistics of paid services tracks separate types only: services on repair and maintenance of motor vehicles, repair of household goods, publicity, audit and real estate and is based on the current and annual statistical report for private persons. For legal persons special sample surveys are carried out.

At present, the pilot sample survey on information technologies statistics is being conducted on the basis of business register of Bishkek.

Further international technical assistance will be required in this field.

5.6. Energy statistics

Energy Statistics is based on the current statistical reports and structural surveys which covers economic subjects producing and transmitting electricity and heating energy to consumers as well as mining fuel and energy minerals.

Improvement the methodology on electricity statistics will be adapted to the current structural changes of the electricity industry.

Fuel and energy balance is calculated once every two years in order to have reliable information on general sizes and structure of production and consumption of all types of fuel and energy in the Republic and in its regions. Development of fuel and energy balance is implemented on the basis of structural survey of enterprises producing and using fuel and energy, sample survey of small enterprises and individual entrepreneurs on availability and distribution of fuel and energy. Fuel and energy balance allows to define the structure of fuel and energy resources and the structure of their distribution. Fuel and energy balance data is used to further improve fuel and energy use in the Republic.

6. AGRICULTURAL STATISTICS

Agriculture plays an important role in the Republic's economy and represents over 36% of GDP.

The institutional changes which have occurred in the Republic over the last decade have also fully embraced the agricultural sector. Whereas up to the 1990s, the main producers were large agricultural enterprises, who numbered under a thousand, the number of agricultural producers has now reached 72,000 economic units.

As a result of the land reform, a new type of agricultural producer has emerged in the form of peasant (farm) holdings. Moreover, agricultural activity in private holdings of the population has been boosted and they now number over 700,000. Peasants (farm) holdings and private holdings in the population now account for approximately 90% of the volume of gross agricultural production.

Agricultural statistics are based on full recording of the volumes of agricultural production in state and collective holdings and on sample surveys of peasant (farm) holdings and private holdings of the population through reporting and interviewing. The indicators describing the production activity of peasant (farm) and private holdings of the population are also traced using household accounts.

In order to study the situation and development of the agricultural sector within the national economy in greater depth and more detail, full censuses are periodically carried out, and their plausibility is checked by the annual livestock census, which provides the statistical services with objective statistical information on livestock production by category of holding and a more precise definition of the territorial distribution and specialisation of production.

In order to determine the growth prospects of the agricultural branch, it is planned to carry out an agricultural census on the territory of the Kyrgyz Republic in 2002.

7. CONCLUSIONS

The activity of the National Statistical Committee is governed by the Law on State Statistics of the Kyrgyz Republic, the Statute of the National Statistical Committee of the Kyrgyz Republic and other legislation and normative legal acts of the Kyrgyz Republic. The Law on State Statistics guarantees the independence of the NSC and the confidentiality of the individual data provided by respondents but only those of households. Enterprise data on an aggregated level is accessible for other Government administrations.

The system of statistical bodies employs a vertical structure for information flows and a decentralised approach for data collection, and this determines the allocation of functions in the Republic's statistical service at the central, regional and local level. In addition to collecting and processing statistical data, the regional administrations analyse and disseminate regional data.

The activity of the NSC is financed from the state budget within the limits of allocated budgetary appropriations, and from the receipt of grants and project resources. Considering the level of budgetary resources in recent years, it can be said that the financial requirements of the NSC are not fully covered from the state budget. This leads to a certain dependence on foreign sources of finance, and under such conditions the stability of work cannot be guaranteed. Thus, as a result of a reduction in financing for 2002, the agricultural census is in danger of being disrupted, and there are plans to reduce the number of permanent staff by 20%.

The policy of data publication and dissemination has enabled the content and presentation of statistical production to be significantly improved. Connection to the world-wideweb and the set up of a web site have considerably expanded the set of users of statistical information. In addition, more extensive use has started to be made of electronic means of presenting information. Alongside this, it is essential to extend the use of new information technology for storing and disseminating information on modern electronic media (CD-ROM) and to modernise the printing equipment. The presentation of official statistics in the mass media is well organised.

Moreover, in order to ensure greater openness and accessibility of statistical data for a wide group of users, ordinary users have to be involved to a greater extent in the process of planning statistical activity, and the demand and market for statistical information and its rating have to be studied. In order to develop a dialogue of equals and encourage mutual cooperation between producers and users of statistical information in the Republic, the Statistical Society was created.

The statistical activity of the NSC is carried out on the basis of operational and long-term planning. The annual statistical work programmes are established on the basis of current statistical reporting and measures in the multi-annual programmes for improving and developing state statistics. There is regular monitoring of the implementation of the annual

programmes. All short-term and long-term programmes are developed with the participation of all ministries and departments concerned, at both the central and the regional level. However, information users outside the government circle are not involved in the development of the programmes.

The NSC coordinates statistical activity throughout the territory of the Kyrgyz Republic: it approves state and departmental statistical reporting and issues decisions and instructions on statistics and accounting which must be implemented by all ministries and departments, local government bodies and all economic actors. The NSC has access to various departmental registers.

The ministries and departments may organise their own departmental statistical surveys without agreeing the survey methodology with the NSC. In a number of cases, the lack of agreement on methodological issues results in a situation where the data from ministries on particular indicators differ from the data obtained by the NSC. Moreover, individual ministries elaborate their data without using the state classification adopted in the Republic, which results in a lack of comparability between the data in the various information systems. In the future, the NSC has to strengthen its coordinating role.

The number of staff working in the central offices is 95. Nearly all of them have a higher education, including 2 science graduates. 1,113 staff works in the regional and local statistical bodies. Staff numbers are fully up to strength. However, given the low level of wages in the regions, it is difficult to attract highly qualified specialists to the statistical bodies. The level of knowledge of foreign languages in the NSC is not very high. The issue of foreign language training has to be dealt with, so that staff can access international methodological material. The management style is fairly centralised. However, on very important issues of statistical activity, decisions are taken collectively.

One of the priorities for further development of national statistics is improving the system of classification and registers. There is an administrative register. The NACE classification and the Harmonised System were adapted to national conditions and, since 1999, have been introduced into statistical reporting and registers. The development of a national version of CPA is under way and may be adopted during the course of 2002. International classifications are being introduced into labour, demographic and social statistics. The statistical register is under construction, and it includes elements on the demography of economic actors. A strategy for register updating has been developed. The common state register of statistical units is in need of improvement from the point of view of coverage and updating, but even today it can be used as a basis for selecting samples. Increasing the quality of the register will ensure its reliability as a basis for carrying out statistical surveys, primarily with the sample survey method. In order to achieve these objectives, a series of legal questions relating to its operating and updating have to be settled. A population census was carried out in 1999 and this provided the basis for creating the household register.

In most branches of statistics, pilot and sample surveys are being carried out. In order to introduce sample surveys, primarily at regional and local levels, it is necessary to determine the methodological basis for carrying out sample surveys and for obtaining reliable scientifically-based statistical data.

Progress is being made in the use of methods corresponding to international rules and standards. The NSC is carrying out considerable work in collecting objective information on the scale, structure and dynamics of the non-observed economy. Research in this area was highly rated by the President of the Republic. However, in trying to obtain full and objective information, the NSC has come up against major difficulties, and the question of statistically assessing the non-observed economy in the Republic ultimately remained unresolved. Work

in this area will be continued in the future under the Tacis project "The non-observed economy".

Moreover, good results were obtained in the area of agricultural, labour, foreign trade and investment statistics. Some business statistics are being developed, and the first steps have been taken towards structural statistics.

However, there is a need to substantially develop all areas of business statistics. In the future, all the macro-economic statistics will have to be developed, including national accounts, price, foreign trade and investment statistics. Statistics on services and tourism will have to be improved. In this context, the Tacis programme will be further enhanced in the areas of statistics on enterprises, foreign trade, prices, the non-observed economy and investments. Further actions will have to be directed towards increasing the quality of statistics and ensuring the comparability of statistical data with international and European statistics.

The level of information technology at the central level is fairly high. However, regional administrations do not have enough equipment. In most regions, no local network has been installed and the necessary technical resources and communication channels for transferring data to the central level are not available..

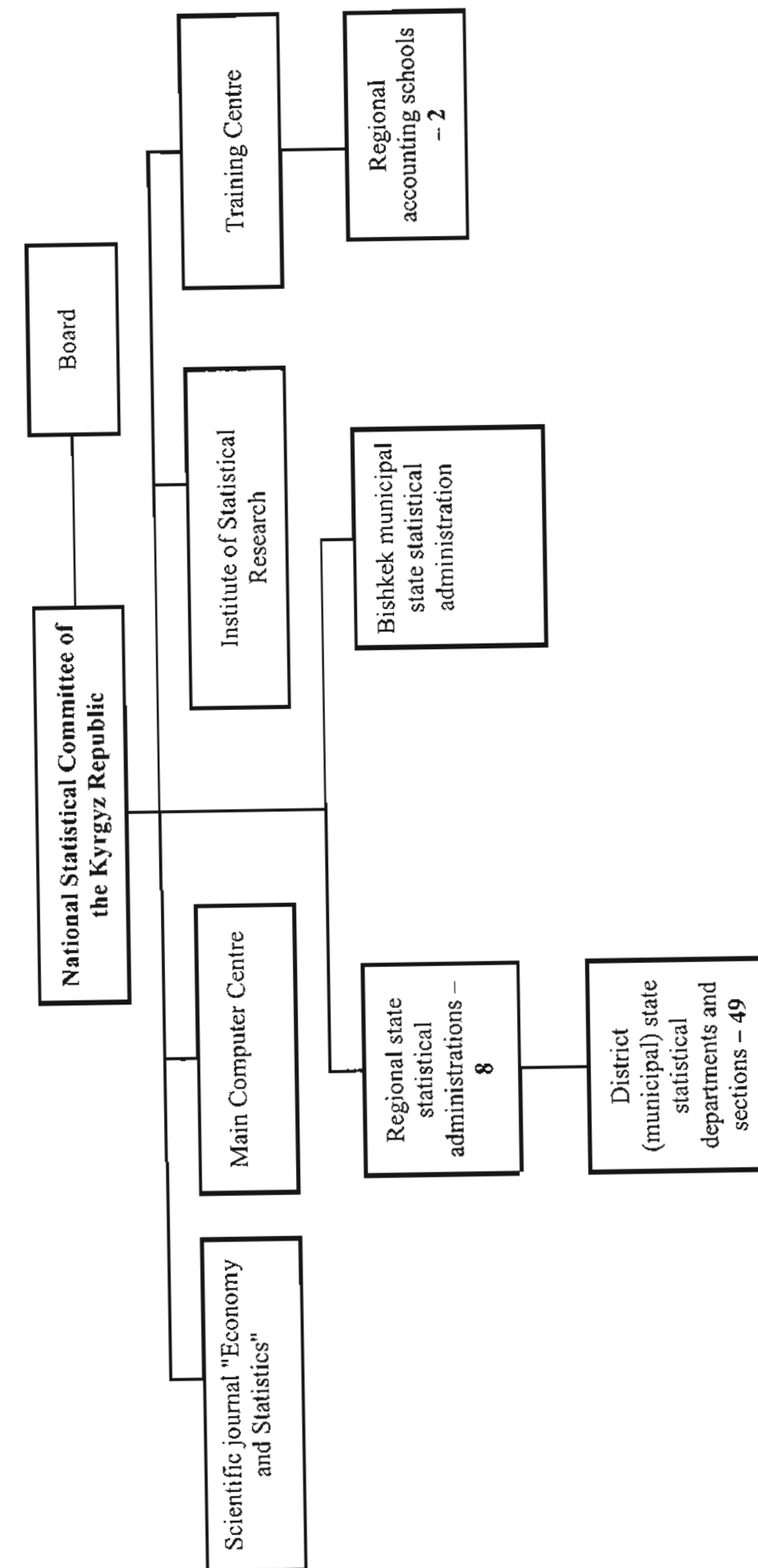
The implementation of a technology policy for developing the integrated statistical information system, adopted by the NSC, should fundamentally change the situation. A set of measures was developed in order to modernise the technological base of the NSC system using modern technology and software, so as to ensure effective cooperation between all NSC sub-departments, to create an integrated database and data storage and management system, and to increase computer literacy, primarily for specialists at the regional and local level. The Tacis component "Information technology" is supporting this area.

Within the programme of developing state statistics, the Tacis component "The regional structure of the statistical system" aims at increasing the role of the territorial statistical bodies in providing local government bodies with the information required to analyse the socio-economic events occurring in the region, and to take effective government decisions. Good progress is also visible in the other components.

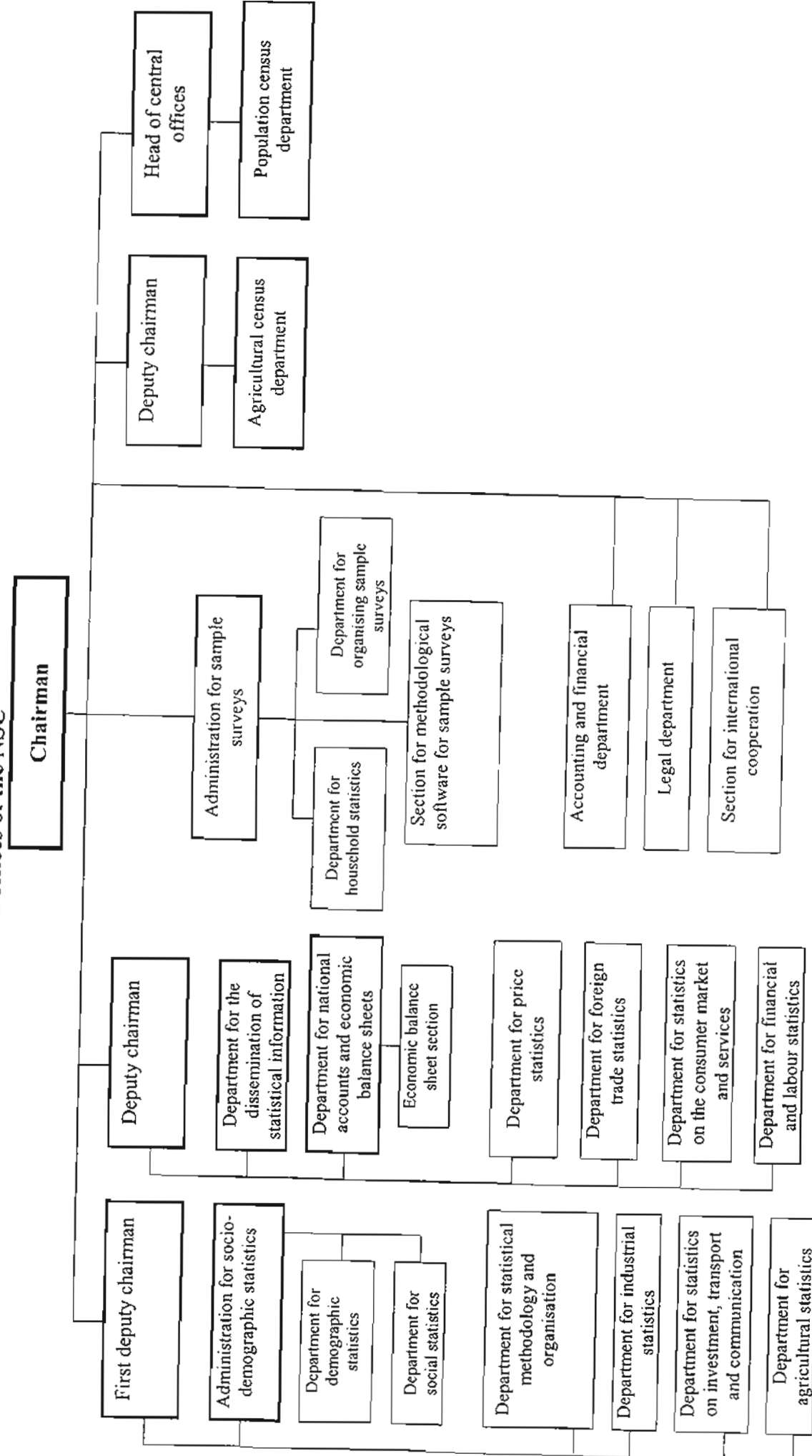
8. ANNEXES

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- Annex 2:** Organisational structure of the central offices of the NSC of the Kyrgyz Republic
- Annex 3:** Staff numbers
- Annex 4:** List of the main publications and their publication times
- Annex 5:** List of cooperation projects

Annex 1: Organisational structure of the state statistical bodies of the Kyrgyz Republic



Annex 2: Organisational structure of the central offices of the NSC



Annex 3: Staff numbers

The National Statistical Committee of the Kyrgyz Republic has 1,396 staff, 95 of whom are in the central offices and 188 in the computer centre and other subordinate organisations, and 1,113 in the regional and local statistical bodies.

1.	Governing body (Chairman, 3 deputies, head of central offices – adviser)	5
2.	Administration for socio-demographic statistics	11
3.	- department for social statistics	5
4.	- department for demographic statistics	5
5.	Department for the dissemination of statistical information	6
6.	Department for statistical methodology and organisation	6
7.	Department for national accounts and economic balance sheets	5
8.	- section for economic balance sheets	1
9.	Department for industrial statistics	6
10.	Department for statistics on investment, transport and communication	6
11.	Department for agriculture statistics	6
12.	Department for price statistics	6
13.	Department for foreign trade statistics	6
14.	Department for statistics on the consumer market and services	6
15.	Department for financial and labour statistics	6
16.	Accounting and finance department	6
17.	Legal department	6
18.	Service personnel	7
19.	Section for international cooperation	5

Annex 4: List of main publications and their publication time

No	Name of publication	Periodicity	Publication time
General socio-economic publications			
	Report on the socio-economic situation in the Republic (in Kyrgyz and Russian languages)	Monthly	17 th day after the reporting month
	Statistical bulletin «The Kyrgyz Republic and its regions» (in Kyrgyz and Russian languages)	Quarterly	25 th day after the reporting month
	Report «Kyrgyzstan in figures, 2000» (in Kyrgyz and Russian languages)	Annual	May
	Report «Socio-economic development of the Kyrgyz Republic, 1996-2000»	Annual	October-November
	Short statistical report "Kyrgyz Republic, 1998-2000" (in Kyrgyz, Russian and English)	Annual	September
Statistical reports			
	Report «National accounts of the Kyrgyz Republic, 1996-2000»	Annual	November
	Report «Industry in the Kyrgyz Republic, 1995-2000»	Annual	November
	Report «Investment activity of enterprises in the Kyrgyz Republic»	Annual	August
	Report «Finances of enterprises in the Kyrgyz Republic»	annual	July
	Report «Price indices in the Kyrgyz Republic»	Annual quarterly	One month after the reporting period
	Report «Foreign trade of the Kyrgyz Republic in 1998-2000»	annual	May
	Report «Social development of the Kyrgyz Republic, 1996-2000 »	Annual	June
	Report «Demographic yearbook of the Kyrgyz Republic»	Annual	October
	Report «Men and women in the Kyrgyz Republic» (in Russian and English languages)	Annual	October
	Report «Domestic trade in the Kyrgyz Republic, 1999-2000»	Annual	May
	Report «Market services provided to individuals in 2000»	Annual	April
	Report «Results of the first national population census of the Kyrgyz Republic (in tables)» (in Russian, Kyrgyz and English languages)		
Statistical bulletins			
	Statistical bulletin «Indices of consumer prices and tariffs for goods and services in the Kyrgyz Republic»	Monthly	10 th day after the reporting month
	Statistical bulletin «Environmental situation in the district of Lake Issyk-Kul»	Annual	August
	Statistical bulletin «Situation of small- and medium-sized enterprises in the Kyrgyz Republic»	bi-yearly	Two months after the reporting period
No	Name of publication	Periodicity	Publication time

General socio-economic publications

	Report on the socio-economic situation in the Republic (in Kyrgyz and Russian languages)	monthly	17 th day after the reporting month
	Statistical bulletin «The Kyrgyz Republic and its	quarterly	25 th day after the

No	Name of publication	Periodicity	Publication time
	regions» (in Kyrgyz and Russian languages)		reporting month
	Report «Kyrgyzstan in figures, 2000» (in Kyrgyz and Russian languages)	annual	May
	Report «Socio-economic development of the Kyrgyz Republic, 1996-2000»	annual	October-November
	Short statistical report "Kyrgyz Republic, 1998-2000" (in Kyrgyz, Russian and English)	annual	September
Statistical reports			
	Report «National accounts of the Kyrgyz Republic, 1996-2000»	annual	November
	Report «Industry in the Kyrgyz Republic, 1995-2000»	annual	November
	Report «Investment activity of enterprises in the Kyrgyz Republic»	annual	August
	Report «Finances of enterprises in the Kyrgyz Republic»	annual	July
	Report «Price indices in the Kyrgyz Republic»	annual quarterly	One month after the reporting period
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Statistical bulletins			
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	Statistical bulletin «Environmental situation in the district of Lake Issyk-Kul»	annual	August
	Statistical bulletin «Situation of small- and medium-sized enterprises in the Kyrgyz Republic»	bi-yearly	Two months after the reporting period

Annex 5: List of cooperation projects

Donor	Statistical field	Implementation period
Tacis	Information technology	2001-2003
Tacis	Business statistics (St.3 + St.5)	1999-2003
Tacis	Business register	1997-2001
Tacis	Foreign trade statistics	1997-2001
Tacis	Statistics on investment	1997-2003
Tacis	Regional statistics	2001-2003
Tacis	The non-observed economy	2001-2003
Tacis	Construction price statistics	1998-2001
Tacis	Publication and dissemination of statistical data	1998-2000
UN Statistical Dept	Cooperation in field of methodological issues of conduction the population census, informational technology	
UNFPA	- UNFPA sub-programme for population and development strategies in the KR . - Project for NSC "Strengthening National Capacity for Data Collection and Analysis, Conduction of Researches " -Population census, publication of the population census results,	2000-2004
IMF	In field of macroeconomic statistics, GDDS, meta data	regularly
World Bank	Project "Network of social security", component "Monitoring of poverty	1995-2000
Government of Switzerland	Population census and publication of the population census results, agricultural census	1999-2003
GTZ (German Society for Technical Cooperation and FSO of Germany)	Pilot agricultural census, agricultural statistics.	1995-2001
DFID	Project " Statistical capacity building in support of the CDF/PRSP process)	2001-2004
Asian Development Bank	Environment statistics	2000-2001
NSI Turkey	Statistics on agriculture, national employment and the «shadow» economy.	1994-2001

MOLDOVA

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1. INSTITUTIONAL ASPECTS

1.1. Mission

The mission of the Department for Statistics and Sociology of the Republic of Moldova (DSSRM) is to provide the governmental authorities, mass media, large public, economic agents, profit and non-profit companies with statistical information on the socio-economic and demographic situation in the country. To implement the mission the DSSRM has the following responsibilities:

- to develop statistical methodology in line with international standards and in view of specific conditions of the Republic and supervise any methodological activity undertaken in the country in the field of statistics,
- to collect, process, analyse, publish and disseminate statistical information on the economic, social and demographic development of the country,
- to co-operate with ministries and government agencies in collection and publication of statistical information,
- to co-ordinate the statistical system of Moldova, including statistical activities undertaken by other government institutions,
- to carry out one-time censuses, inter-alia, of population and agriculture,
- to organise and co-ordinate work on economic and social statistics relating to Moldova and its regions,
- to provide statistical data on Moldova to international organisations,
- to prepare recommendations to the Government concerning policy in the field of statistics,
- to prepare forecasts on the economic and social development of the country and elaborate statistical models,
- to provide the Parliament, Government, economic ministries and departments, as well as other users with statistical information.

1.2. Structure and organisational aspects

• Internal organisation of the DSSRM

The statistical system of Moldova consists of the Central Office and 11 regional offices. It is entirely financed out of the state budget. The Central Office is located in Chisinau and consists of 12 divisions and 6 units.

The publishing house "Statistica" and the technological centre "Informstat" are subordinated to the DSSRM and closely co-operate with the Central Office.

At the end of 2000 a Resolution of the Government decided to merge the former Computer Centre with the DSSRM and the DSSRM moved into the building of the Computer Centre. The former Computer Centre was reorganised and integrated into the DSSRM as the Main Division of Information Technology. In practice the merge is not fully achieved as for each statistical domain there are two teams, one in the IT division and one of statisticians (for more detailed information see chapter 2.1).

• Appointment procedures

The Director-General is nominated by the Government. The three deputies are also appointed by the Government based on the proposal of the Director General. Each time a new government is formed all these officials are to be confirmed in the office.

In accordance with the Law on Statistics and the Statute of the Department, the main responsibilities of the Director General are:

- to supervise the work of the central and regional offices,
- to provide support to the functional, financial and economic activities of the Department,
- to report to the Government on the activities of the Department.

• Regional structure

The 1999 administrative and territorial reform reduced the number of regions (judets) from 38 to 11. There are 11 regional statistical offices, which comprise 25 local statistical entities. All these subdivisions are entirely financed out of the state budget. The Law on Administrative and Territorial Division of the Republic, which was adopted in January 2002, has moved back to the 38 judets. This law is not yet practically implemented but the structure of the local offices of DSSRM should change consequently.

The tasks of the regional offices include collection, processing, aggregating, storage and analysis of data concerning the respective region and transmission thereof to the Central Office. The regional offices are also responsible for implementing surveys on the spot, for collecting and transmitting information concerning the reporting units in the respective territory and for publishing and disseminating statistical data on the region. The regional offices are also entitled to undertake surveys and implement certain statistical activities on orders of local administrations or other legal or physical persons for extra payment. The level of equipment in the regions is rather poor. The network linking regional offices with the Central Office requires fundamental improvement.

The heads of regional offices are nominated by the Director General of the DSSRM based on recommendations of the local administration. The deputy heads of regional offices are nominated by the head of regional office in co-ordination with the Director General of the DSSRM. Other staff members of regional offices are directly hired by the heads of the offices.

There are from 6 to 170 persons employed in each regional or local office.

• Scientific institutes

At present there is no Statistical Research Institute in the structure of DSSRM.

Training in statistics and economic forecasting is carried out in the Academy of Economic Studies, where a faculty of statistics was opened in 1999, as well as in the State University and the new Independent University. Specialists of the DSSRM deliver lectures on statistical issues in the Academy. Students undergo their practical courses inside the DSSRM and some of them are employed later by the DSSRM.

• Organisation and working conditions

The working conditions have significantly improved at the moment. The average salaries amount to 80 USD. In the late 2001 the Department moved to the building of the former Computer Centre, which improved the working conditions. As soon as some rooms will have

been repaired and some measures on the equipment protection and the local area network establishment taken, the working conditions of the staff will be of relatively good quality.

1.3. Legal setting

• Law on Statistics

The basic provisions governing the activity of the Department for Statistics and Sociology of the Republic of Moldova are contained in the Law on Statistics adopted by the Parliament of the Republic of Moldova (Decree n° 412-XII of 18 December 1990). It defines the main tasks and principles of official statistics in the country and establishes the DSSRM as an independent institution subordinated to the Government. The law also determines the types of statistical surveys and guarantees the confidentiality of individual data. It regulates the obligation of reporting units to provide objective and reliable data in due time.

• Other relevant administrative regulations

The tasks and principles of work of the DSSRM are further regulated by the Statute of Department approved by the Government Decree n° 1168 of 3 December 1998.

• Data confidentiality

Data confidentiality is provided by the Law on Statistics and the Statute of Department, which state that statistical data shall be submitted, kept and published in accordance with the principle of confidentiality (individual data protection). The DSSRM has refused over the last period of time to supply several ministries with any individual data.

• Legislative changes under preparation

The DSSRM is revising the Law on Statistics in order to bring it into line with the European standards. Although main principles are mentioned they are not described precisely enough in the Statistical Law of Moldova. Particular attention should be paid to the respect of the independence of DSSRM, the description of confidentiality principle and the setting-up of modern planning system. Eurostat offered its assistance to put the revised Law in line with Eurostat recommendations. After the amendments have been finalised they will be submitted to the Parliament for consideration and then to the Parliament for approval.

On 9 January 2002 the Government of the Republic of Moldova adopted Decree n° 7 on the Population Census in the Republic of Moldova to be conducted from 1st to 8th October 2002.

• Registers

The DSSRM is responsible for keeping the administrative register of all legal and physical units operating on the territory of Moldova. The administrative register has been set up based on the records of economic agents obtained from the Registration Chamber, Ministry of Justice, Ministry of Finance, and local authorities (registration of farms). It includes legal enterprises and physical persons, as well as banks, insurance companies or non-profit organisations. Based on the administrative register the DSSRM has created a statistical business register. It also keeps the farm register. The population register is handled by the Ministry of Internal Affairs.

1.4. Relationship with Central and Local Governments

• Role of the DSSRM in the Government

The DSSRM is an independent central authority accountable to the Government. In accordance with the Law on Statistics the DSSRM is the co-ordinator of the statistical system of the country.

Other ministries and governmental institutions need to agree with the DSSRM on the methodology and organisation of their own surveys. The DSSRM is an official disseminator of statistical data in Moldova, inter alia, to the interested ministries and institutions.

There are no attempts from the government to influence data delivered by the DSSRM. The General Director of the DSSRM takes part in the meetings of the Cabinet of Ministers as an observer.

• Relations and links at central level with ministries

The Department for Statistics and Sociology closely co-operates with numerous ministries, exchanging data with those, with the main data flow going from the DSSRM. The Customs Committee delivers data for external trade statistics. The DSSRM has also access to the commercial register kept by the State Registration Chamber. The DSSRM is also entitled to require data in need from other administrative sources. The same procedure is used for data delivery to ministries, which receive data of interest upon requests. Sometimes joint publications are realised.

Each time when the draft annual statistical work programme is developed, all questionnaires for statistical surveys are agreed upon with the interested ministries.

• Protection of DSSRM independence

The independence of the DSSRM is stipulated in the Law on Statistics specifying that the Department shall be responsible for producing objective statistical data and interference of any parties or organisations in its activity shall not be permitted. Nevertheless, the top managers of DSSRM have to be confirmed in the office each time a new government is formed.

• Relations and links at regional level with Local Governments

Regional (local) statistical offices operate based on the statistical work plan approved by the DSSRM and co-ordinate their statistical activities with the local administrations. They disseminate statistical data on the region concerned and have the right to undertake own statistical surveys should those be ordered and paid by the local administration or any other institution or company. The nomination of the heads of regional and local statistical offices is co-ordinated and agreed with the local administration.

1.5. Relationship with users and dissemination policies

• Relationship with users

There is no systematic approach to study user needs. A small pilot study has been undertaken in 2001 on 150 users (see below). DSSRM has organised recently some workshops with selected users (national accounts, labour force) but it needs to set up closer relations with its users as they are currently limited mostly to publications.

DSSRM has not yet a website but it is being developed with the assistance of the World Bank.

The e-mail address of the DSSRM is: dass@moldova.md.

• Dissemination and marketing policy

Due to the lack of government funding publications are not produced regularly, which is a serious constraint for dissemination of various statistical data prepared by the DSSRM. Yearbooks were prepared every year but the 1998 and 2000 editions were not published. A Tacis budget has finally been found for the 2000 and 2001 editions. The 2002 yearbook should be produced as well on CD-Rom. Some thematic publications (see list in annex 3) are issued as well but without coordination and common standards defined by the Publications Division. With assistance of both the Tacis programme and DFID grant the DSSRM is willing to develop a real dissemination strategy.

Up to now, all publications have been produced in hard copies, however the switch to electronic media (CD-ROMs, web pages) is scheduled for 2002-2003. The website should be open at the beginning of 2002.

• Relations with the press

All press releases and express data published in accordance with the plan are disseminated in addition to the Government and interested ministries and departments also to the mass media. Press conferences are scheduled for 2002. The press is also invited to attend important seminars and workshops like the 1999 Workshop on Non-Observed Economy and the 2001 Workshop on Labour Flexibility and Protection at Industrial Enterprises of Moldova, etc. Data produced by the DSSRM are often published in the press and appear in other media (radio and TV).

• Publication of sensitive data

Sensitive data are published regularly, according to a fixed calendar, and disseminated to the general public through the mass media.

• Monitoring the demand for statistics

At the beginning of 2001 the DSSRM for the first time surveyed 150 users on the demand of statistical data. Its preliminary results show that users are dissatisfied with timeliness and missing regional data and monthly GDP.

1.6. Relationship with data suppliers

• Access to administrative sources

Access to administrative sources has improved over the recent time. Co-operation works well with the Customs Committee and has improved with the Tax authorities. Other administrations like the Ministry of Economy, Ministry of Finance, Ministry of Labour, and Ministry of Agriculture also keep good relations with the DSSRM.

• Relations with reporting units

There is a close relationship with reporting units, especially at the regional and local levels, where numerous questionnaires are directly completed by the staff of statistical offices during interviews with reporting units.

• Interviewer network

There is a well-arranged interviewer network at the local level. Interviewers are hired on temporary contracts to conduct the following sample surveys:

- prices collection (for CPI calculations);
- household budget survey;
- labour force survey;
- survey of private farms (a new survey implemented since 4th quarter of the year 2000).

The above-mentioned interviewer network is only used for one-shot sample surveys. There is no permanent interviewer network to conduct some regular sample surveys (like yearly structural surveys of enterprises) and for the period of the survey staff members of local statistical offices are attracted to do the work, while in other time they are engaged in other duties.

1.7. Planning and programming

• Planning process

The long-term plan for the Reform of Official Statistics in Moldova ("Concept of reforming the official statistics in the Republic of Moldova") covers the period from 1999 to 2002. It was approved by the Government of the Republic of Moldova in 1998. The Concept describes the present situation, tasks to be performed, necessary means to implement the planned activities, and the final objectives of the reforming process. Funds needed to realise the Concept are also specified but it is not backed with necessary financial resources.

The annual statistical programmes contain a description of all surveys to be carried out, questionnaires to be used for the surveys, indicators to be collected, dates of data release, and responsibilities for data delivery. The programmes are widely discussed with other governmental institutions and ministries and, by all means, inside the DSSRM. To co-ordinate the involvement of various ministries the Co-ordination Council exists where many ministries are represented. Finally the Government approves the annual programme together with the necessary budget to implement it.

The DSSRM has started the preparation of the next multi-annual plan. The new plan should include the vision for the statistical system, link annual and multi-annual plans, assess the current situation, define priorities, match resources and objectives.

• Adoption procedures

At first the annual work programme is adopted by the Board of the DSSRM, after which it is submitted to the Government for approval. The long-term concept of reforming is also to be approved by the Government via a special resolution.

• Scientific board/Advisory board

There is a Board in the DSSRM, which consists of 9 members: the Director General who is also the leader of the Board, all deputies, and the heads of some divisions and territorial offices. All members of the Board are appointed by the Government based on proposals of the Director General. The Board bases its activities on its Statute, which is approved by the Director General. The members of the Board at their meetings discuss the most important issues of statistics, preferably, statistical methodologies, as well as short-term and long-term

statistical programmes. In compliance with the statute the Board meets at least once every month.

Apart from the Board there is a Co-ordination Council established by the Resolution of the Government in compliance with the Law on Statistics. A number of ministries are represented there to co-ordinate together with the DSSRM statistical activities in the country.

• Reference to the list of surveys

The annual programme contains a very detailed list of surveys and even the description of the questionnaires to be used. Furthermore, responsibilities of the survey performers are described, sampling is mentioned, and all indicators to be collected are specified. The programme is a very detailed plan of work for the year.

1.8. Finance and budgeting

• National budget

The activity of the DSSRM, including implementation of the statistical work programme, is financed from the national budget. However, due to the shortage of budget revenues not all financial allocations planned in the Law on Budget are channelled to the DSSRM. In this connection, a number of annual statistical publications were not published though all the preparatory work, except for printing, had been done.

Financial difficulties do not allow to fund the participation of the DSSRM specialists in the international seminars and workshops from the national budget, as well as to implement some important statistical surveys. That is why the technical assistance rendered within the international programmes is of great importance for the DSSRM.

The evolution in the budget of the DSSRM between 2000 and 2001 is as follows (in 1000 euros):

	2000	2001	% evolution
Central Apparatus, of which:	162,8	176,2	+8,3
- salaries	104,6	104,0	-0,6
- pension fund	30,8	27,2	-11,7
- purchase of goods and services	24,6	42,3	+72,3
Regional statistical organs, of which:	580,2	531,3	-8,4
- salaries	372,6	419,0	+12,5
- pension fund	109,7	112,4	+2,5
Other expenses	0	49	+100,0
TOTAL	743,0	756,5	+1,8

• Assistance received from bilateral and multilateral donors

The DSSRM receives a considerable technical assistance from international organisations and, first of all, from the European Union within the framework of the Tacis Programme, as

well as from the governments of such countries as the United Kingdom and Sweden. As for the Tacis Programme 0,5 million euros were awarded to Moldova in 1997 (programme completed in 2001), 0,8 million euros in 1999 and 1 million euros in 2001.

The Department for International Development (DFID) of the United Kingdom launched in 2001 a project on improvement of agricultural statistics, social statistics, labour force statistics, information technology, staff training, publications, and dissemination policy. Total costs of the project amount to 683000 pounds sterling.

In 2001 a Statistical Co-operation Agreement was signed between the DSSRM and Statistics Sweden. The Agreement covers the areas of Population census and population register, wholesale trade statistics, national accounts (calculation of GDP by regions) and information technology.

In 1999 the World Bank issued a grant of 450000 USD to the DSSRM to support the areas of Macroeconomic indicators in national accounts, Publication and dissemination of statistical data, Economic accounts and prices in agriculture and Information technology.

In 2001 the project on the survey of labour flexibility and protection at industrial enterprises supported by ILO was finalised. DSSRM also benefits of technical assistance of other international organisations like IMF, UNDP and UNESCO.

1.9. Staffing, staff recruitment and development

• Main characteristics

The number of personnel (excluding service staff) is 998 persons, of which:

- Central Office: 143;
- Main Department of Information Technology attached to the DSSRM and established in the result of liquidation of the former Main Computer Centre: 108
- Territorial statistical offices: 747 (including interviewers locally recruited for sample surveys).

About 90% of the DSSRM staff are women. 91,8% of the total staff are professionals, of whom 66,9% have a status of state servants, 65,1% have higher education, mostly in economy and computer programming.

• Recruitment procedures

In the Central body, the Heads of Division are appointed by the General Director. Candidacies for vacancies are studied by a special Commission after presentation made by the head of the Personnel Unit. Most personnel are employed for unlimited terms, though in some cases fixed time contracts may be concluded (as in the case of interviewers).

The Heads of the Regional Offices are appointed by the General Director of DSSRM. Other staff is appointed by the Head of Regional Office.

• Management style

The present management style can be described as hierarchical and centralised. More attention should be paid to internal communication and coordination between the various divisions of DSSRM. Team work should also be improved.

• Language abilities

Most of the staff know the Moldavian language (which is a state language) and Russian. The English language capacities are limited, no more than 10% of the staff can speak English and/or French. No language courses have been organised so far within the Tacis Programme.

1.10. Training policy

• Training Plan

There is no general strategy for staff training and training activities are organised on an ad-hoc basis. At present training is mostly performed during subject-matter seminars organised for the personnel of local statistical offices and interviewers employed to conduct sample surveys. Some IT training will be organised within the Tacis Programme.

After the internal needs have been studied and following the earlier recommendations, a training program for computer users has been set-up. This is as follows:

- 1- basic training (Windows, MS Office)
- 2- network environment, e-mail, Internet, FTP
- 3- medium level (Databases, SPSS)
- 4- special database management systems (DBMS) (Oracle, FoxPro)
- 5- special programming languages (Delphi, Visual Basic, C++)
- 6- development of Web applications (HTML, XML, PHP)

• Library

The library which exists at the moment within the old DSSRM building is poorly equipped and has insufficient stock of reference materials. The DFID grant should finance the creation of a modern statistical library.

1.11. Organisation of International Co-operation

• Existence of a dedicated department

The International Relations Unit comprises 4 persons engaged in keeping relations with all foreign statistical offices and international organisations, including Eurostat and other donors. It functions as a contact link for Tacis technical co-operation and all relevant documents are first sent to the unit for translation and then forwarded to addressees.

2. STATISTICAL INFRASTRUCTURE

2.1. Information technology

The main Computer centre was merged to DSSRM at the end of 2000, but the teams remain actually separated. The staff of the Main Department of Information technology (108) is almost as numerous as the rest of the DSSRM (143). A deeper integration of computer specialists into the statistical divisions has been blocked up to now by the Ministry of Finance because of differences in statutes and wages.

• Architecture

The World Bank grant that is finishing in March 2002 has assisted DSSRM in setting up an IT development strategy and a set of unified software packages for statistical data collection, processing and dissemination.

DSSRM has recently bought on own resources two Sun V880 servers which should be delivered very soon. The local network is under finalisation, but the existence of a private TV company on the third floor creates some additional technical difficulties. The network should obviously improve the links between the divisions which are currently too loose.

Issues concerning the computerisation of the statistical service of the Republic of Moldova are the responsibilities of the Main Department of Information Technology to the DSSRM. The principal objectives of the department are:

- Computerisation of the DSSRM Central Office
- Computerisation of the territorial statistical offices
- Creation of the territorial information network
- Development of software for collection, processing storage and dissemination of statistical information

Due to numerous objective and subjective factors, namely: lack of necessary funds, merger of the DSS and Main Computer Centre, move to the other building, etc., the process of computerisation is rather slow. At the same time, after the merger has taken place, the works connected with computerisation have got revived.

• Computerisation projects

At present there are several projects on computerisation of the DSSRM, which are at different stages of implementation, namely the setting up a local area network (LAN) in the Central Office, the modernisation of WAN and the processing data of the Population Census in Moldova.

There is currently a specific programme for each statistical form. About 275 programmes have to be changed. Each change in the questionnaires or the nomenclatures make indispensable a change in the programmes. This process is particularly difficult to manage in a transition period, with many changes in the whole statistical organisation, with the lack of qualified staff and resources above mentioned. The three main problems which will start to be addressed with the current Tacis programme are the elaboration and purchase of softwares, the training of staff and the purchase of equipment. The objectives of DSSRM are to harmonise software for a given task and integrate the interface and data processing.

The DSSRM website should be open at the end of March 2002 and will be available in four languages: Moldovan, Russian, English and French.

• Level of equipment

The computer equipment situation has considerably improved. The staff has been trained in basic computer use. The table below shows the current situation in the computerisation of the DSSRM:

Level	Number of units	Number of statisticians	Number of computers	Statistician s per PC
DSSRM	1	143	58	2,5
IT Division	1	108	23	4,7
Regions (ujesds)	11	747	154*	4,9
Total	14	998	235*	4,2

* including 96 EC 1841 and PC 286

2.2. Classifications

• Use of international nomenclatures

The National Classification of Economic Activities of Moldova (KVEDM), harmonised with ISIC, was introduced in 1995. In 2000, the second revision of KVEDM, harmonised with the EU classification of kind of activity (NACE) was introduced with an additional 5th digit to cover national specifics. NACE is approved as a national classification but not yet used by other Ministries.

The National Classification of Products harmonised with CPA was translated and adapted to national requirements but no budget is available to publish it for wider use.

DSSRM has also developed and uses in statistical practice the following classifications, having the national standard status: Classification of forms of ownership and organisational legal forms; Classification of the administrative territorial units of the Republic of Moldova; Classification of the measuring and accounting units; Classification of services in foreign economic activities.

In external trade statistics the national nomenclature, which is based on the Harmonised System 1996, was introduced in 2000. The Ministry of Economy, which is in charge of its introduction, has no plan to revise the nomenclature and make it compatible with the 2002 revision of the Harmonised System.

• Introduction into questionnaires

The first version of KVDEM harmonised with ISIC is used all over the country, and has been introduced into all statistical questionnaires. The introduction of NACE in the business register (to be done in 2002) and in statistical surveys is made gradually. NACE will be introduced in structural business surveys in 2002 and it is foreseen that all other statistical surveys will move to this nomenclature as from 2003. There is no plan for the introduction of the CPA into practice.

2.3. Business register

• Description

The inter-administrative register set up by the DSSRM covers legal and physical units, as well as budgetary institutions. Registration takes place in the Registration Chamber, the Ministry of Justice, the Ministry of Finance, and in local authorities (registration of farms). In total there are 193,000 units registered. Legal entities are registered by the Registration Chamber (RC), which is subordinated to the Ministry of Justice and supervised by the IT Department. Registration takes place both in Chisinau and in each region where a local RC unit exists. While being registered enterprises are given unique identification numbers. In each territorial registration unit, there is a representative of the DSSRM and of the Tax Administration in order to complete most administrative formalities in the same place. Each enterprise is given an identity card to be filled in with all necessary information. Based on this information the DSSRM representative allocates the activity code.

Based on this administrative register the DSSRM started in 1998 to develop a statistical register, which covers only legal units. There are about 20,000 entities in the register, each having some statistical indicators added to the pure administrative information.

So far individual enterprises and local units have not been included in the statistical register. Individual enterprises are registered in the administrative register but without any information on their actual activity if any. Tax administration agreed to provide the list of such enterprises which have made a declaration but without any information on activity or turnover.

• Updating strategy

All changes (in ownership, address, legal form, etc.) have to be registered at the Registration Chamber and the enterprise receives a new card with all changes introduced. In principle, the DSSRM is aware of the administrative modifications as soon as they are introduced. Additionally, once a year the DSSRM processes the balance sheets and updates economic indicators like turnover and profit. Once a year the DSSRM also checks the activity code and introduces changes in case they have taken place.

• Use for statistical purpose

The statistical business register is used for statistical purposes only. It represents a sampling basis for most business statistics surveys, in particular, for structural surveys of enterprises.

The inter-administrative register data are used by many other administrations, such as the National Cadastre Agency and the Tax Administration and also by banks, universities and individuals. As the register is not accessible on-line, users have to resort to written requests each time they need information.

Problems of coverage still remain and have an impact on the quality of sampling. Moreover, the political situation with the administrative insubordination of the left bank of the Dniester (Trans-Dniestrria) prevents full coverage of the register, as no data from that region are available.

3. ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1. National Accounts

The concept used in the DSSRM is SNA 93. Calculation of GDP has been done on an experimental basis from 1989 to 1992 and then from 1992 up to now according to SNA 93. Data from 1980 to 1989 have been retrospectively recalculated.

All the three methods (production, expenditure and income) are used for calculating annual GDP at current prices and prices of the previous year. The production method is considered to be the most reliable. The national accounts data are broken down by branches and by all 6 sectors (financial corporations, non-financial corporations, households, non-profit institutions serving households, general government, rest of the world). All accounts are compiled except for the financial account. Quarterly GDP is calculated at current prices and at prices of the previous year using the production and expenditure methods. Regional GDP has not been available yet, but there are plans to compile it in the future. The Input-Output-Table (IOT) is compiled every year for 23 branches at current prices and prices of the previous year.

The difference between preliminary and final GDP figures does not exceed 3 %. The share of non-observed economy was estimated at 31 % in 2000 and it is calculated by economic branches.

Macroeconomic analyses are done on the basis of annual GDP data and published in statistical bulletins and other large publications, like those covering the years 1989 to 1992 and the years 1993 to 1995.

DSSRM produces seasonally adjusted time series since 1995 thanks to the World Bank grant, but would like to have access to an internationally used software.

The Government has changed the budget classification, but this will be addressed easily through increased contacts with other administrations and adaptations at the DSSRM level.

Major difficulties are connected with the introduction in 1998 in the Republic of Moldova of new national standards in enterprise accounting, which are based on the British style of accounting. Thus, it is now impossible to use the enterprise accounts without their radical transformation (conversions) for the GDP calculations.

3.2. Estimation of Non-Observed Economy

The present state of the Moldovan economy after the declaration of independence is characterised by a large number (as a result of privatisation and market relations) of small economic agents, in particular, in the informal sector (more evident in agriculture, trade and services), which puts a challenge to the official statistics.

The share of non-observed economy is rather high in the country and this is why an adequate measurement thereof is of great importance. It was estimated at 31% of total GDP in 2000 (35% in 1999). DSSRM estimates are included into the GDP data, but there is still a need for major methodology development to cover more phenomena of non-observed economy. Some special surveys need to be undertaken in those sectors where hidden activities are mostly observed. Some links to the labour force survey exist now, but they have to be further developed. Illegal activities are not incorporated into estimation of the non-observed economy.

International methodologies on measurement of NOE have been carefully analysed and the DSSRM does everything in its power to use those in the practice.

The DSSRM together with other ministries has organised a number of seminars in order to promote and explain the methods used to measure the non-observed economy, thus improving the understanding of the existing methodologies.

3.3. Finance statistics

A new system of accounting has been introduced in 1998 in Moldova based on the UK system of accounting. The main reason of the reform in this area is the necessity to produce finance data meeting requirements of a market economy and internationally accepted balance sheets.

Following the changes in the country, the DSSRM has set up the Main Division of Finance Statistics and Accounts. It is staffed with 5 persons (plus 6 persons in the IT Department) and has 1 PC available. This division has got three main blocks of activities.

Firstly, it collects quarterly and annually balance sheets from all juridical persons. All economic agents should provide this information. The number of agents is increasing quickly (from 15,000 in 1998 to 23,000 in 2001). These documents do not satisfy the requirements of statisticians, in particular for SNA because of missing indicators. This information is completed with the data collected by the branch divisions. There is a good connection with the Registration Chamber which provide information on the demography of enterprises. There are very close relations with the Central Bank, which set up the methodology for balance sheets.

The second block concerns finance statistics, where the economic entities are the banks, the insurance companies, the investment funds, the stock exchange, etc... The balance sheets do not provide all information needed for National Accounts needs. Monthly financial reports are requested from the 19 commercial banks and from the 140 insurance companies.

The third block concerns government finance statistics. The Ministry of Finance is responsible for the methodology whereas the DSSRM has to collect and process these statistics.

The present Tacis-financed project having been refocused on financial organisations, their limited number will enable the project leader to implement a full statistical observation on his sector of competence, after receiving the necessary technical assistance on the system of indicators and the organisation of the data collection.

3.4. Price statistics

The Main Unit of Price Statistics and International Comparisons is composed of 5 persons and has 4 PCs available. The unit deals only with Consumer Price Index (CPI) and Production Price Index (PPI).

The new methodology for the calculation of the CPI was introduced with the support of the IMF in 1994. The basis for the weights is the household budget survey. Prices of almost 1500 goods and services are collected in 750 units of observation. Exclusions concern goods and services for own consumption, taxes, penalties, insurance premiums and some others.

Since 1994, the database has been changed but not the software which was built for all NIS. The present system is compliant with World Bank recommendations, but not entirely with EU standards, which will lead to a redesign of the structure of products surveyed. The new system may create a rupture in time series which will have to be addressed. The problem of the

changes in the time of the quality of the products covered by the CPI has also to be tackled. Seasonal adjustments in the price index calculations also need to be introduced.

There is a network of 23 price collectors who collect information on retail trade but not on wholesale trade. Data collection is done purely manually with transmission of paper sheets to DSSRM. In Statistics 7 it is planned to tackle the automation of the processes of collection and processing of CPI and the reform of the method of calculation of construction prices index (implemented by another division).

3.5. External Trade Statistics

In 1994 the Agreement on Cooperation and Information Interaction in Organising Foreign Trade Statistics was concluded between the DSSRM and the Customs Inspection Department. Hence, since 1995 external trade statistics for visible goods is based on customs declarations. Data on external trade in non-visible goods (gas and electricity) are collected by the DSSRM on the basis of statistical reports.

The Commodity Nomenclature based on the Harmonised Commodity Description and Coding System, rev.1996 is used as a basic classification since 2000. The Ministry of Economy, which is in charge of its introduction, has no plan to revise the nomenclature and make it compatible with the 2002 revision of the Harmonised System. The DSSRM would like to introduce the UN Standard International Trade Classification rev. 3 (SITC) for publication purpose as it is more analytical and reserve a second volume of the annual publication for detailed HS positions as long as a publication on CD-Rom is not possible.

For classifying countries and trade partners the UN International Classification of Countries and Territories of the World is used.

Based on the Agreement with the Customs Inspection Department the DSSRM receives monthly data on diskettes on each trade transaction of the reference month. This means that data are provided at the level of customs declaration. Plausibility checks are done at declaration level using unit value intervals. The database of external trade is updated on a regular basis and all changes are introduced into the data for the relevant month.

The updated database is used by the DSSRM as a basis for calculating export and import price indices and other statistical indicators, by the National Bank for compiling the Balance of Payments, and also by other users. This database is used for publications and preparation of data on individual requests of users (governmental and economic authorities of the Republic, international organisations, economic agents, and individuals).

Each publication (yearbook, bulletin, etc) contains the updated and corrected data for the previous reporting periods.

Quarterly and annual publications are being continuously improved. The latest publication was released in 2001 and contained data for 1999. At present the external trade yearbook for 1996-2000 is under preparation. Bulletins on external trade have been also published containing data for the first half year and 9 months of the year 2000 respectively.

Within the framework of the external trade data exchange programme between Eurostat and the DSSRM quarterly and annual data are sent to Eurostat to be loaded into the Eurostat's database Comext.

Mirror exercises have taken place with the United Kingdom, Ukraine, Russia, and Belarus. They need to be extended to other countries in the future.

At present the basis for compiling external trade statistics has been built and the technology of external trade data collection and processing determined. The next stage will concern the coverage and reliability of external trade data.

The main problem concerning data coverage is the non-availability of data concerning the Trans-Dniestrian region, which creates a distortion when comparing Moldovan with third countries figures as the latter generally include the Trans-Dniestrian region into their figures. Economic entities of Trans-Dniestria when exporting their goods indicate Moldova as the country of origin, and when importing goods, they also indicate Moldova as the country of destination, but not Trans-Dniestria.

Data on external trade in services are collected on a quarterly basis via exhaustive surveys. Data are provided on a cumulated basis and disseminated only to the Central Bank. There are various methodological problems like nomenclature of services, sampling and definition of indicators. DSSRM asked to set up a cooperation project in Statistics 7.

4. POPULATION AND SOCIAL CONDITIONS

After two postponements by lack of finances, the Population Census is now foreseen for the period from 1st to 8th of October 2002. It will be the first census since the one organised in the Soviet Union in 1989 and has thus got a particular importance. The Population Census will be fully financed by the national budget (the overall budget is estimated at € 2.1 millions)

The whole staff recruited for this operation will consist of 64 leaders at raion level, 2,600 supervisors and 12,000 enumerators. The preparation has started. Instructions and cartographic material are prepared. Training will start in July 2002.

4.1. Labour Force Statistics

The Main Division of Labour Statistics is composed of 10 persons (plus 4 persons in the IT department) and has got 5 PCs.

A continuous quarterly labour force survey has been undertaken regularly since the 4th quarter of 1998. It started with a sample of 4104 households for the pilot survey and was extended to 8208 households in the regular quarterly survey. The survey is carried out by 114 interviewers and is funded from the national budget. Due to the financial press there are difficulties connected with publication of the results of the surveys conducted.

Indicators on employment are now comparable to international standards and satisfy, to a certain extent, the requirements of governmental authorities and other users.

However, there is now a need to improve this survey in adding specific modules needed to answer additional questions. The introduction of an extra module to the normal LFS regarding employment issues in the informal sector is the central topic for the Statistics5 programme. The areas to be addressed are employment in the informal sector, especially in personal plots in agriculture, in trade activities on the street, and in other sectors. Labour costs statistics and statistics of children labour and professional diseases are areas for further development.

The DSSRM has another labour survey which is sent to enterprises. It is an exhaustive survey made monthly, quarterly and yearly. The same questionnaire is addressed to all enterprises except micro-enterprises (up to 19 employees following the former definition) which receive a simplified questionnaire.

Within the programme on Labour security a one-shot survey on the flexibility of labour was made among 251 industrial enterprises in December 2000 under ILO supervision. Results were presented in a conference that took place in November 2001 with representatives from the Ministry of labour, trade unions, employers and scientists.

4.2. Social Statistics

The Main Division of Social Statistics is staffed with 9 persons and has 8 PCs available. The division is assisted by staff of the IT Department (6 persons for Household Budget Survey and 5 for Social Statistics) and a network of interviewers. It deals with statistics on living standards, household budget survey (HBS), poverty reduction, education, health, crime and justice, cult, leisure and sport, social assistance, pensions, sciences, water supply.

Most questionnaires need to be reconsidered on the basis of new laws. Information is still collected following old soviet methods and indicators and does not correspond to users needs. For instance, there is no information by level of education. The law adopted in 1995 introduced changes in the education system in Moldova, which are not reflected in the statistical surveys. The main problem is thus the introduction of international standards and methods of collection of information.

UNESCO organised in Moldova in February 2002 a Conference on the reform of education statistics. A Tacis component should start in 2002 on this topic. The DSSRM would also like to set up a sample survey in order to measure the access and participation in education services. Following a recent report, some 5,000 children would not go to school but other estimations give a figure of 50,000 children.

This division has received assistance from various donors on HBS and poverty reduction strategy (World Bank, UK Know-How fund, PNUD) as it was the most urgent request from both national and international users.

5. BUSINESS STATISTICS

As other Tacis countries, the DSSRM is confronted with the fundamental question of how to implement the transition from the functional approach (by branch of activity) to the institutional approach (where the enterprise is at the centre of the surveys). This transition has started in Moldova but it is too early to fix an end date for its completion. The complexity of the problems created by this transition needs a strong coordination between the divisions in charge of national accounts, structural surveys and all sectors of economy (currently 5 divisions).

The Law on the support to the small enterprises was modified in December 2001 and has introduced a new classification of micro- (up to 9 persons and turnover below 3 million lei) and small-sized (up to 15 persons and turnover below 10 million lei) enterprises. The previous definition of micro-enterprises was up to 19 employees and small enterprises up to 75 employees. There is no concept of medium-sized enterprises in Moldova.

5.1. Structural Business Statistics

The DSSRM implemented the first structural survey of small enterprises in 1998 and that of large enterprises in 1999. The questionnaire is the same for all sectors of the economy, but is a bit more detailed for enterprises with more than 20 employees. These enterprises are surveyed with full coverage and enterprises with less than 20 employees are surveyed on a

sampling basis. If in 1998, 8000 enterprises were surveyed, later the number was extended to 9000 enterprises, including 5000 small and 4000 large enterprises. It is planned to introduce new sector-specific questions in the 2002 survey. The response rate of the structural enquiry is 88%.

A publication has been issued with data for 1997, 1998 and 1999.

The needs of the National Accounts Division and other DSSRM divisions are taken into account when the questionnaire is drafted.

There have been no short-term statistics so far, but it is planned to introduce business tendency surveys in the future.

Further development is needed to cover the service sector and to communicate more closely with reporting units by giving feedback information to them. Another urgent task to tackle is to design and implement a survey on newly created enterprises and to study the demography of small and micro-enterprises.

Also very urgent is the implementation of the survey of enterprises without the right to form a legal entity because their activities are not practically observed.

5.2. Industry statistics

The Main Division of Statistical Analysis in Industry, Energy, Transport and Communications is staffed with 7 persons (plus 10 persons in the IT Department) and has 5 PCs available. Four members of the staff deal with surveys on industry and energy.

In 1992 the number of enterprises having "industry" as the main activity was a little more than 500. Currently there are approximately 12,000 enterprises recorded in the administrative register with industry as one of the activities. 1,900 have industry as main activity and report to DRSSM. 1,800 have industry as an auxiliary activity and are surveyed only once a year. 2,800 are individual enterprises which are not surveyed up to now.

Finally, 5,500 industrial entities have been created but DSSRM has no information whether they still exist and if yes whether they have still any industrial activity.

All surveys in industrial statistics are exhaustive and DSSRM has not yet tested any sample survey. Monthly questionnaires are addressed only to the biggest enterprises (700) and received the second day after the end of the month. Indicators still date from the soviet time and concern mainly the industrial output at current prices and the production in kind. Quarterly questionnaires cover the same enterprises with a bit more indicators, like sold production, the volume of stocks and since 2002 the turnover. Yearly questionnaires cover all enterprises (1900) and is more detailed. One additional survey covers enterprises where industry is not the main activity. The structural survey does not contain any specific question for industry.

As for individual enterprises, the division does not have any statistical information and makes estimates on the value of the production only. DSSRM would like to launch a survey in Statistics7 in order to clean the business register.

The recoding of all enterprises following KVEDM rev. 2 (NACE) in the business register should be achieved in 2002, but this nomenclature has already been introduced in all questionnaires. Product nomenclature is still the soviet one which is not anymore adapted to the economic situation. DSSRM would like to adapt the EU Prodcom list to Moldovan needs and to introduce it in the future.

As for the other sectors of the economy, DSSRM does not collect any detailed information about the Trans-Dnistria, where above 40% of Moldovan industry was situated before the secession of this region. Trans-Dnistria collects data according to old soviet classifications, which would not enable easy data comparison, if data was available.

5.3. Energy Statistics

In the field of energy statistics the situation has radically changed in Moldova since the privatisation of previous monopolies of the sector Moldenergo (electricity) and Moldovagaz. They used to fill in all energy questionnaires, as they were responsible for all aspects of energy starting from production to distribution to enterprises and households. Now Moldenergo has been divided into a few different enterprises, some being responsible for electricity production, others for the supply network, and more for the sale of electricity to end consumers. For the 1998 survey, realised in 1999, the new private companies refused to respond to the questionnaires. It appeared necessary to completely revise the data collection process and set up a new set of indicators, adapted to the new situation.

Some existing questionnaires have been significantly improved and some cancelled. There are currently monthly questionnaires to cover stocks of mazout and coal which are addressed to 500 importers (no production in Moldova) and main consumers. A quarterly questionnaire covers gas. Half-yearly questionnaires cover with a bigger questionnaire all 4,000 enterprises dealing with fuel, petrol, coal or gas. Finally, yearly questionnaires contain more indicators and are sent to 6,000 enterprises involved in all sources of energy. Information on electricity is mainly collected through industrial surveys.

A detailed survey on energy balances is sent yearly to the 6,000 enterprises of the sector. DRSSM would like to adopt EU standards in this domain as well.

5.4. Construction and Investment Statistics

The Main unit of Investment and Construction Statistics is staffed with 4 persons (plus 4 persons in the IT Department) and has only 1 PC.

The investment sector is covered by quarterly and yearly surveys, construction statistics by monthly surveys, construction prices with quarterly collection and housing with yearly surveys. All surveys are exhaustive. Some reports are published on a quarterly basis.

A quarterly survey covering 3,000 enterprises on building permits has been undertaken since 2001. The questionnaire contains data on the number of permits both for dwellings and commercial buildings, on the character of construction, on the size of buildings, and on estimated costs, but there is no information about construction completion. The results obtained for 2001 are currently being analysed.

As for investment statistics, 3,000 enterprises are surveyed. Although this information is of high importance for the government, it is of poor quality by insufficient coverage of concerned enterprises. With the transition, the role of non-state sector of economy has increased. Many entrepreneurs try to escape to tax payment or construct buildings without a license, and are therefore difficult to apprehend through statistical surveys. In order to improve the coverage, DSSRM cross-checks the results of the surveys with different other sources like the Ministry of Construction and the State Construction Inspection, and also data of the balance sheets. There is no collaboration with the Tax administration.

The investment sector is covered by quarterly and yearly surveys, construction statistics by monthly surveys, construction prices with quarterly collection and housing with yearly surveys. All surveys are exhaustive. Some reports are published on a quarterly basis.

The main issues to be tackled in the Statistics 5 programme are to extend the survey to all kinds of investments, to introduce sampling due to the growing number of small private enterprises and to cover the flows of investment out of the country.

As for Statistics 7 it is planned to reform the system of construction price index. In this sector, the work started in 1992 with the Ministry of Construction. At the beginning, 14 State companies were surveyed but as they became private data collection became harder. Both the database and the software, which were bought in Russia, are based on 1991 prices in roubles without any possibility to change something. About 1,000 enterprises are registered in the sector of construction of which about 100 are surveyed. The objective of this component would be to set up new database and software based on EU methodology.

5.5. Internal Trade and Services statistics

The Main Division of Statistical Analysis in Trade and Services (both internal and external) is staffed with 9 persons, of which 3 works for internal trade and services (plus 3 persons in the IT Department), and has 8 PCs.

In both internal trade and services the old system of surveys and indicators is still in use. As for retail trade, the 6,000 enterprises having trade as an activity are surveyed monthly (volume of sales), half-yearly (by products) and yearly with a detailed questionnaire. NACE at 4-digit level has been introduced as from 2002. DSSRM intends to introduce the 5th digit in 2003.

A new questionnaire should be introduced in 2003 among the 3,000 enterprises having trade as main activity (given the size of this population, the EU expert recommended to keep this survey exhaustive). Both systems of surveys should be run in parallel in 2003 before moving to the new system in 2004.

This year of transition will allow the Moldovan statisticians to establish a comparative basis between the two systems. When the new system of surveys will be ready, a particular attention should be given to the communication with the users, where the western experts should put all their technical authority, in order to ensure a smooth transition. Specific question on trade and services have been introduced as from 2002 in the structural business survey.

A new project on wholesale trade statistics has recently been agreed to be supported by Swedish bilateral assistance programme. Information on wholesale trade is up to now not collected (only in finance statistics).

5.6. Tourism Statistics

The unit on Tourism and Transport statistics is included in the Main Division of Statistical Analysis in Industry, Energy, Transport and Communications and is staffed with 3 persons. Equipment for the unit dealing with tourism statistics is urgently needed.

The Law on Tourism was adopted in May 2000. It determines the basis for organisation of tourism in the Republic of Moldova and regulates responsibilities of the governmental authorities and economic agents engaged in tourism. The Republic of Moldova became member of the World Tourism Organisation in 1993.

The National Tourism Agency was set up in August 2000 in order to manage the tourism database and information system. A good collaboration has been established between DSSRM and this agency. So far only data on enterprises with the license for tourists activities were collected and processed. International questionnaires on tourism statistics arrive in the country but cannot be answered due to the lack of data.

Tourism statistics was included into the list of Statistics 5 projects. DRSSM started to set up a register of accommodations which should be finalised by April 2002. It contains 59 hotels and about 500 other units.

A new questionnaire is being developed and should be tested in 2002 through a pilot survey. The experience of this survey should serve in order to develop a new questionnaire to be introduced monthly or quarterly as from 2003.

Tourism statistics should also in the future be approached from the household point of view through a sample survey, but this kind of surveys has not yet been implemented.

5.7. Transport Statistics

Monthly and quarterly questionnaires on cargo transportation are sent on an exhaustive basis to all enterprises with transport as main activity. Annual surveys on trucks are also conducted on an exhaustive basis for enterprises and organisations of all branches of economy. DSSRM uses the Catalogue of legal units having vehicles but information on physical units is absent.

The significant transformations, which took place in Moldova in the sphere of transport of passengers, are difficult to follow with the current system of surveys. DSSRM succeeds to cover approximately 50% of micro-buses and buses registered in Moldova, which creates a serious gap between data collected and the reality. A project on transport by trucks is supported by the Swedish bilateral assistance programme (SIDA).

A project has been included into the Statistics 7 programme in order to set up a sample survey on the activities of the micro-buses.

6. AGRICULTURAL AND ENVIRONMENTAL STATISTICS

6.1. Agriculture Statistics

The Main Division of Agriculture, Forestry and Environment Statistics is staffed with 12 persons (plus 6 persons in the IT Department) of which 1 works for forestry and 1 for environment statistics. The division has got 6 PCs.

The agriculture sector plays an important role in the Moldavian economy, as the share of its Gross Value Added in the GDP of the country reaches 25%.

Privatisation of agricultural land and the property of agricultural enterprises has lead to substantial structural changes in the agricultural sector and, above all, to the emergence of a huge number of small agricultural producers. At the end of 1990 there were about 1000 economic entities in the sector, whereas nowadays there are more than 250000 agricultural units of various legal forms, mostly individual private farms. Moreover, it is typical for Moldova that the population is very active in the sector of agricultural production. The number of personal plots exceeds now 1 million.

As a result, the role of the private sector (agricultural households and private farms) in agricultural production has changed considerably. At present it produces more than 70% of the GDP in agriculture.

Due to the huge number of statistical units and impossibility to get a full coverage, the DSSRM has introduced since the 4th quarter of 2000 a sample survey of the households involved in the agricultural sector with the support of the Know-How Fund (United Kingdom). For this purpose 106 villages were statistically selected, in which 2120 households were included into the main survey of the sector to be observed quarterly.

A second survey concerns 4,000 farms, which once a year in June submit data on size and structure of the sowing areas. The same circle of farms participates in the third (December) survey about a gross yield of agricultural crops. The above surveys cover units having an area of farmland inferior to 50 hectares. These surveys are implemented by a network of 117 interviewers and controllers.

The large agricultural enterprises and farms (with the area of farmland superior to 50 hectares) are subject to exhaustive statistical observations.

Besides, preparatory works have started in order to introduce a pilot questionnaire for the survey of income and expenditures of private farms connected with their agricultural activity.

The DSSRM has developed the methodology of compiling the annual production account (production output, intermediate consumption, and value added) at current prices in accordance with SNA-93. It was introduced into the practice starting from the accounts for 1999. At present the work is carried out to introduce, in accordance with the EC recommendations, economic agricultural accounts (EAA-97).

Two indexes on agricultural prices indexes are currently worked out: the index of industrial goods and services used in agriculture and the index of sold production.

A new project on food balances (use and supply) should be supported by the Tacis programme "Statistics7". Although there is a long experience in this field of food balances (13 products are now covered), the DSSRM would like to adopt EU methodology in that domain. It should consist mainly of training of appropriate staff.

A publication "Agriculture in the Republic of Moldova" was produced in 1999 with 1998 figures. A yearbook containing 2001 data should also be issued.

6.2. Environment Statistics

The system of indicators on environment has been checked and compared with international standards and first steps to reform it have been made. A special survey was undertaken in all households (sample of 1500 households, Trans-Dniestria excluded) on the provision of communal services like heating, water supply and sewage. There was another survey on the importance of environment problems for the population and the environment pollution by households. The first balance of water resources for the years 1994 and 1998 was developed.

The methodology of compiling ecological accounts is being studied.

A series of small-scale publications (booklets) have been issued in Moldavian, Russian, and English: "The contents of environment statistics", "Integration of ecological issues in the system of economic and other statistics", "The impact of agriculture to water resources".

The component on environment statistics within the Tacis «Statistics 5» Programme has been terminated because the water accounts compiled within the project were transferred to the

Ministry of Ecology of the Republic of Moldova, which will continue the work with the assistance of French bilateral funds.

7. CONCLUSIONS

The Department for Statistics and Sociology of the Republic of Moldova (DSSRM) operates on the basis of the Law on Statistics, which was adopted in 1990 (with amendments later introduced), and the Statute of Department as approved by a Government Resolution. The statistical law guarantees in broad terms the independence of the DSSRM and the data confidentiality. However, it needs some updating to meet the requirements of the European pattern for a law on statistics. The DSSRM has drafted some amendments to the law, which will be submitted first to the Government for consideration and then to the Parliament for approval.

The statistical system is centralised. The regional statistical offices are responsible for data collection, check and analysis, and also for the delivery thereof to the Central Office. Besides, the Central Office and regional offices disseminate relevant data to the local administrations. The DSSRM is entirely financed out of the state budget. However, resources are missing for further development of the statistical system, including staff training, statistical publications and adaptation to international standards and modern computer equipment. For all these tasks external financing is essential.

The DSSRM functions as the co-ordinator of the statistical system of the country. It has access to various administrative registers and also receives data from other ministries. The DSSRM co-ordinates the methodology of statistical surveys and endeavours to make the methodology used transparent to other ministries. However, the co-operation with the Tax administration needs to be improved.

The planning and programming system is based on a multi-annual plan covering the period 1999-2002. Programming first of all takes account of the needs of users inside the Government, but to a lesser degree, of those of other users. The forum for discussion of the programmes is the Co-ordination Council where other ministries and departments are represented. The annual programme is a very detailed document, which prescribes all the works to be carried out down to the questionnaires, instructions and sampling frame. It is approved by the Government and financed from the national budget.

There are 251 persons working in the Central Office (of which 108 in the former computer centre) and approximately 1000 persons in the whole system, including interviewers involved in sample surveys. Most employees work in the regional and local offices. The staffing can be considered to be hardly sufficient for a country like Moldova. Training of staff is organised on an ad-hoc basis and needs to be put on a stable and systematic basis in order to address the needs for training of both the central and regional offices. Therefore it would be advisable to develop a training strategy. Language capacities of the staff are rather limited and need improvement to provide better access to the international methodology and good practices of other countries.

The DSSRM has made some progress in data dissemination over the last couple of years, mainly for the content and design of publications. However, some data and publications like the 1998 yearbook are not published due to missing funds. There is no website and no data dissemination via electronic means. Although press releases are issued regularly the DSSRM has never organised any press conference. The user orientation has therefore to be improved and more attention needs to be paid to the communication and dissemination aspects in the

future. The same is true for the involvement of various categories of users into planning and programming of statistical activities. The needs of users both within and outside the Government should be taken into account to a greater extent.

The Information Technology organisation and equipment is inadequate and insufficient, both in the Central Office and in the regions. On the basis of the future IT architecture of the DSRM, substantial investments are needed to improve data processing, storage and dissemination. Links with the regions needs to be improved and a local network inside DSSRM should be set up.

Other statistical infrastructure elements like registers and classifications are mostly in place. The business register is used for sample surveys and is permanently improved to get better updating, coverage and quality. The classification KVEDM harmonised with ISIC has been introduced. Works are now carried out to move to the second version of KVEDM, which is harmonised with NACE. The CPA has been translated but not yet introduced.

In October 2002 the Population Census will take place, which is the most comprehensive statistical challenge. Good progress can also be reported in the fields of national accounts, structural business statistics, labour market statistics, household budget surveys, external trade and agricultural statistics.

Further improvement is needed for the system of indicators (both in the above-mentioned and in other statistical fields), the methodology of their calculation, the methods of data collection, processing, compilation and dissemination carried out in accordance with international standards.

Areas that need further development are statistical publications and data dissemination, finance statistics, price statistics, estimation of non-observed economy, labour costs, business statistics (like in industry, transport, construction and investments, tourism and services statistics) and external trade in services.

8. ANNEXES

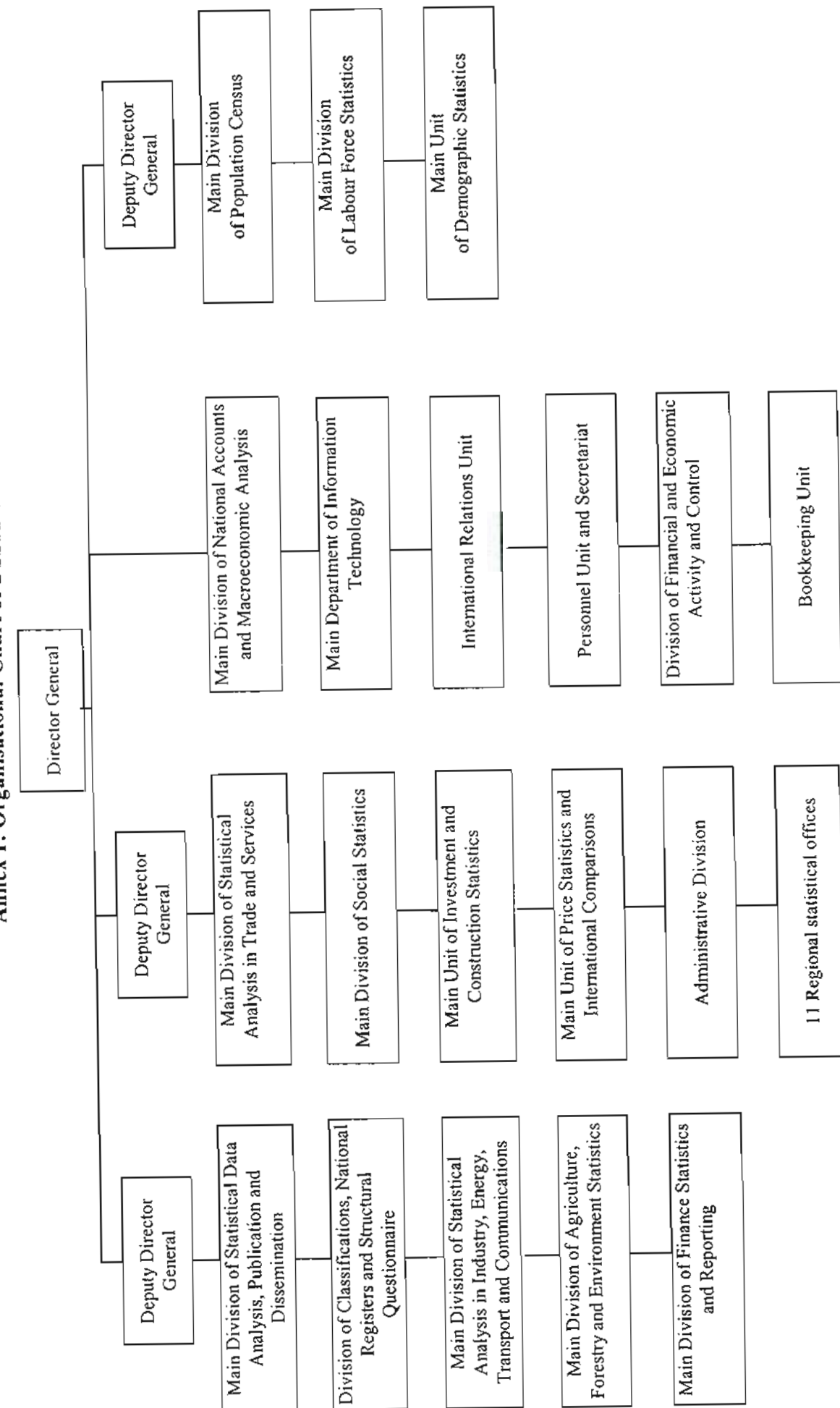
Annex 1: Chart of DSSRM organisational structure

Annex 2: Staff numbers

Annex 3: List of main publications

Annex 4: List of co-operation projects

Annex 1: Organisational Chart of DSSRM



Annex 2: Staff numbers

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- Director General	1
- Deputy Directors General	3
- Secretary of Board	1
- Security Unit.....	1
- Chief Specialist (Legal Adviser)	1
Divisions and Units	120
Main Division of Analysis, Publications and Statistical Data Dissemination	8
Main Division of National Accounts and Macroeconomic Analysis.....	10
Main Division of Agriculture, Forestry and Environment Statistics	11
Main Division of Statistical Analysis in Industry, Energy, Transport and Communications....	7
Main Division of Statistical Analysis in Trade and Services.....	9
Main Division of Social Statistics.....	9
Main Division of Finance Statistics and Financial Reporting.....	4
Main Division of Labour Force Statistics	5
Division of Classifications, National Registers and Structural Questionnaire.....	5
Main Unit of Investment and Construction Statistics	4
Main Unit of Price Statistics and International Comparisons	5
Main Unit of Demographic Statistics.....	4
Personnel Unit and Secretariat	14
International Relations Unit	4
Bookkeeping Unit	10
Division of Financial and Economic Activity and Control.....	6
Administrative Division	5
Divisions to DSSRM.....	124
Main Division of Population Census	11
Main Department of Information Technology	108
Section of Employment Statistics	5
TOTAL	251

Annex 3: List of the main publications

- 1) **General Statistics**
 - Statistical Yearbook of the Republic of Moldova, 2001
 - Moldova in Figures, 2001 (short statistical book in Moldavian and English)
 - Moldova in 2001 (pocket book)
 - Quarterly report on the socio-economic situation in the Republic of Moldova
 - Quarterly information statistical bulletin
- 2) **Economy and Finances**
 - Prices and tariffs dynamics, 2001
 - National Accounts
 - Monthly statistical bulletin on prices
 - Quarterly statistical bulletin on external trade
 - External trade yearbook, 1999
- 3) **Population and Social Conditions**
 - Labour force market in the Republic of Moldova
 - Population and demographic processes in the Republic of Moldova
 - Poverty in the Republic of Moldova (monthly statistical bulletin)
 - Aspects of living standards of population (monthly statistical bulletin)
- 4) **Industry, Trade and Services**
 - Statistical book on trade, 2001
 - Construction in the Republic of Moldova
- 5) **Agriculture and Fisheries**
 - Agriculture in the Republic of Moldova, 1999

Annex 4: List of Co-operation Projects

DONOR	COMPONENT	DATES	FUNDS
World Bank	IDF Grant for Strengthening the Statistical System in Moldova	2000-2002	450 000 USD
Department for International Development of Great Britain	Improvement of Social and Agricultural Statistics. Analysis and use	2002-2005	683 000 pounds sterling
Statistics Sweden supported by the Swedish International Development Agency (SIDA)	Technical Assistance Project within the Bilateral Statistical Co-operation Agreement	2002-2003	2 632 200 swedish kronas

MONGOLIA

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1 INSTITUTIONAL ASPECTS

1.1. Mission

The mission of the National Statistical Office (NSO), Mongolia's official statistical agency, is to provide national and international users with high quality, complete and reliable statistics. This includes responsibility for the development of concepts, definitions and classifications to be used by all Mongolian public agencies that play a role in official statistics.

Name of the Statistical Office: National Statistical Office

Management: Chairman by appointment of the State Great Khural

The supreme body of governance: State Great Khural and National Statistical Board.

Main functions/terms of references of the NSO:

- to collect, compile and analyse the fundamental statistics;
- to coordinate with government agencies while receiving statistical information from various ministries and agencies;
- to introduce international standards and methodologies;
- to conduct surveys and thematic studies;
- to conduct population and housing census every 10 years;
- to capture all entities in the recording of the business register;
- to improve the data dissemination system and services;
- to monitor the accuracy of official statistics;
- to co-operate with international organisations and other national statistical services.

1.2. Structure and organisational aspects

The current Mongolian statistics can be regarded as a mixture of a centralised and decentralised system.

- The centralised system consists of the National Statistical Office (NSO) and local statistical divisions, established at each aimag and the capital city, under the direct management of the NSO.
- The decentralised system are the statistics collected by the sectoral ministries and agencies, other State organisations and Governors of aimags, capital, soums, bags and khoroos. Information is collected on a bottom-up principle and is sent from the soum to aimag and then to the NSO. Though, the overall responsibility for the Mongolian system of official statistics remains with the NSO according to the Statistics Law.

The statistical system of Mongolia includes about 250 staff: for the time being, 72 at the central NSO office of Ulaanbaatar, 40 at the capital city (aimag) statistical office and 130 at the various regional levels. A number of staff is regularly on overseas training either in the USA, the UK, Australia, India or China.

- Internal organisation of the NSO

The NSO of Mongolia is not an agency of the government, it is an independent agency under the supervision of the Parliament. The Chairman of the NSO reports her/his activities to the

State Great Khural. The NSO is assisted by the National Statistical Board which council is in charge of co-ordinating all official statistical activities and functions in Mongolia. It assists in maintaining official statistical activities and provides advice on use of uniform methodologies. The Chairman of the council is also the Chairman of the National Statistical Board. The council of the National Statistical Board consists of 5 members, who are not staff of the NSO. Two of the members are recommended by the Government and two are recommended by the relevant Standing Committee of State Khural and all of them are appointed by the State Great Khural. The fifth member is the President of the NSO.

The present organisation of the NSO consists of 4 departments, 2 divisions and 1 bureau, namely:

- **Management, Budgeting, Controlling and Coordinating Department** is in charge of planning, deals with personnel and office management, coordinates local level offices (Controlling, Monitoring and Local Administration Division), provides international cooperation, budgeting and financing.
- **Administration and Data Dissemination Department** is responsible for the supply of materials for internal needs, publication and dissemination of statistics. The department is in charge of documentation and its archiving and providing library services.
- **National Accounts, Methodology and Research Department** is in charge of the implementation of SNA and conducting the related research.
- **Data Processing and Software Development Department** is in charge of hardware and software procurement and maintenance, processing data collected from different information sources, keeping local network and data-base and improving and updating the business register.
- **Business Statistics Division** is in charge of collecting and processing related data at Macro level. The division is also responsible for bridging the methodology with international standards as well as carrying out projects.
- **Social Statistics Division** is responsible for developing the social statistics system and produces all statistics relevant to society. The Social Statistics Division is also responsible for Gender statistics.
- **Bureau of Population Census and Research** produces all statistics relevant to population, conducts the population and housing census.

- Appointment procedures

The Chairman of the NSO is appointed by the State Great Khural for a term of 6 years. The Vice-Chairman is appointed by the Chairman of the NSO. The Chairman also appoints heads of the statistical divisions of the capital city, aimags and statistical units of districts taking into consideration recommendations given by the respective Governors.

- Regional structure

Mongolia has 22 aimags (provinces) including the capital city, 346 soums (districts) and 1681 bags/khoroos (villages/sections of city districts). Each bag or khoroo keeps a close watch over the population of its area and therefore records some basic demographic data on individuals, households, births deaths, marriages, migration. Aggregated numbers about these events are

periodically sent to higher levels (to soums, aimags and finally the NSO). The soum statistical office is responsible for data collection about business statistics, business registration, labour statistics, prices and other.

- Scientific institutes

A scientific institute under supervision of the Statistical Office does not exist.

A course on "Statistics" exists at the State Economic Institute. At the same institute there is a faculty of Statistics, where 15 teachers work and 25 students graduate annually. The top management of the NSO gives lectures at the Institute from time to time.

There is no statistical society yet in Mongolia.

- Organisation and Working conditions

The central Building of the NSO is located on one part of the 2nd floor and 3rd floor of a 5 story building in the centre of Ulaanbaatar. There is not enough space in order to accommodate all the officers in an adequate number of rooms.

There are 21 telephone numbers and 28 telephone sets. The chairman, vice chairman and heads of divisions have the right to make international telephone calls within limited budget. They also have the right to make calls to mobile phones (60 minute per month). Other statisticians and IT specialists do not have the right to call abroad or to mobile phones due to the very limited operational budget.

There is no international statistical cooperation division. This function is dealt with by international relations unit under the Management, Finance, Monitoring and Coordination department. Two persons work for the unit one being in charge of coordinating the international cooperation and share a room with 3 other officers of the department. Like other officers they do not have enough working space.

The computer centre was set up in 1962 with 2 "tabulators". It is not responsible for purchase of equipment and software. Instead, NSO Administration and its bidding commission, headed by the vice-chairman, is responsible for tenders. The computing centre or data processing department is responsible for installation of equipment and software, preparation of equipment and software specifications for the bid. Then it presents it to NSO administration for adoption. NSO administration makes amendments to the list, if necessary, and passes it on to the bidding commission.

1.3. Legal setting

- Law on State Statistics

The first Law on Statistics was passed in 1994 by the Parliament of Mongolia. According to this Law the statistical system in Mongolia fell under the direct management of the Ministry of Finance until 1997.

In 1997 the Law on Statistics was revised and now provides sufficient support for official statistics to allow the NSO to produce objective and reliable information, respect data confidentiality and give all users equal access to the information. The main amendments to the Law were:

- The Law should provide sufficient support to establish an impartial statistical system;
- The Parliament is to appoint the Chairman of the NSO for a term of 6 years;
- The NSO should annually report to the Parliament;
- The rights of the statistical bodies at each particular level should be determined;
- The confidentiality of reported data should be guaranteed.
- Other relevant administrative regulations
 - The Parliament Resolution N°06 dated 8th January 1998 concerning "Approval of date to conduct the Population and Housing Census";
 - The Parliament Resolution N°28 dated 25th February 1998 concerning "Conducting Population and Housing Census 2000";
 - The Parliament Resolution N°39 dated 3rd June 1998 concerning "Establishment of the Committee";
 - The Parliament Resolution N°143 dated 12th August 1999 concerning "Conducting Establishment Census";
 - The Government Order N°140 in 1999 concerning "Conducting of Livestock and Domestic Animal Census";
 - The Government Order N°70 in 1999 concerning "Approval Rule";
 - The Government Order N°71 in 1991 concerning "Action plan for statistical activities".

Resolution No. 21 approved by the State Great Khural of February 2000 highlights the Development of Information and Communication Technology of Mongolia up to 2010.

There is a law on Civil Service which guarantees the legal rights and duties of civil servants. The law is effective since December 30, 1994.

- Data confidentiality

The Law prohibits the following:

- the use of statistical information for illegal profit making purposes by statistical respondents, users and any other relevant bodies;
- the alteration or adjustment by users of the results of official statistical information and surveys;
- the publication or dissemination of information which is still being processed as well as information which has been identified by the appropriate lawful authorities as information concerning national interests or confidential information about individuals, business entities or other organisations;
- the sale and transmission of results of official statistical information by users without permission of statistical organisations;
- transmission, sale and deletion of raw data from censuses and surveys kept in computer-readable media before the permitted date of release of information.

Article 8 of the statistical law stipulates that unofficial statistical information can be collected by other legal bodies and citizens who are in return responsible for keeping its confidentiality.

- Statistical work programmes

A Master plan had been established with the help of the World Bank in 1999 which was followed in 2000 by a Tacis advising mission on planning and programming. Technical assistance with the Asian Development Bank resulted in a Business Plan covering 2001-2004. As a consequence, a new statistical Plan covering the years 2002-2004 has been set up. Furthermore development of Information and Communication Technology has been designated as a main orientation of activity by the State Great Khural. This aim should be reached by 2010.

1.4. Relationship with Central and Local Governments

- Role of the NSI in the government

In the frame of its full rights provided by the Law on Statistics, the NSO is responsible for making reforms in the official statistical system, conforming statistical methodologies and indicators in accordance with international standards, provision of reliable and timely data to users and reporting its activities to the State Great Khural annually.

- Relations and Links at central level with Ministries

The NSO collects from relevant Ministries official statistical information on government budget, customs, health, social security, environment, culture, education and science, and technology.

The NSO collects from the Ministry of Health a monthly record of some health indicators (H-1), annual income and expenditure of private health organizations (H-6) and annual report on human resource of health organizations.

It collects from Ministry of Labour and Social Welfare the annual data on number of beneficiaries of the social insurance fund and pensions and the allowance amount allocated (SI-1), number of beneficiaries (SI-2) and actual income and expenditure report on social welfare fund (SW-1). Likewise, monthly unemployment data, annual employment data and data on number of employees and salaries and income are collected from aimag, capital city and district.

The Ministry of Environment provides 9 kinds of data on land fund, land rehabilitation and protection actions, change in natural resources, water use, protection, hunting, forest reserve, waste, climate and environment status.

The Ministry of Education, Culture and Science provides 30 categories of data such as on secondary school children, teachers, staff, vocational school students, graduates, employees of research institutes, research work reports and reports of art and cultural organizations.

The relevant data is taken from the Ministry of Finance and Economy, the Mongol Bank, the Ministry of Agriculture and other ministries, agencies and organizations.

- Protection of NSI independence

The current statistical law does not explicitly specify how the independence of the NSO can be guaranteed over the years. Adjusting the law to the UN fundamental principles of official statistics would be a way to preserve this independence.

- Relations and Links at regional level with Local Governments

As a central office, the NSO has a close co-operation with its local statistical offices. It provides unified statistical methodologies, manuals and recommendations, conducts censuses and thematic surveys with professional management and advice, examines reliability of data and helps in implementing the statistical law.

Governors of the capital city, aimags, soums and districts have a close interaction with their statistical divisions in the following activities:

- Collecting data from statistical respondents in their territory;
- Processing, analysing and using statistical data;
- Transmitting official statistics to higher level units;
- Conducting censuses and sample surveys in accordance with the rules and guidance given by the National Statistical Board;
- Collecting official statistical information for the internal management purposes and create local databases. However, this information must not be duplicated with centralised official statistical information.

1.5. Relationship with users and dissemination policies

- Relationship with users

In the recent past period, the NSO has paid particular attention in providing statistical information and survey reports to policy makers, researchers, international organisations, NGOs and public organisations. Significant attention has been devoted to advertising the importance and truthfulness of the statistical information. All users are provided with statistics in a periodic manner. Press conferences are held every quarter and a contract has been established with three newspapers to publish the overview statistics of social and economic conditions every month. To date, 21 overviews have been published in the newspapers.

Identification of users' needs is organised by groups of users. Separate questionnaires are distributed to each group. So far, a marketing research was conducted 4 times among high level state and government officers, aimag governors, major enterprises and organizations and financial and insurance organizations.

However, while the requirements of State authorities are more or less satisfied, demand from entrepreneurial sector, scientific and individual users, needs further analysis. Dissemination strategy also still needs to be adapted to the needs of different non-governmental users.

Data dissemination is conducted in accordance with a document called "Policy and Main Guidelines of Data Dissemination" which was developed by the Administration and Data

Dissemination Department (ADDD) and endorsed by Resolution 96 on 6 May 2001. The document states that "Users should be entitled to equitable and adequate access to Mongolia's economic, social and population official statistics."

User needs' survey is conducted annually and the results are used in data dissemination services. A users' workshop was conducted for large enterprises and business representatives on the use the data.

The address of the NSO Web-site: <http://nso.mn>

e-mail address: info@nso.mn and sso@magicnet.mn

- Dissemination and marketing policy

A Data Dissemination Unit was set up with 3 staff in 1998 and it expanded as Administration and Data Dissemination Division in 2001 with 9 staff.

Four kinds of catalogues in English and Mongolian were produced in order to promote: statistics in publications and in electronic form, major surveys and the industry and agriculture sectors.

A brochure "Mongolia in Figures 2000: was published in 1000 copies and distributed to various users.

Generally speaking, statistical information is disseminated in the following ways:

- Annual Statistical Yearbook;
- Monthly Statistical Bulletin, comprising ad hoc information on socio-economic development. The quarterly report covers more sectors such as construction and communication. In addition the number of reporting units will be increased. Recently, the format and design of this bulletin has been changed: the contents and quality of the publications were improved;
- Special Publications cover more detailed and comprehensive subjects such as results of special surveys and censuses. For example, for the first time data of population and housing census were analysed and published as "Population of Mongolia 2000". This type of publication was produced for the particular aimag. Another edition was devoted to agricultural development in Mongolia in the "Agricultural Yearbook" covering data from 1921 to 1996. The special issue "Mongolia in figures" presented the aggregate data on the overall economic and social development;
- Demand driven statistics. Provision of statistics in accordance to the users demand, including filling in of questionnaires distributed by the international organisations and agencies. Information on development of regions is provided to user too. 415 requests have been met so far;
- Electronic information service. Under the support of the Government and international organisations, the NSO has established its internet web-site in April 1998. Users have access to data in electronic form (HTML, PDF, Excel and Word format) via the On-line service. A certain number of publications and voluminous data is available on CD-Rom and DVD-Rom. E-mail service is in use since April 2001 but is mainly directed at government agencies (such as the Secretariat of the President, Secretariat of the State Great Khural and Government Cabinet Secretariat) and local statistical divisions needs.

- Mass media: Three press conferences were held on overview of economic and social conditions and they were attended by major mass media representatives and others. The economic and social statistics overview was extensively broadcast on TV and radio.

The NSO provides statistical information free of charge to all government organisations and agencies. However, non-government agencies, businesses and other entities, individual users, buy the information. Currently, businesses, international organisations and foreign investors have started to pay more attention to the use of statistical information for their purposes.

A regulation on paid service of statistical information on paper and electronic form has been updated and is pursued since April 10, 2001.

Quite a number of publications are available in English and Mongolian (see annex 3).

As recommended by Tacis, the contents, structure, visibility and layout was improved. For example, the 2000 Population and Housing Census and over 10 monographs have been published. The design of bulletins has improved and standardised with some amendment to the content. In a relatively short period, some bulletins have been published and disseminated.

Due to change in methodology of GDP estimation, in 2000 (comparative price of 1995) the change in some data in 2000 Yearbook has been explained in response to users' requests. Likewise, population indicators have been updated for the resident population and over 10 graphs and charts were added. The graphs are printed in colour and information source, clarifications and definitions have been made more easily accessible.

- Relations with the press

A regular news release takes place in main national newspapers after each monthly bulletin issue. It announces the main results of last month performance in the country. Also, irregular news briefings are issued on newly emerged economic and social problems or hot issues of domestic and international concern such as inflation or poverty. Since January 1997, NSO started to organise press conferences for all interested users in the media on a quarterly basis, during which results of the reference period performance are announced. For the purpose of public dissemination, monthly briefings on socio-economic development of the country are being organised through different TV channels and radio.

The Administration and Data Dissemination Department is working according to a publishing and copying plan for the material produced by departments and divisions. This plan is not made public. However, since 2000 a catalogue in English and Mongolian has been made and is disseminated free of charge to users. The catalogue contains information on period, format, overview and number of pages of forthcoming publication in that given year. In addition, a catalogue by sectors of industry and agriculture statistics and about survey and brochures has been produced

- Publication of sensitive data

In monthly bulletins and reports monthly inflation rate and unemployment records are included. Statistical books contain GDP and unemployment rate.

- Monitoring the demand for statistics

Users needs are identified through separate questionnaires for separate users groups. A marketing research was conducted at government and aimag level, as well as with major enterprises and organizations and financial and insurance organizations. However, while the requirements of State authorities are more or less satisfied, demand from entrepreneurial sector, scientific and individual users, needs further analysis.

1.6. Relationship with data suppliers

- Access to administrative sources

Relations with administrative bodies like Customs, and various Ministries, like health, social security, environment, culture, education, science and technology are very well established. An agreement with the Customs office has been signed and is currently reviewed due to the introduction of Eurotrace.

- Relations with reporting units

- All the reporting units are obliged by law to take part in statistical surveys and present in general a complete and good quality data set. However non-response rate is relatively high. The problem has been identified as being essentially a register problem. Interviewer network

An interviewer network does not exist. However, the Social Statistics Division of NSO organizes training for enumerators who are paid by state budget.

1.7. Planning and programming

- Planning process

The NSO's activities are based on annual and multi-annual strategic plan. The programme for shifting to the international standards was approved by the 94th resolution of Mongolian Government about "Some principles on implementation of the Law on Statistics" in May 1994. This programme consists of the following parts:

- Conforming bank account, financial, budget and banking system with the international standard;
- Transfer to SNA;
- Elaborating Input Output Tables in accordance with SNA;
- Harmonise Foreign Trade Statistics and Balance of Payments with international standards;
- Improving population and social statistics;
- Improving industrial statistics in line with the international standard;
- Introducing unified information methodology and code;
- Establishing centralised business register fund for entities;
- Provision of software and technology;

- Train and retrain staff for implementing the above mentioned programme.

A work programme with 100 articles was elaborated and NSO is working according to this programme. On the basis of the above mentioned programme "New major activities of 1997-2000 for improving methodology and terminology" were defined and successfully implemented.

Furthermore, the NSO elaborated a "Business Plan" for developing official statistics in 2001-2003 with technical assistance of the ADB. The principal goals for making reform in statistics are as follows:

1. To establish statistical system which meets users' increasing and changing demand, comparable international level and conforms with international standard;
2. To create management and professional controlling structure for statistical data quality;
3. To develop information technology;
4. To develop human resources, to prepare highly educated and trained staff and to provide central and local statistical divisions by them especially strengthen soum level;
5. To improve statistical data analysis, to create capacity for analysing survey and census data;
6. To set up statistical unit business register base, and maintain it, to establish database network;
7. To develop data dissemination system.

In accordance with the guidelines of NSO Chairman, long-term and annual plans are developed for each division. The plans are output oriented and are approved by the Management, Finance and Coordination Department which is also responsible for monitoring their implementation. The budget allocated by the Ministry of Finance only covers processing of data at primary stage. Implementation of surveys and analysis of data must therefore rely on international assistance. There is no specialized staff in developing and monitoring plans yet. However, the NSO is working on a pilot project of Administration and Finance Improvement with the ADB. As the pilot project requires a new legal environment, it is too early to evaluate the results.

- Adoption procedures

The Statistical law does not foresee specifically formal adoption of the NSO workplan by the Parliament. However, long-term business plans are approved by the Parliament and namely by the Economic Standing Committee of the Parliament. Every year in January, the NSO plan is submitted to the NSO's Council Chairman for discussion and approval. Departments and divisions are obliged to implement the plan.

- Scientific board/Advisory board

There is no Scientific Board but an NSO methodology council exists. It is responsible for discussion and comments on questionnaires, manuals and methodologies. The council members are senior officers of departments and divisions. There is also an NSO council advising and co-ordinating official statistical activities which includes planning. The NSO

council is chaired by NSO chairman and represented by Parliament, Government Secretariat, Mongol Bank and Ministry of Finance and Economy.

- Reference to the list of surveys

The division or department responsible for carrying out the survey also prepares the questionnaire and submits it to NSO Methodology Council for discussion and comments. Then based on comments by the council as well as on results of pilot testing, the questionnaire is redrafted and submitted as a final version to the Chairman Council of NSO for approval.

The National Accounts and Methodology Department is supposed to co-ordinate methodologies but at present the NSO Council takes on this responsibility due to the absence of one officer. There is no separate methodology division. The methodology council chaired by Deputy Chairman of NSO comprises department and division officers. The Secretary of the council is the director of National Accounts and Methodology Department.

There is no specific reference to surveys in the long-term and annual programmes. A new Tacis component on programming should help to develop this aspect.

1.8. Finance and budgeting

- National budget

The NSO is financed by the central government budget while statistical divisions at the Governors of the capital city and aimags and units at the district Governors are financed by the respective local budgets.

The NSO defines its goals annually on the basis of the Government platform, outlines its annual expenditure in accordance with relevant laws and rules which are endorsed by the state and government agencies as well as measure and limitation of the Ministry of Economics and Finance. The outline of annual expenditure has to be revised by the Ministry of Economics and Finance, finally the NSO prepares its budgetary expenditure plan in line with the limitation that is given by the Ministry of Economics and Finance.

The annual budget of the NSO is approved by the Parliament after which the Ministry of Finance and Economy transfers the budget in monthly and quarterly instalments to NSO's account. In recent years, the budget allocated to NSO has not increased in real terms. Yet, the budget has slightly increased, in line with a rise in price of fuel and materials. The NSO is also in charge of the preparation activities for elaborating management and financing of government agencies. The pilot has been introduced since 2001. In the frame of this activity, the estimation of production and supply was developed in line with a new methodology. It has been revised by the Ministry of Economics and Finance and adopted by the Parliament.

In the approved 2002 budget, basic and incremental salaries and social insurance premiums account for 45% of the total budget, transportation cost account for 10.6%, communications 6.7%, domestic and overseas mission travels 3.6%, stationery 3.1% and questionnaires costs 3.3%. The budget does not cover communication and publication expenses.

- Assistance received from bilateral and multilateral donors (List of co-operation projects given in annex 4)

About 60 percent of the expenditure of the NSO was covered by international projects. In the last couple of years, computers and other equipments has increased significantly due to aid from international organizations and it reflected positively to the NSO for achieving its goals.

Under the Tacis programme, Business Statistics, Business Register, Statistical Database development, Foreign Trade, Data Dissemination and English Language Training has been improved.

UNFPA has been assisting in two domains namely in strengthening the capacity of the National Statistical Office and in creating a reproductive health database.

FAO was involved in training in economic accounts for agriculture.

UNDP supported in capacity building for poverty alleviation and time use surveys.

UNICEF assisted in child development.

ILO and UNDP were involved in an informal sector survey

World Bank is implementing SNA and is involved in capacity building of NSO.

IMF assists in general data dissemination system.

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1.9. Staffing, staff recruitment and development

- Main characteristics of the staff

Altogether (center plus regions), the statistical systems of Mongolia counts about 250 staff, of which more than 64 percent are women. Moreover, 133 staff are working at various regional offices of which also around 64 percent are female. About 92 percent or 191 of total employees have a university degree, of which 90 are statistician-economists, 26 are economists, 6 are demographers, 13 are engineers and economists, 9 are programmers, electric engineers, 12 are accountants, 8 are mathematicians and 27 are other professionals.

The result of the officers' activities is assessed by the contract that is negotiated on quarterly and annual basis. This assessment is used for salary increase and ranking of officers.

The salaries compared to the commercial sector are 0.6 to 0.8 lower. The average basic monthly salary of NSO employees is 50.000 Tugriks. It can rise to 60000 Tugriks if fringe benefits are added (depending on seniority, diplomas, categories and skills). The average monthly salary in the commercial sector is 80.000 Tugriks.

There is state regulated salary chart for state and government agencies.

- Recruitment procedures

The Chairman of the NSO appoints the Vice-Chairman, the heads of the statistical divisions of the capital city and aimags as well as the heads of the statistical units of districts taking into consideration recommendations given by the respective Governors. (see law article 15)

Other staff is appointed according to the law on recruitment of employees. The selection is made by an exam. In case no position is available for the applicant who has passed the selection procedure a reserve list is set up.

Aimag and local statistical division heads are nominated by the NSO chairman, considering the recommendations of local governors. The heads of local divisions nominate the other officers.

- Management style

The trend is towards a results oriented management. Outputs are decided with employees in conformity with NSO mission, business plan and annual goals. Special attention is paid to improvement of co-ordination among departments and divisions. An internal network has been set up in order to ensure share of information and experience in conducting surveys and on methodology. Working groups are set up to perform work intensive duties.

- Language abilities

About 60% of NSO staff is capable of using professional books and materials in English and translate periodic materials published by NSO.

1.10. Training policy

- Training Plan

Seminar and workshops are arranged for heads of the province statistical divisions at the same time action plan for the particular year is distributed to them.

The training programme for central and province statistical divisions' officers has been developed for the period 2000-2004. Consequently most of them received short and long-term training at international and national level. Most of the training was financed by international organisations. However, the NSO conducted on own funds a regional training for governors, their deputies and statisticians of soms on "Renovation of the Statistical System.

At national level the courses are mainly ad hoc general training and seminars for local officers and are organised in the central office. This includes training on methodology and instructions prior to major surveys and census, and training on use of new software and hardware.

At international level, training courses in the USA, Australia, the UK and India have been organised. Some officials have attended universities in the USA, Germany, the UK and China. In the framework of the Tacis programme, 15 people have attended short and long term training courses in 1998-2000. In 1999-2000, 31 people participated in English Language courses.

In future, one of the prior goals of NSO is to involve statistical officers in regular courses in view of improving their professional level and skills. The ultimate goal of this training being the improvement of timely and accurate data capturing.

- Library

There is a library at the NSO. Some improvements could be:

- To include the books and materials in the e-catalogue;

- To equip the library with the essential facilities (display stands, scanner and OHP, photocopier);
- To provide training on library services.

1.11. Organisation of International Co-operation

- Existence of a dedicated department

An international relations unit exists within the Management, Budgeting, Controlling and Coordinating Department. It co-ordinates all international contacts and is staffed by 1 person. Although this department is seriously understaffed, it is working very efficiently as in-house coordination with the project leaders is well organised.

The international co-operation programs of the NSO include both bilateral and multilateral activities. Development of bilateral co-operation programs with Statistics Russia, Turkey and Germany have been set up.

In implementing its international co-operation programs, the NSO is participating in international conferences and overseas study tours. Furthermore consulting services by international organisations and foreign countries provide advice in improving the statistical system. Joint statistical sample surveys like those undertaken with the World Bank or UNICEF on various subjects, for instance on Living measurement survey or on the situation of children in Mongolia have been implemented. Furthermore the NSO is organizing international seminars, workshops and Conferences inside of Mongolia.

- Agreements on international co-operation:

1. With Russia, signed in 1997
2. With Turkey, signed in 1998

A Memorandum of Understanding on the conduct of Household Income and Expenditure Survey with Living Standards Measurement module was signed with World Bank and UNDP on February 15, 2002.

2 STATISTICAL INFRASTRUCTURE

2.1. Information technology

The NSO of Mongolia has had to make a complete change from a mainframe-oriented production process to a PC-centered way of working. The new information technology, which is being currently introduced in the Mongolian statistical system, has the following objectives:

1. to provide possible access for all users to official statistical information
2. to improve outcome of statisticians, to eradicate obstacles such as time gaps and bureaucracy.

This transition is under rather successful completion, thanks to a small but dedicated and competent staff. In addition, generous financial and expert support has been given by

international organizations, focusing primarily on a Reproductive Health survey and also on the Population Census.

Nevertheless, the ultimate objective is to set up LANs in the regional offices and finally to construct a network that covers the entire statistical system of Mongolia. However, this would necessitate a complete modernization of the national network.

- Architecture

The central and province statistical offices use Microsoft software and packages, namely Windows 3.1/95/98/NT/2000, MS Office 4.3/97/2000, NIS SQL Server 2000, MS Visual Basic, Studio etc. Other software and packages namely SAS, SPSS, PageMaker, Clipper, ArcView, IMPS, NAV are used for designing printout, primary programme, processing census and survey data.

In addition to the above, data processing department programmers have developed application software for Household Income and Expenditure Survey, Child and Development Survey, Population and Housing Census, Enterprises Census, Industry, Agriculture and Domestic Service survey data. They were distributed to province statistical divisions.

Statisticians of the National Statistical Office and Capital city's use Local Area Network and have access to the internet, while one officer of district unit and aimag statistical division contacts the central office through e-mail.

Softwares and various user's programs such as MS Office, Windows, AntiVirus, Basic are not used in native language in the frame of statistical system and in general in Mongolia. Statisticians of central, regional and local statistical institutions are therefore required to study the English language.

Although there are communication cables to soums, statistical information is still received through telephone line, because telephone switches of soums are not yet converted into digital technology and there is no constant provision of electricity.

There are four servers functioning within the central building: 1 for e-mail, 1 for population statistics, 1 for file server and 1 for statistical databases. Windows NT server is used for Internet and mail server for e-mail. Ethernet, RG-58 cable connection between 8 hubs. Workstation are connected to Hubs by UTP Cat 5 cables. They are 10 mbps hubs. The Web Server is located in a separate server room.

- Level of equipment

The following table shows the current situation in computerisation of the NSO:

Level	Total	Pentium	486	386 and other
National Statistical Office	78*	78		
Aimag, capital city and districts	120	45	47	18
Soum, khoroo	80**	20	60	
Total	278	143	107	18

* of which mail and WEB server, Data base server, Census data server, file server are 1 each.

** Although every soum finance unit has a personal computer, about 80 percent is in use only. (electricity supply regular, trained staff etc). Data source: Questionnaire interviewed from chief of aimag statistical division, June 11, 2001, Ulaanbaatar.

At present, every statistician of the NSO has a computer with MS Windows98/2000 as operation system, MS Office Pro97/2000 as office tool, MS IE or Netscape Navigator as browser. Besides, SAS, SPSS, GIS ArcView, Adobe PageMaker, Norton Anti Virus software, are used. MS Windows NT4.0/2000 serves the operation systems, which are serving databases and WEB sites.

Every computer is connected to a LAN, and through the LAN to the Internet. The NSO is connected to ISP by DSL modem.

- Projects of development

The NSO created its Web site since 1997, located it in 1998 and started to sell its production by e-commerce. At the present time the NSO utilizes WEB Server connected to the ISP by the HDSL modem with the speed of 2Mb/sec. In the nearest future we set an aim to conduct long distance trainings, create survey online pages, enrich them with latest database using the mentioned WEB Server, which in turn enable to introduce virtual environment in statistical information service. All possible services at the NSO are on the initial stage to be converted to the digital form. Documentations regarding projects on creation of digital archives and registry, digital library and e-statistics had prepared and worked out.

In conformity with the resolution No. 21 approved by the State Great Khural (Parliament of Mongolia) of February 2000 we highlighted the Development of Information and Communication Technology of Mongolia up to 2010 as a main direction in our further activity.

2.2. Classifications

- Use of international nomenclatures

A Mongolian version of the International Standard Industrial Classification (ISIC) has been introduced since 1995.

A Mongolian version of CPC (PRODCOM) has been developed and is currently being tested for the period of 2001.

- Other classifications used

The Harmonized Commodity Description and Coding System (HS) is used in Customs Office of Mongolia as well as in foreign trade statistics. HS is based on the international classification and adapted to local conditions of Mongolia. Introduction into questionnaires

In the survey questionnaires on business statistics, ISIC classification is used at 2 digit level with the exception of food processing that is treated at 3 digit level.

2.3. Business register

- Description

The division responsible for the business register was created in 1997 staffed by 3 persons. Since the beginning of 2001, the business register section, now staffed by 5 persons, has joined the Information Processing and Programming Department.

A statistical register is not yet existing. The current administrative register contains legal units that are mainly derived from the tax registration register. Nonetheless, as , several agencies are active in registration of enterprises and businesses (the Ministry of Justice, the Tax Administration and the NSO) two major problems have to be solved in the nearest future:

- To centralise the register in the NSO;
- To standardise the use of standard international classification of all types of economic activity (ISIC) codes in all registration entities.

Approximately 36.000 legal entities are registered at the NSO of Mongolia. The information in the register is accompanied by some annual statistical figures. Another aspect is the high rate of non-response of the annual business survey which is conducted in the first quarter when many businesses are not active. For that reason data collection forms have been modified to provide a clearer separation between the concepts of legal unit, enterprise and local unit. However, this work faces many technical, organisational and practical problems.

It is not clear to what extent the current situation represents a sound framework for sampling because there are probably quite a few non-registered, but economically active businesses operational in Mongolia. This presents a problem in measuring the economy, especially the size of the informal sector, which is estimated at 30% by the National University for Demography who conducts also sample household surveys.

The first census on establishments was conducted in 1997 in the framework of the Tacis component. For the first time ISIC codes were introduced. The problem of extending the codes to different activities was raised. For instance, in the case of animal farming a distinction needs to be made between pig, dog and bird.

In 1999, 2 new quarterly questionnaires introduced in the survey with the purpose of:

- identifying new enterprises;
- updating info on existing enterprises.

- This resulted in an update of the register from where the sample was derived for the first survey of large entities conducted end 2000, also identifying their branches. Updating strategy

The update procedures (quality, timeliness and accuracy) need to be reviewed. Indeed, the sources of updating information of BR come mainly from the regional statistical offices with whom communication is problematic due to budgetary reasons. Regional offices observe economic entities in their territory, prepare updating information related to them, and also derive updating information about economic units from regional tax offices, combine, and

transfer this data to the NSO. Actualization of changes of economic entities /enterprises/ is done in the NSO.

It is envisaged to introduce quarterly updating which will be sustained by an annual updating process.

The current register has also been compared and updated jointly with the one of the Tax Authorities and discrepancies have been found. A major updating has therefore been engaged at the end of 2001 to complete the register with 6000 enterprises and to delete 3500 non-active units. The Tacis component has made proposals for updating procedures and will assist the NSO in deriving the sample frame for the next pilot survey and for the annual survey 2001.

- Use for statistical purpose

The next objectives will be to transform the Administrative Business Register into a Statistical Business Register. The SBR should be used as a sampling base for surveys and the database should migrate to SQL-server for better use of large quantities of data in a multi user environment.

3 ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1 National Accounts

The Mongolian Government passed its resolution 71 to move from MPS to SNA system in 1991.

When in 1994, the Statistical Law was introduced, the Government also ensured that appropriate measures were taken to introduce various instruments to collect the basic information that is required for SNA purposes (adapted questionnaire forms and new accounting rules for businesses).

In 1997, to speed up the work on the introduction of the SNA, a separate National Accounts department was created at the NSO. Currently this department employs 9 persons.

The framework for the National Accounts of Mongolia is based on the 1993 SNA.

GDP is estimated since 1994 and during 1999 NSO has engaged in a major revision project of the annual GDP estimates for the 1995-1998 period using a Mongolian version of the ISIC.

NSO developed and uses the following main manuals:

- methodology of the experimental quarterly GDP estimates;
- methodology of GDP estimation by aimag;
- methodology of GDP estimates at current prices by production, income and expenditure approach/revised version;
- manual on goods and services accounts compilation by type of products and services;
- manual on national accounts compilation by industrial sectors;
- manual on compilation of input-output tables;
- manual on GDP estimates at constant prices by expenditure approach.

Primary information sources of GDP are the estimations of the gross output of the year, intermediate consumption, and value added. The calculation of these estimations is based on official information and reports of enterprises and establishments.

Beside the estimation of GDP by expenditure approach beginning from 1994, the GDP estimations of the years 1995-2000 have been updated and renewed in conformity with the SNA 1993. Since 1998 quarterly GDP estimation has been calculated by the base price of 1993 in the experimental way. Moreover, in 2001 the experimental estimation of the years 1993-2000 are being made according by the base year of 1995. The seasonal adjustments are made for experimental quarterly GDP for 1995-2000. Quarterly growth rates to the previous quarter are also compiled.

Production account, income generation account, account of income primary and secondary distribution, account of use of income, capital account, good and service account are all developed at the national level by institutional sector for 1995-2000 in the experimental way. Goods and service accounts by main products of agriculture and industry are developed.

The Input and Output Tables have been created in 1999 in the experimental way for the first time in conformity with the National Accounts methodology and covered about 90 sectors in respect to the year of 1997. Supply and use tables have been established by the year of 1997 in the experimental way and now they are repeatedly being developed by the year of 1999.

Five economic accounts and institutional sectors such as agricultural company, cooperative and household by the year of 1997 has been established for the first time with the purpose of adoption of estimation of agricultural economic account.

The following improvements for development of national account will be needed in the future:

- 1) to improve the coverage of economic activities that are involved in GDP estimation;
- 2) to improve business register quality
- 3) to develop price statistics
- 4) to improve calculation regarding accumulation of fixed assets, inventories and other transfers, to collect additional necessary data for comparison of some national accounts
- 5) to compile some national accounts such as redistribution of income in kind account and external transactions accounts
- 6) to compile supply and use tables for 2000
- 7) to revise, update and publish the experimental quarterly GDP by industry estimates at constant prices
- 8) to introduce double deflation methodology on an experimental basis for the year 2000

3.2 Estimation of Non-Observed Economy

Non-observed economy is not yet covered satisfactorily in Mongolia. The first major study of the informal sector in Mongolia was conducted by NSO with the assistance of World Bank in Ulaanbaatar in 1997. The second study was conducted in 2000 with the assistance of USAID. The last informal sector survey conducted among 15 business sectors in 6 aimags and Ulaanbaatar estimated the size of the non-observed economy at about 117 billion Tugrugs, which represents 13.3 percent of GDP. Another study conducted by the National University for Demography estimated the size of the informal sector at 30%.

It is obvious that these results are not representative enough and do not represent the hidden economy as a whole. It is estimated that retail trade makes 62.0 per cent of hidden economy, while transportation service sector makes 23.3 per cent. From the calculation of informal

economy, production and service amounts to 92.5 billion Tugrigs and have been reflected in GDP estimation of the year 1999.

3.3 External Trade Statistics

Processing of the foreign trade data is based on information of the Customs General Administration of Mongolia. The commodities are defined according to the "Harmonised System of Coding Goods" developed by the World Customs Organization. Statistical information covers all goods, except those in transit. For the customs statistics, the primary source of information is the customs declaration. Exports and imports are reflected in the official statistics after completion of customs clearance.

The concepts and methodology of the foreign trade statistics have been adopted in Mongolia. In accordance with recommendations of UN Statistical Division, Mongolia applies the special system. Methodology of compilation of customs statistics of external trade of Mongolia has recently been developed and is effective since January 2002.

A co-operation agreement was signed between the National Statistical Office and Customs Office on the foreign trade statistical data exchange in 2000. This agreement is currently undergoing amendments due to the installation of the Eurotrace programme in the NSO.

The foreign trade commodities classification database was designed under the harmonized system. This database consists of 8 thousand commodities and is MS Access based.

The methodology for calculating foreign trade prices and physical volume index following the harmonized system is newly elaborated. Price and volume index of foreign trade is calculated according to the methods used in compiling the United Nations price index for external trade, which issued by the Department of International Economic and Social Affairs.

Although data on imports and exports from the Customs General Administration is the only official one, the reports from the big state enterprises differ. It creates a problem of data accuracy and quality. Due to this and other problems the NSO needs to keep their own checks of the primary information.

Every month the NSO publishes foreign trade statistics following the Harmonised System, by country groups and main commodities.

By carrying out a mirror exercise, differences of Mongolian and German foreign trade data have been analysed and explained. This comparison was done in cooperation with the Customs Office and the Ministry of Trade and Industry. It is planned to conduct mirror exercises with Russia and China to allow to better understand the reasons for discrepancies and to elaborate proposals for corrective measures.

4 POPULATION AND SOCIAL CONDITIONS

4.1. Demographic Statistics

The main responsibilities of Bureau of Population Census Survey (BPCS) of the NSO are to collect the population data, undertake surveys and analysis, conduct population and housing censuses. The total number of staff assigned to the BPCS is nine persons.

The population and housing census of Mongolia was conducted on 5-11 January 2000. The preliminary results of the census were presented on 25 March 2000. The main census report was published in July 2001. The quality of the census data was assessed through a small post enumeration survey which was conducted to evaluate mainly the census coverage and the consistency of response. The results of this survey confirmed the essential validity of the census. The population census resulted in improved measure on migration, education and literacy as well as on labour force data. Major problems occurred in migration data.

The yearly inter-censal population data estimates are based on number of resident population, vital and migration statistics. Population and household numbers of aimags, Capital City, soums and districts are collected from the aimag and capital city statistical divisions at the end of every year. The vital statistics (that include births, deaths, marriages, divorces and adoptions of a child) however, are collected semi-annually and annually. In the estimation of population, other statistics are compiled from the following government bodies in addition to the information from the statistical organizations. These are: Civil Registration State Center (foreigners living in Mongolia for short and long periods), Ministry of Defense (soldiers and other military staff), Central Department of Judgment Implementation (prisoners), Ministry of Foreign Affairs (Mongolian citizens living in foreign countries for more than 6 months), and Ministry of Health (infant mortality). The aimag and capital city population number estimates every month are based on the net population growth. The statistical yearbook with population data is published and distributed every year.

4.2. Social statistics

Monthly and annual data collections are done for a number of other social (and socially and economically relevant) phenomena in place, in particular statistics about:

- cultural activities;
- Education: statistics on education expenditure are not yet fully satisfactory from an SNA point of view, Improvements are necessary regarding education statistics, in particular secondary school enrollment;
- climate and weather;
- crime and justice;
- Science: the present statistics on science do not meet the standards of the OECD Frascati and Oslo manuals.

They are available in periodic bulletins in Mongolian and English.

The Reproductive Health Survey (RHS) was conducted in 1998, and the results were disseminated in August 1999. Based on the RHS dataset, six in-depth studies were proposed to be conducted with the assistance of the United Nations Population Fund. Accordingly, the contracts were made with the Mother and Child Research Center, with PTRC and other researchers. The results of the four in-depth studies have been disseminated in July 2001 while the results of other two studies have been disseminated in December 2001.

4.3. Labour Force Statistics

The Social Statistical Division of the NSO is responsible for collecting and disseminating employment statistics. Data on employment is derived from two different sources: household survey and establishment survey. In the former households are registered with the local governor and data is collected from each household on family size, ages of members, employment (asked of women aged 15-54 and men aged 15-59), place of work and occupation and whether they have employees. At the end of the year data is aggregated by economic sector at soum level (district) and transmitted to aimags by January 15 and to NSO by February 5. End of year data is disseminated annually in Mongolian Statistical Yearbook. In the establishment survey, administrative data is collected from registered enterprises in the mining, manufacturing and construction sectors, on average number of employees during the month.

An annual sample survey on average wages, numbers of employees and total wages among public budgetary organizations and state-owned enterprises has been conducted yearly since 1995, in addition to monthly sample surveys among other establishments.

However, the survey structure has changed since 1998, towards a monthly sample survey covering selected representatives from all types of establishments and organizations that are in active economic operation. About 400 establishments and organizations are covered by this survey. As a result, from 1998 onwards, reporting about labour statistic consists of two parts:

- Monthly report on unemployment. Unemployed persons registered at the Labour Regulation Offices are defined according to the international definition. Data on unemployment is collected monthly at soum level by the Employment Regulation Unit, aggregated and sent via telephone to the aimag Employment Regulation Office within a day or two of the reference month. Aimags forward the data to the NSO within the next 1-2 days. Data is collected on the number of unemployed persons registered, characterized by age, sex and education. Data is reported monthly in Monthly Bulletin of Statistics and Mongolian Statistical Yearbook.
- Annual labour force report. This report is based on administrative records. In Mongolia, prior to 1997, the labor force was defined as the sum of the able-bodied population of working age, plus employed children and aged people. Beginning from 1997, a new exhaustive employment survey covering all primary administrative units was launched. The survey collects main indicators of employment, such as the number of employed and economically active population by sex, age group, economic activity, the unemployed population by reasons of unemployment, the number of disabled people, and the number of students of working age.

According to the internationally agreed methodology and the indicators recommended by ILO, methodology to transform this data collection system into a sample survey is developed. This sample survey will take into account indicators that are presently not covered by the official statistical reports, namely hidden employment, employees in the informal sector, short term and seasonal employees, etc.

Data on wage are currently collected quarterly from registered establishments. Wage and salary data is classified into sector type of ownership of organizations, type of occupation according to Mongolian Industrial Classification which is based on International Standard Industrial Classification (ISIC Rev 3).

In 2000 an informal sector case study was conducted with support of ILO and UNDP. The results are available in the 2001 publication.

5. BUSINESS STATISTICS

About 50 persons have been trained during 8 seminars held by Western experts on sampling survey methodology, which is now applied in practice. A major problem lies in the inconsistency of the data compiling method, especially for small enterprises. Coverage is one of the major problems as well as problems in the emerging services sector like tourism where consistent development of statistical observation has still to be realized. Major improvements should furthermore consist of a better inclusion of classifications such as PRODCOM, CPA and SITC in the business statistics questionnaires.

5.1. Structural statistics

Sample surveys are conducted for separate branches (industry, construction, trade, transport, services) on an annual basis. Results are used for SNA compilation.

5.2. Industry statistics

Three economists are responsible for the industrial sector in the Business statistics division. The primary unit to collect data is all kind of establishments which are conducting production and services. The National Statistical Office collects official statistical data from statistical departments of aimags and the capital city and other ministries by tele-communication and e-mail. Since 1997 the Mongolian version of ISIC is used for industry statistics.

Data in industrial sector collects 8 kinds of official forms by month, quarter and year frequency. They are:

1. I-1 Monthly report on industrial production
2. I-2 electricity balance
3. I-3 Thermal energy balance
4. I-4 Balance of mining coal
5. I-5 quarterly sample survey on value and cost of the production of industry
6. I-6 quarterly sample survey on producer's price of some selected items of the industrial production
7. I-7 Annual report on activities of industrial entities
8. I-8 Reference on explaining reasons of growth and decline for industrial main indicators

Economic indicators of industry include data for employment and wages, expenditures, value and quantity of production, sales of industrial production, various indicators of financial statement. Indices of industrial production calculated each month included more than 160 commodities and estimated at the constant price of 1995.

5.3. Construction Statistics/Investment Statistics

Construction statistics is under the responsibility of one officer at business statistics department. Construction statistics are produced quarterly and yearly, using 5 forms, in conformity with ISIS. The data is included in quarterly and yearly bulletins and yearly books.

Indicators were revised in 1999-2001 in order to comply with SNA 93. The coverage of data is based on business registry. It is planned to use a sample survey approach from 2002.

Construction

Statistical data for construction work is collected through statistical divisions of aimags and capital city. It is channeled to the officer in charge at business statistics department. This information contains construction work done by type and purpose of construction, cost, profit, number of employees, wages and price of main building materials. These are the basic indicators for calculation of total output and value added cost of the construction sector.

Investment

Data on investment is collected once a year. Total investment is collected by financial sources i.e. budget of provinces, banking loan, direct foreign investment, foreign loan and aid, sectors and location. Data on foreign loan and aid is produced by donor countries, international agencies and sectors. The Ministry of Finance is responsible for collecting and aggregating data for capital investment financed by state and province budgets, and investments financed by foreign loans and aids. Data on investment financed by banking loan are collected and aggregated by commercial banks. But data on own investment of establishment and individuals are collected by the statistical divisions of aimags and capital city.

Summarized data are sent by commercial banks and the Ministry of Finance and Economy to the National Statistical Office which produces the performance of total investment on the national scale. The performance is published in yearly books and bulletins of international agencies. Once or twice a year, the NSO also organizes a workshop on methodology and manual on data collection for the abovementioned counterparts.

Structure of investment is classified as construction, machinery and equipment, expenditure on purchases of shares at capital market and other expenditures.

Manufacturing

Censuses of establishments were conducted in 1991 and 1994 and served as a basis to create a statistical information register. In 1995 this register was moved from the NSO to the Tax Office. This led to difficulties in keeping track of the number of economically active establishments and employment in industrial and other establishments.

In October 1998 another establishment census was conducted. On this basis statistical units could be more precisely defined. It also led to the creation of an improved statistical database. As a result the number of entities producing industrial products was once again defined, including a categorization by size class (number of employees) and by production volume. This sets a good frame for future sample surveys.

The industrial economic activity classification used is in conformity with ISIC rev. III of the United Nations (International Standard Industrial Classification of all Economic Activities of the National Economy).

5.4. Retail and Wholesale Trade Statistics

One officer under Business Statistics Division is in charge of internal trade statistics, which are collected on a quarterly and yearly basis. The main indicators include total revenue, value of goods sold during the reported period, number of employees and expenditure in detailed way. From these indicators total revenue and number of employees are withdrawn and compiled on a quarterly basis.

The sample survey on retail and wholesale trade is part of the Tacis component "Business Statistics". The results of the surveys are used in national GDP estimation and results by sectors are published in yearly publications.

5.5. Transport and Communications Statistics

One officer from the Business Statistics Division is in charge of transport and communication statistics. In 2002, a sample survey approach is planned in transportation sector. For this purpose, the NSO keeps regular contacts with the Ministry of Infrastructure Development, the Auto transportation agency (government implementing agency), the capital city's transportation regulation office, the Civic Air Board, the Civic Air Transport, the Railway Office of the capital city, the Traffic Police under Chief Police Board, the Mongolian Telecom Company and the Mongolian Postal Office.

Transport Statistics

The Mongolian transportation sector consists of 4 sub sectors, namely road transport, railway transport, air transport, and water transport. This section presents statistics on freight and passenger turnover, carried passenger and freight volume, international service for passenger and freight, number of employment and revenue.

The National Statistical Office collects the data from statistical divisions of the aimags and capital city. It publishes the indicators in monthly bulletins and reports.

Communication

This section presents statistics on various communication media for the following indicators: total revenue, revenue from public, number of telephones and wired radio outlets, number of persons employed and labor productivity.

The Telecom Company and Post Company of Mongolia collect data from primary reporting unit of area (as main branches, which are located in capital city) and send to the statistical division of Ulaanbaatar city. Post offices of aimags collect data from each soums and send to the statistical divisions of aimags. From there, the summarized data are sent to the NSO, which includes it in bulletins and reports. The forms used for collecting information on communication activities, are approved by the NSO.

Other

The Traffic Police Office of General Police Department produces annual aggregated data on state vehicle inspection. This gives an overview of the condition of transport vehicles in Mongolia.

5.6. Service statistics

There is no separate division of service statistics. The work is spread over three divisions each having one officer in charge of specific sectors of service statistics in the following manner:

- National Accounting and Methodology Department takes care of real estate leases;
- Business Statistics Division takes care of hotel, restaurants, tourism and transportation;
- Social Statistics Division collects data from hairdresser, beauticians, dry cleaners, hot bath services, water distributord, wells and housing utility services on an annual basis. Data on income and expenditure of housing services is collected quarterly.

5.7. Energy Statistics

Energy statistics is part of the Business Statistics division. Data on volume of electricity and thermal energy, which are the main sources, is provided by over 60 enterprises, which use thermal and diesel stations and other generators, on a monthly basis. Data on volume of coal mining is collected on a monthly basis from more than 30 mines. The coal balance presents volume of mined coal, loss during transportation and storage and consumption by economic sectors. The balances of electricity, thermal power and coal is estimated yearly by NSO and the results are presented in yearly publications. It includes produced and imported electricity, station internal use, transmission and distribution by main economic sectors.

Like for the industry sector, a sample survey approach is used and the result are included in the calculation of value added cost.

Detailed information about household energy consumption, except for data from the distribution side, is lacking. It should be noted that there are no clear energy saving policies in place.

5.8 Tourism

The tourism sector in Mongolia is relatively new and a rapidly expanding sector. Data on inbound and outbound travelers is included in NSO bulletin, annual yearly publications and bulletins by international organizations. The number of travelers is based on information of the Border Troops Executive Board. Once a year the data on total output and value added cost of the tourism sector is collected from tourism companies and enterprises. The data is summarized at NSO and presented as national total data. In accordance with WTO recommendation a new guideline has been developed to estimate the number of tourists, the private transit persons and other business related travelers.

5.9 Finance statistics

The Bank of Mongolia collects balance sheet data for all commercial banks and publishes monthly bulletin which includes money supply, monetary survey, deposit and loan interest rate and market rates by dates. The NSO provides Consumer price index data to the Mongol Bank in its preparation of the annual report, which it then disseminates to users. The NSO itself, publishes some essential indicators in its annual report and in its bulletins.

Improvement in the area of finance statistics is needed to produce indicators meeting users needs and consistent with SNA requirements. Methodological work to develop new approaches for conducting surveys and producing indexes should aim at improvement of measurement of foreign investments, in compliance with the Balance of Payments requirements and with international standards, at setting-up up-to-date, regular and most complete statistics in the sector of non-profit institutions serving households and at developing statistical surveys on flows of securities and income split by economic sector.

6 AGRICULTURAL STATISTICS

Agriculture statistics are produced by the Business Statistics Division. Two officers in the division are in charge of producing data on livestock and crop. Each officer has a PC.

The monthly, quarterly, yearly data, and summarized livestock census results are compiled and disseminated to users through monthly, quarterly and yearly statistical bulletins and yearly statistical publications. Data additionally requested by users is distributed through Administration and Data Dissemination Department. The primary unit of agriculture statistics collection is households. Difficulties are encountered in the collection of data in complete, fast and timely manner from herding households which moved often and far away in search of new grazing land.

6.1. Livestock.

Using 6 kinds of forms based on monthly, quarterly and yearly period livestock statistics is provided from households to bag/khoroo, then to soums/districts. Soums and districts channels it then to the aimags and to the capital city statistical divisions, before it reaches the NSO.

The livestock census and related surveys are not only a primary source of data for livestock sector; but also provide basic data for economic accounts of agriculture.

Since 1924 the Statistical Office has been conducting livestock census using general methodology, indicators, and plan. The livestock census is conducted once a year on a national scale. Based on results of the census, output and overhead costs of the livestock sector are calculated using the production approach and included in national GDP estimation.

6.2. Crop

From May to July and from August to December, Bag and Khoroo collect data for sown and harvested area from establishments, enterprises, and households, which are engaged in agricultural production and send the results to the Statistical Divisions of aimags and capital city through soums and districts. From there, summarized data are sent to the NSO who checks, compiles and tabulates it. The final data is included in the statistical yearbook, in monthly reports and bulletins of Mongolian social and economic conditions.

Main grains of crop production are cereals, potatoes, vegetables, and fodder. The sown area and the total harvest yield rate are estimated at the state and aimag levels. The annual and monthly crop statistics are collected by enumeration. Some terminology and methodologies, adopted and recommended by international organizations (UNDP and FAO) are used in the collection and processing process.

A new Tacis component will deal with the problems of 'crop statistics' in the near future.

7 CONCLUSIONS

The activity of the National Statistical Office is governed by the Law on Statistics which came into force in 1997 and which does not fully guarantee the independence of the NSO. However it determines the rights and obligations of statistical users and respondents.

The current Mongolian statistical system consists of the National Statistical Office (NSO) and local statistical divisions established at each aimag (local administrative units) and the capital city under direct management of the NSO. It also includes statistical sections under the government, ministries and agencies. A National Statistical Board and its Council advises the NSO on methodological and strategic matters.

The NSO is financed by the central government budget according to the budgetary limitations given by the Ministry of Economics and Finance. Statistical divisions at Governors level of the capital city and aimags as well as units at the district Governors level are financed by the respective local budgets. A certain dependence on foreign sources of finance is existing. Sustainability of the statistical system underlies therefore serious threats.

The co-operation work done in data publication and dissemination has enabled the content and presentation of statistical production to be significantly improved. Connection to the world-wide web and setting up of a NSO web site in 1998 have been launched. More extensive use will be made of electronic means of presenting information, especially for international users. Alongside this, it is essential to extend the knowledge in marketing and promotion of publications in view of improving the dissemination of the data. Nevertheless since 2001 bulletins are provided in electronic form and users access to them through e-mail services. The presentation of official statistics in the mass media is well organised.

An organised dialogue with users outside the Government is not enough methodical and not yet done on a very regular basis. This aspect will have to be addressed in future. More attention should thus be paid to the non-government users and their needs.

The statistical activity of the NSO is carried out on the basis of annual and long-term planning. The annual statistical work programme is established mainly on the basis of the Government Plan and on available financial resources. As about 60% of the expenditure of the NSO is covered by international projects, planning of activities underlies also pressure from the international organisations.

The NSO coordinates all official statistical activities and functions throughout the territory of the Mongolian Republic. The National Statistical Board and its council assists in providing advice on methodological and strategic matters. The NSO receives and processes the various statistical data collected at regional levels. Ministries, Governors at regional (local) level and other decentralised bodies have the right to organise their own statistical surveys with the approval of the forms, indicators, methodologies and instructions of the National Statistical Board.

Altogether (center plus regions), the statistical systems of Mongolia counts around 250 staff, of which about 64 percent are women. Moreover, 133 staff are working at various regional offices of which 64.7 percent are female. About 93 % have a university degree. The level of

foreign languages, i.e. English, has considerably increased since the keeping of English language training funded by Tacis.

Unfortunately salary levels within Mongolia in general and the NSO in particular are very low, which does not encourage recruitment of new staff. Furthermore, experienced young staff which acquire foreign language knowledge easily move to business or international organisations offering attractive salaries and good working conditions. Government budget allocation does not cover costs of communications and publications. International cooperation and thus financing is therefore a pillar for sustainable work within the NSO.

As a result of expanded cooperation with international agencies NSO managed to make progress in the development and upgrading of its statistical capacities. International standards, definitions, concepts and methodologies are widely used. Furthermore technical infrastructure has considerably improved, above all within the headquarters.

In many branches of statistics, pilot and sample surveys are being carried out. In order to introduce sample surveys, primarily at regional and local levels, it is necessary to train the staff to these techniques and to convey the knowledge in basic matters such as methodology and setting up of questionnaires.

Progress is being made in the use of methods corresponding to international rules and standards. Classifications such as ISIC, CPC and HS are introduced. However a lot has still to be done to improve this knowledge, especially at regional level.

A number of priorities for further development of national statistics have been detected. This goes from improving the system of classifications and registers to sound financial management, sensible strategic planning which takes into account the sustainability of the works carried out, through activities related to social and economic development. Special attention should be paid to employment and unemployment and to labour statistics. Information on migration is another milestone to be tackled. All these areas have to be developed or improved in the short term.

Basic business statistics are being improved, and the first steps have been taken towards structural statistics. Macro-economic statistics still need to be enhanced, including national accounts, price, external trade and investment statistics. Statistics on services and tourism will have to be further developed. A major concern is the non-observed economy that needs more attention as it reflects heavily on the GDP. Further actions will have to be directed towards increasing the quality of statistics and ensuring the comparability of statistical data with international and European statistics.

The level of information technology at the central level is relatively high within the central office. Every statistician has a computer connected to a LAN and through the LAN to the Internet. However, regional administrations do not have enough equipment and mostly no local network has been installed. This is also due to technical problems as no digital technology is available at this level. Data from regions is very often transferred through telephone lines.

Within the Tacis programme of reforming the statistical system of Mongolia, the transfer of know-how has reached a successful level and a number of objectives have been reached. This does not mean that there is no need for further improvement. Especially at regional level the

need for structured assistance is very high and at national level, a regular updating of the knowledge is essential. The EU requirements of matching cooperation activities with good governance principles will also create most probably new statistical domains to be developed in future which will need further assistance.

8 ANNEXES

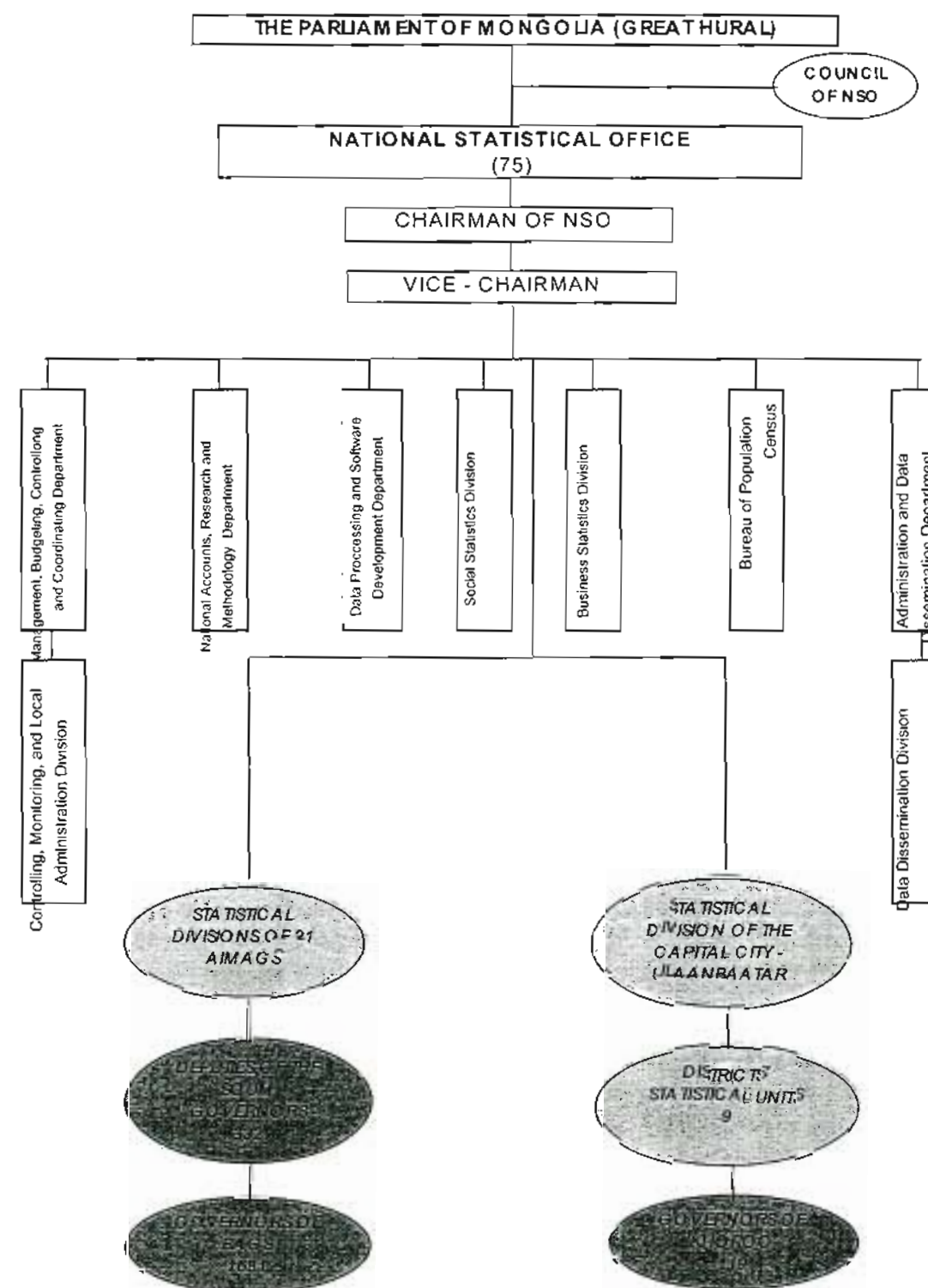
Annex 1: Organisational Chart of NSO of Mongolia

Annex 2: Staff numbers

Annex 3: List of main publications

Annex 4: List of co-operation projects

Annex 1: Organisational Chart of NSO of Mongolia



Note: 1. There are 75 staff working at the NSO of Mongolia.
2. 135-145 employees work at provincial (aimag) and capital city's division.

Annex 2: Staff numbers

Central Body of NSO: 75 staff.

Aimag and capital city statistical divisions: 135-145 staff.

Soum level: 332 deputy soum governors are responsible for data collection and compilation. However, they don't belong to the NSO as employees.

<i>Department/Division</i>	<i>Number of staff</i>
Management, Budgeting, Controlling and Coordinating Department	13
Administration and Data Dissemination Department	9
National Accounts, Methodology and Research Department	9
Data Processing and Software Development Department	17
Business Statistics Division	10
Social Statistics Division	9
Bureau of Population Census and Research	6
Total	73

Annex 3: List of main publications

1. Annual Statistical Yearbook 2000 (Mongolian and English).
2. Monthly Statistical Bulletin (Mongolian & English).
3. Statistical Review (monthly).
4. Reproductive Health Survey 1998 (Mongolian & English).
5. Living Standards Measurement Survey 1998 (Mongolian & English).
6. Women and Men in Mongolia 1970-1995 (Mongolian).
7. Agricultural Sample Survey and Economic Accounts 1999 (Mongolian & English).
8. Agriculture in Mongolia 1971-1995 (Mongolian & English).
9. A Pilot Time Use Survey 2000 (Mongolian & English).
10. Population and Housing Census 2000 Mongolia (Mongolian & English).
11. Population and Housing Census 2000 for each aimag (Mongolian).
12. Administrative Report - Volume 1 of the PHC (Mongolian & English).
13. Report - Volume 2 of the PHC (Mongolian).
14. Statistical Booklet: Housing 2000 (Mongolian & English).

Annex 4: List of co-operation projects

Donor	Statistical field	Implementation period	Funds
Tacis	Business Register	1999-2001	46,000 €
Tacis	Business statistics	1999-2001	128,000 €
		2000-2002	65,000 €
Tacis	Foreign Trade Statistics	2000-2002	15,000 €
Tacis	Statistical Publications	2000-2002	15,000 €
Tacis	Statistical Databases	2000-2002	100,000 €
Tacis	Eurotrace	1999-2001	12,000 €
Tacis	Language courses	1999-2001	7,600 €
UNFPA	Reproductive Health Survey	1997-2000	570,500 US
UNFPA	Strengthening the capacity of the NSO & Gender Statistics	1997-2001	670,100 US
UN FAO	Training in Economic Accounts for Agriculture	1998-1999	258,000 US
UNDP	Capacity building for poverty alleviation & Time use survey	2000	80,000 US
UNICEF	Child and Development 2000	2000	250,000 US
ILO&UNDP	Informal Sector Survey	2000	10,000 US
World Bank	Implementing SNA and Capacity building of NSO	1999	350,000 US
World Bank	Participatory of Living Standards Assessment	2000	25,000 US
IMF	General Data Dissemination System	2000	

RUSSIAN FEDERATION

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Tacis Statistical Programme 2001 country report

1. INSTITUTIONAL ASPECTS

1.1. Mission

The main mission of the State Committee of the Russian Federation on Statistics (Goskomstat of Russia) is the satisfaction of the requirements of the bodies of State authority and administration, the media, the population, the scientific community, private companies and entrepreneurs, international organisations, with an objective and exhaustive information. Its main tasks are to:

- elaborate and implement state policy in the field of statistics
- provide official statistical information on the economic, demographic and social situation in the country to government bodies of the Russian Federation, government bodies of the subjects of the Russian Federation, local authorities and to economic subjects, scientific and academic organisations, the mass media and citizens.
- elaborate and develop a scientifically based methodology for conducting statistical surveys and develop statistical indicators, and ensure that the official methodology is in line with international standards.
- co-ordinate the activity of the executive bodies in the field of state statistics by developing the information resources relating to the economic, demographic and social situation in the country
- store and protect official statistical information
- co-operate at international level in the field of statistics

1.2. Structure and organisational aspects

- Internal organisation of the Goskomstat of Russia

The statistical system is composed of the Central Office of Goskomstat (about 600 employees), the Computer Centre (895 employees), other subordinated organizations (241 employees), territorial statistical committees (22 937 employees).

The central office of Goskomstat is organised into 22 sector departments. The full organisational chart is in annex 3.

- Appointment procedures

The Goskomstat Chairman and his six Deputies are nominated by the Government. The positions have no specific duration, nor are there any terms in office. The nomination is valid till the Government nominates other persons to the mentioned positions.

Heads of Department are appointed by the Chairman of Goskomstat of Russia, with no specific term in office.

- Main Computer Centre (MCC)

The Main Computer Centre of Goskomstat is responsible for data collection, processing, automated treatment and archiving, with the objective to use the most up-to-date information technology.

- Regional structure

There are 89 territorial statistical committees in the "subjects" of the Russian Federation. The functional structure is the following:

- Federal "Okrug". It is a new territorial division, created in the year 2000. It is a grouping of subjects. There are 7 federal "okrugs" in the Russian Federation.
- Subject of the Russian Federation. There are 89 such subjects in the Russian Federation, of various sizes and population. (See map in annex). Some of the subjects have a specific legal and administrative status, such as Republic Tatarstan, for instance, or autonomous okrug (Koryak). Republics elect their President and have a local government. However, most subjects have the status of Regions, and elect a governor.
- "Raion" (districts). It is a subdivision of the regional level. There are around 2 200 "raions" in the Russian Federation.

Data collection takes place at the local level, and after a first level of aggregation at regional level, data is sent to Moscow, where the second level of aggregation takes place. Data concerning the regions is then sent back to regional offices, while nation-wide data is published and disseminated by the Goskomstat.

- Scientific institutes

A few scientific institutes are part of the statistical system, and are very tightly collaborating with Goskomstat:

- NII stat (Scientific and Research Institute of problems of socio-economic statistics)

The Institute's aims are to work on the reform of statistics, the development of theory and methodology in the domain of socio-economic statistics, in accordance with international standards, and the supply of analysis and recommendations based on the data collected and treated, to the administrative and government structures.

- NIPI Statinform (Scientific and research Institute on technological projects of the statistical information system of Goskomstat)

The objectives of the Institute are to develop the methods and means of computerisation of the statistical system with modern IT and telecommunication techniques and programs, and to fulfil the policy of modern data treatment in statistics through common and unified up-to-date software.

- "Statistical questions" journal. It is a scientific publication with quarterly issues, which covers all aspects of official statistics and research in statistics.

1.3 Legal setting

- Law on statistics

There is no law on statistics. However, the concept of this law has been worked out and the organization, charged for the preparation of the law has been established. Preparation of the draft law is to be contracted within the framework of the STASYS project, funded by a World Bank loan. The final adoption of the law is not expected in the near future.

In accordance with the Government Decree #85 on 02.02.01 Goskomstat carries out the coordination of statistical activities in Russia. On 25.05.99 a President Decree changed the status and name of the Goskomstat to Russian Statistical Agency. It was restored to its status and name of Goskomstat (State Committee) by decree on 06.12.99.

- Other relevant administrative regulations

The framework law for the population census has been adopted by the State Duma and approved by the Upper House of Parliament; it is about to enter into force. This gives appropriate legal basis to the next population census foreseen in October 2002.

- Data confidentiality

In accordance with the basic statistical principles, Goskomstat guarantees the confidentiality of reported information to all respondents. The information collected is solely for statistical purposes, in order to produce aggregated data, and raw data cannot be transmitted to other administrations. The exception is made only for those administrations (including law-enforcement bodies), which are permitted to have this kind of information in accordance with the Russian legislation. Maintaining the confidentiality of individual data is the basis of retaining the trust of respondents in the statistical bodies, and increases the quality and reliability of the data disseminated. Although there is no legal basis, the understanding of the need to respect confidentiality is progressing in Russia, in particular among enterprises, and more and more respondents to statistical enquiries put it as a condition to provide individual information.

In December 2000 in the magazine "Statistical Issues" ("Voprosi Statistiki") was published an article about data confidentiality in the European countries, all results of the European experience were described there and this information was distributed among all administration levels. In April 2001 Goskomstat ranked as confidential all the data and information, used in the forms of State statistical reports.

Confidentiality has been also the subject of a TACIS project component, which should help Goskomstat introduce practical measures at federal and regional level in order to guarantee the confidentiality of statistical data collected, treated, archived and disseminated. It also included the preparation of a suitable proposal for introducing the confidentiality principle into the draft statistical law. A working seminar was held in May 2001, where representatives of almost all regional committees and of other providers and users of statistics took part. Attitudes towards confidentiality in regional offices are varied. Without legal basis, the introduction into practice of effective protection measures may still require some time.

1.4 Relationship with Central and Local Governments

- Role of the NSI in the government

Goskomstat provides official statistical information to Government bodies of the Russian Federation and local authorities. The activity of the Goskmostat is governed by the Russian Constitution, federal laws, decrees and orders of the President of the Russian Federation, decisions and orders of the Government of the Russian Federation. The chairman of Goskomstat reports to the deputy prime minister in charge of finances.

- Relations and Links at central level with Ministries

Goskomstat has the responsibility of inter-branch coordination and functional control of the statistical system. It fulfils this task, notably, through the development of the Federal Programme of Statistical Work. Statistical activity is also coordinated at national level on the basis of common methodology.

Goskomstat is entitled to receive, on the basis of forms of State statistical reporting information from federal executive bodies of the subjects of the Russian Federation and local authorities. A close co-operation is long established with the Ministry of Justice, which is responsible for State registration of businesses, with the State Customs Committee, which is responsible for External Trade data recording, and other Federal and Regional administrations, such as Ministries of Agriculture or Transport. Access to data from the Tax Administration is not possible. An agreement on this issue would require modifications in the current legislation on confidentiality for the Tax Administration, which prevents it to supply information to other entities or private persons, including the Goskomstat.

- Protection of NSI independence

Goskomstat follows the basic principles of the 1994 UN Statistical Commission on this point too. It is foreseen to protect its independence explicitly in the upcoming law on statistics. The Goskomstat is independent in choosing statistical methods and in producing statistics. It also controls the conformity of other producers' methods for collecting, processing and releasing official statistics.

- Relations and Links at regional level with Local Governments

Under the current statute of Goskomstat, it is responsible for providing statistical information to central and regional executive bodies. Due to its important network of regional and local offices, the Goskomstat maintains close relations at regional level with local Governments. In fact, all the data collection is done at local level, and 70% of the data is processed at local level.

1.5 Relationship with users and dissemination policies

- Relationship with users

Users are divided into different categories: Government users and policy makers, enterprises and entrepreneurs, citizens, academics and researchers. In the past, government users were clearly a priority for the Goskomstat, but it is clear that the focus has shifted towards other

users in the recent years, and now, enterprises and citizens visibly targeted by new campaigns of information, and the release of new information media (Internet, CD-ROMs...)

Setting-up a regular dialogue with users of statistics has clearly become a priority for Goskomstat. A Tacis financed project has been carried out to support this orientation. The main outcomes include the development of a new policy towards mass media, the setting-up of a press service, the launching of customer surveys and the increased use of Internet as a dissemination channel. Further work will be undertaken in this direction under the implementation of the World Bank STASYS project, which plans to finance the creation of press services in all regional offices.

Goskomstat publishes indicators on the real sector and on Russian population according to the IMF Special Data Dissemination Standards (SDDS). Macro-economic and financial indicators of the Central bank and the Ministry of Finance are also published in accordance with these standards.

Some reactions from Russian users still show a lack of confidence in official statistics. Improvement is needed, in particular, to explain properly to users changes in methodology for producing indicators.

- Dissemination and marketing policy

After a long tradition of publishing large amounts of data in hard copy, the Goskomstat has pursued lately a policy of electronic dissemination, with the opening of its Web site (www.gks.ru) in August 1998, and since then many publications have been made available on CD-ROM.

The Web server also has an English language version, with reduced information available. The Russian version publishes on-line many databases, such as the ones contained in the following publications:

- Russian statistical yearbook
- Regions of the Russia
- Socio-economic situation in Russia (monthly data).

Goskomstat has also developed dissemination of information from databases, with TACIS support. Work has been made into three directions:

- Development of software to compile CD-ROMs;
- Development of the use of Internet for data delivery from databases and providing on-line access to databases;
- The application of geographic information systems (GIS) for statistical data.

Goskomstat is also developing the use of databases for exchange of information with international organisations. Within the framework of the data exchange with Eurostat, Goskomstat has developed a specific user-oriented database, called "EUROROS" where European and Russian indicators are stored. Access to this database will soon be given to a number of Russian Government and administrative bodies.

The information centre "Informatics", affiliated with the Main Regional Computer Centre, has the exclusive right to distribute all official statistical publications and their electronic version (diskettes, CD ROM and via Internet), which contain reliable and up-to date information.

At present, only regional committees can sell additional services, such as marketing studies or other specialised studies.

- Relations with the press

Press conferences are held regularly, particularly before the publication of the main yearly publications, or the official release of the main monthly and quarterly statistical indicators (inflation, GDP, unemployment...).

- Publication of sensitive data

All main economic indicators are regularly published, monthly or quarterly, and widely disseminated.

- Monitoring the demand for statistics

A database of actual clients is being held and monitored at Goskomstat, in order to assess demand for statistics publications. Tacis financed a project on Dialogue with users, which was completed in November 2000. A questionnaire was sent to 800 Goskomstat clients, and results were analysed. A marketing plan will be drawn out of it in the near future. Better communication with users and respondents is the key to a new relationship between enterprises, citizens and the Goskomstat.

1.6 Relationship with suppliers

- Access to administrative sources, relations with other administrative bodies

Goskomstat has a number of bilateral cooperation agreements with other administrative bodies to exchange data and to carry out statistical activities: the Customs Committee for External Trade data, the Central Bank of Russia for Balance of Payments data, the Ministries of Labour, Agriculture, Transport, Justice... Contacts are under way with the tax administration to improve the quality of the business register. Administrative sources are also used at regional and local level. Goskomstat aims at widening the use of administrative sources for statistical purpose, which is in line with international practice and should help reduce the burden on respondents.

- Relations with reporting units (businesses, households, individuals)

At local level (raion), questionnaires on enterprises are usually brought and filled in by statistical staff in the reporting unit's premises, which limits the reporting errors and avoids using the postal system. Advantages are close contact with the reporting units, good response rates, and better knowledge of their activity, the downside is excessive use of staff and travel.

The household survey covers close to 50 000 households, out of a permanently rotating sample, with a rate of non-response which is above 30%.

- Interviewer network

There is an important interviewer network around all the country, involving about 1000 persons for price statistics and 3900 persons for household surveys.

For usual enquiries, such as price statistics or household enquiries, interviewers are regular staff of the regional committees, but for other enquiries (tendency surveys, censuses...) interviewers are often hired and paid on a questionnaire basis.

1.7 Planning and programming

- Planning process

The Russian Government adopted in 1996 a four-year plan on reform of statistics (1997-2000), which defined the major objectives for the development of the statistical system. It covered all organs of the statistical system, under Goskomstat coordination. In 2000 the deadline of realization of the federal program "reforming of statistics in 1997 - 2000 years" was prolonged till 2001 by the Governmental order.

In 2001 Goskomstat adopted a new development programme of the State statistical system till 2005. The main purpose of this programme is a realization of complex reforming of federal statistical system and increase of society confidence in official statistics. It was agreed with the Ministry of Economic Development, Ministry of Finance, Labour Ministry and State Customs Committee and authorized by a Governmental order (# 910 10 July 2001).

Annual programming is organised through the adoption of the yearly Federal Programme of Statistics, which also includes statistical activities of all the federal executive bodies and is approved by the Goskomstat and accepted by the Government. It covers all aspects of the statistical work, and defines both the statistical data that must be collected, treated and published, and the periodicity of the work to undertake.

- Adoption procedures

Multi-annual and annual plans are first adopted by the Board of Goskomstat of Russia, then they have to be formally accepted by the Government before they come into force.

- Scientific board

The preparation of the yearly statistical programme, and its implementation are supervised by the "College", an advisory board that meets regularly in Goskomstat. Members of the Board are the Chairman, his First Deputy and Deputies ex-officio and also three Directors of Departments: statistical planning, labour statistics, enterprise statistics and structural enquiries.

1.8 Finance and budgeting

- National budget 2001 (mil. rub.).

	Budget resources
Central Structure	118,0
Regional structure	1446,4
Other expenses	15,0
Population census	836,8
Research and development	12,5
Education	70,0
Investment	31,0
TOTAL	?

- Assistance received from bilateral and multilateral donors (List of co-operation projects given in annex)

In the period 1998-2002 there were five annual statistical Tacis programmes which were carried out with total budget 11,5 million Euro. Each programme is divided into projects, which are usually completed over two years. The on-going projects are analysed in parts 3 to 7. Three first programmes were completed in 2000-2001. In 2001 the Goskomstat and Eurostat decided to refrain from starting new programmes but it was defined that for 2002-2003 request from the Goskomstat will be appealed to the Russian Tacis national Coordinator.

Other donors include the IMF, which carries out technical assistance on Balance of Payments and financial statistics, organises seminars on various topics linked to economic and financial statistics.

The OECD is also active in Russia, especially on Non Observed Economy. OECD is co-organiser for a NOE Workshop to be held in Moscow vicinities in May 2002.

The World Bank has signed a five-year loan for the improvement of the Statistical System in Russia for an amount of 30 million US \$, and the STASYS project which carries out the implementation of this loan is managed by the Bureau of Economic Analysis (BEA), with the first actions launched in spring 2001. This project covers a wide range of themes including management and planning, methodological issues, statistical infrastructure, reorganisation of data collection, processing and dissemination. Activities consist of consultancy services, training of personnel and provision of equipment.

Statistics Finland carries out bilateral assistance in statistics using Finnish Foreign Affairs funds. Financial support for 2001-2002 has been allocated for pilot surveys on toxic wastes and transport flows in adjacent territories.

1.9 Staffing, staff recruitment and development

- Main characteristics

The staff is around 600 in the Central Goskomstat in Moscow, plus 1 136 in the various Institutes linked to it, but the whole system (with all regional and local offices) has a staff of over 30 000 (details in annex). Of them, around 3 000 do not have the necessary basic statistical education. Over 90% of the staff are female.

- Recruitment procedures

The low level of salaries in public administrations does not allow for the easy recruitment of the necessary young qualified specialists, considering the differences in wages that are paid by the private sector.

At the present time, vacancies are advertised in newspapers, Internet and other mass media and across other administrations and employment services. Staff is selected through interviews, and has to go through a trial period of 3 - 6 months. After that period, they automatically become civil servants.

- Management style

Management is organised according to vertical lines of command.

- Language abilities

The knowledge of foreign languages, and specially English, is still limited in Goskomstat. The problem is even stronger in the regional committees.

A training course was organised during the year 2000 for 35 young staff members of the Goskomstat under a Tacis project.

1.10 Training policy

The continuous professional training of the specialists in the system of the Goskomstat of Russia is provided by the following educational institutions:

- the Russian Academy of the State Service under the President of the Russian Federation;
- the Academy of State Economy under the Government of the Russian Federation;
- MIPK (professional re-training) of the Recording and Statistics of the Goskomstat of Russia;
- Moscow State University of Economy, Statistics and Informational Sciences;
- Regional higher educational institutions;
- State University—Higher School of Economics;
- Educational institutions of the Goskomstat of Russia.

In 2001 attention was given to increasing the quality level of training the civil servants of Goskomstat system in the field of statistical and information technologies reforming. About 2700 employees of central and local bodies of Goskomstat have followed professional

retraining courses at the Russian Academy of State Service for the President of Russian Federation and its regional offices, at the Academy of National Economy.

Besides, within the Tacis project "vocational training of specialists of the state statistical system" Goskomstat, in cooperation with the Russian Academy of State Service for the President of Russian Federation, held 2 regional seminars on management in Vladimir and Novosibirsk, where 50 heads of Goskomstat regional bodies took part.

In 2001, within the framework of the STASYS project, training courses were organised for the central and territorial Goskomstat bodies staff not only in Russia, but abroad too, in France, England, USA, Germany and Poland (138 specialists). The training programme included several statistical issues and also strategic management of the statistical system.

- Training Plan

The central apparatus of Goskomstat provides yearly its list of priority training areas, based on a list of requests coming from middle managers all over the Russian Federation, and the yearly requests for improvement of qualification for its own staff. It is foreseen that managers should be trained at least once every year and other specialists at least once every two years.

After the training programme is set up, the local managers analyse the training needs and prepare tenders in order to select the best-suited training organisation. Testing of trainees and assessment of training is to be completed within three months of training.

Tacis has financed a project with the support of TES (Training of European Statisticians) in order to train Russian trainers, who will in the future be responsible for further dissemination of the know-how they have acquired during this project, which comprised a series of regionalised training actions on national accounts, business statistics and sampling techniques.

The project can be considered as a big success, as trainers who participated in the seminars have already trained over 3000 people in regions, which is a very important multiplier effect. As equipment and course material, translated in Russian, will enable much more training over time, this project is likely to have a huge effect in Goskomstat.

Another important outcome of this project has been a document of recommendations for the development of the system of vocational training, which was commonly agreed between Goskomstat and TES.

- Library

The Centre of information and publication "Statistics of Russia" is in charge of the library, which is hosted in the Goskomstat premises.

1.11 International co-operation

There is a department of statistical cooperation of Goskomstat, which includes five sections:

- Section of international statistical methodology & informational co-operation;
- Section of economical & statistical analyses of global economy & foreign statistics;
- Section of international statistical co-operation & investments' projects;
- Section of co-operation with CIS countries;

- Section of consular service & legal issues;

Goskomstat of Russia has bilateral co-operation treaties with the following countries:

- Australia
- Bulgaria
- UK
- Italy
- The Republic of Korea
- Macedonia
- Mongolia
- Poland
- Finland
- Germany
- Sweden
- Yugoslavia

Besides, Goskomstat signed bilateral treaties on statistical co-operation with all the CIS countries (except Turkmenian Republic) within 1995 - 2001.

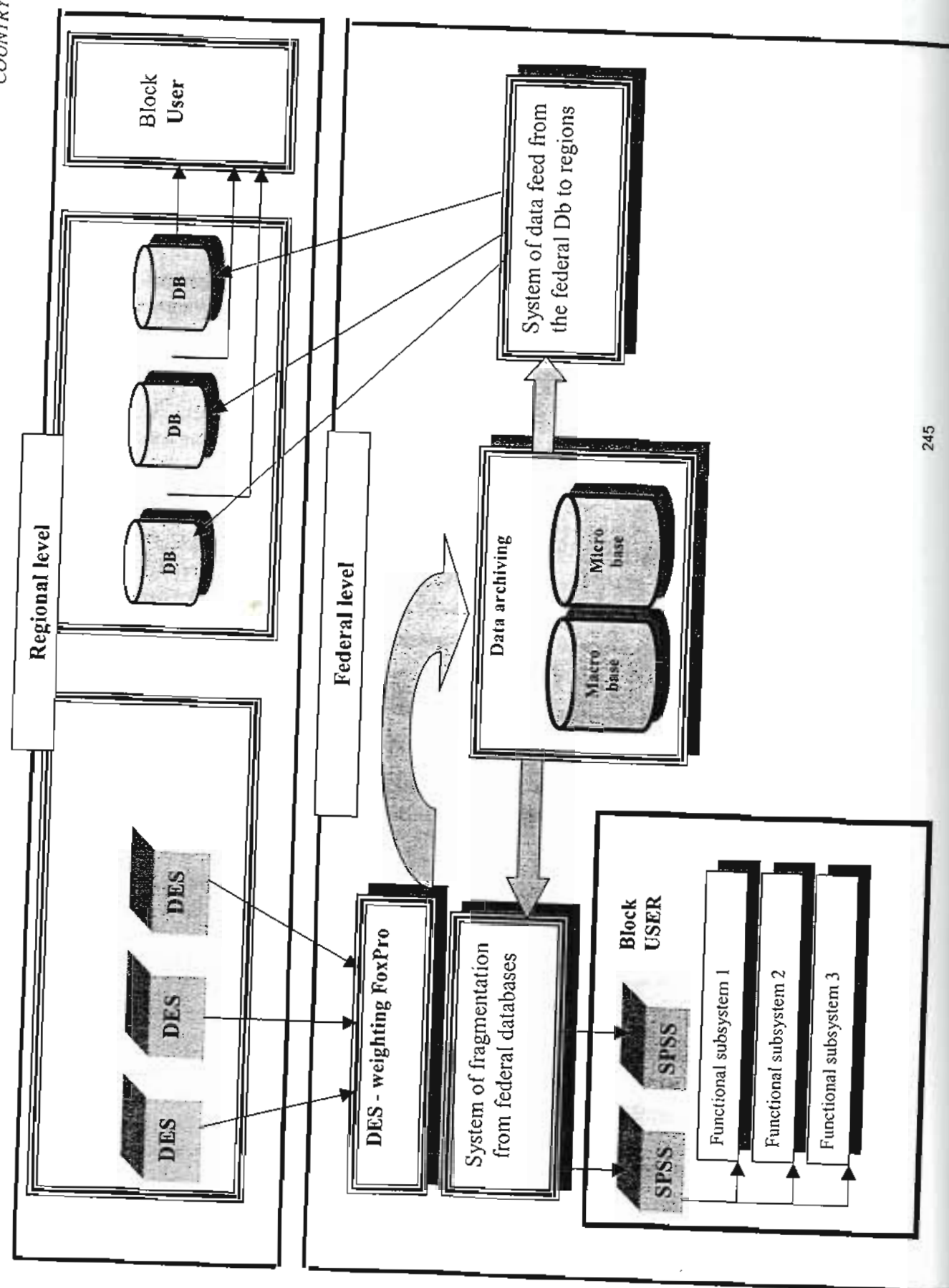
Moreover, Goskomstat of Russia has bilateral agreements with the statistical departments of several international organizations (Eurostat, OECD).

2. STATISTICAL INFRASTRUCTURE

2.1. Information technology

- Architecture

The main feature of the information system is the integration of databases (and micro databases) under client-server architecture, usually under an MS-SQL system, as Goskomstat pursues a Microsoft only policy (except when there is no specific software available).



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- Level of equipment (number of PCs, difference centre-regions)

	TOTAL	Pentium	486	386 & other
Federal level as a whole	1253	1056	64	133
Including Goskomstat Central Office	580	580	---	---
Regional level	13924	7352	3115	3457

In Goskomstat headquarters, computers are connected to a Local Area Network (LAN). The operating system is Window NT. 200 persons have access to the World Wide Web and 200 persons have an E-mail.

- Projects of development

Tacis has financed a few projects in this domain. A project named "Data Electronic Processing on the basis of databases" was completed in 2001. It helped create user interfaces for work with macrobases and microbases at Goskomstat. The model database has changed on the basis of remarks of Goskomstat users and of the western project partner. It was completed in mid 2001, and has since been installed on the Goskomstat server, to be accessed by users, both at federal and regional levels.

A project component has also been implemented on the regional system of data collection, processing, storage and transmission. It aimed at setting up pilot experiences in two well advanced regions, both in terms of hardware and software. Once tested and assessed, these "technological solutions" could be multiplied over all bodies of Goskomstat of Russia, according to the soon to be decided strategy on reform of these technological and regional issues. The pilot project and the corresponding technological solutions should be implemented on a large scale through World Bank (STASYS) funds.

There is a very large development project within the STASYS project of the World Bank, as over 20 millions of US \$ are earmarked for IT and telecommunications hardware and software over the next five years.

2.2. Classifications

- Use of international nomenclatures

The Goskomstat is responsible for the nomenclatures used in all surveys and has adapted its work to introduce international classifications.

Among the nomenclatures that have been introduced into publications of statistical information, it is possible to list the following: NACE rev.1, Classification of Products by Activity (CPA), International Standard Classification of Education.

- Introduction into questionnaires

Up to now international classifications have not been used directly as such in carrying inquiries in Russia. Russian classifications developed on the basis of international ones are used, reflecting national specificities of the Russian economy. After aggregation, the results are translated into international classifications for publication and data exchange.

However, progress towards the introduction of international classifications is foreseen in the next years. At the end of 2001, the State Committee on Standardisation ratified the new all-Russia classification of economic activities (OKVED) based on NACE, which will be introduced into practice from the beginning of 2003. Within 2002 it is planned to carry out all necessary work for the transition to OKVED such as preparing methodological materials, reconsideration of the statistical forms and designing of special groupings.

The following step foreseen in the process of introducing European compatible classifications will be the development of the classification of goods and services based on CPA and PRODCOM.

In order to analyze the Russian economy according to the methodology of the System of National Accounts, Goskomstat is developing a classification of institutional units by economic sector, within the framework of a Tacis project. The completion of work within this project is planned to be realized in 2002.

Tacis financed a project to build a Classifications database. In 2001 were developed: informational model of classification databases based on 10 All-Russian classifications, programmed-technological means, which realize interactive mode of selection and viewing the information of All-Russian classifications. The process of creating a classification database is planned to be finished in 2002. The database will be uploaded on the Goskomstat server.

2.3. Business register

- Description

The general State register of enterprises and organisations (EGRPO) is managed by Goskomstat territorial offices in interaction with Registration Chambers, which are under the responsibility of the Ministry of Justice of Russia and structures of municipal governance. A new federal law on state registration of legal bodies will come into force on 1.07.02.

Every regional statistical office manages the register on the territory it is responsible for. Newly created or reorganised enterprises apply to the local statistical office (as a rule, in course of 2-3 weeks) for registration, in order to get their identification number and kind of activity classification. Registration is either immediate or takes from 2 to 5 days.

The federal level manages a unified business register covering all regional registers. Local offices transfer all necessary information to the federal level.

The business register covers legal units and their local units (branch and representative offices), partly – physical units. At present the register includes more than 3 million registered organisations, among them nearly 1 million not functioning but juridically not liquidated. A specific TACIS sub-project was devoted to the registration of local units and the identification of “false activity” units. Methods were tested in 2001 in two pilot regions. Results of pilot experiences should serve as basis for further introduction of local units into the business register, which Goskomstat plans to complete in 2002-2003, at federal and regional level.

The Russian legislation imposes the use of all-Russia classifications to identify enterprises but the Tax administration uses its own identifier. The integration of classifications into license registers of some ministries and organisations is very slow.

The register is used by all concerned departments of Goskomstat when preparing materials for publication and reference. Extracts from the register can be passed to governmental bodies and to external users.

Checking the business register with other administrative registers (some license offices, offices of state property management, credit organisations) has started in 1998. Difficulties have arisen with the Tax administration, as according to their legislation on confidentiality, they are not entitled anymore to share information with other administrative bodies, including Goskomstat. No progress has been made on this issue at federal level, whereas inter-connections exist in some regions.

- Updating strategy

The updating of the register is regularly done, as enterprises have to register modifications in the same procedure as the initial registration. Using other administrative sources is an additional strategy to update the register. Goskomstat plans to develop the use of administrative sources and results of statistical surveys. Methodological solutions, such as the use of data from structural business surveys, have been studied in pilot regions within a dedicated TACIS component. Furthermore, key data sources for upgrading the register, particularly in term of completeness and identification of “sleeping units” are large-scale statistical observations: census of small enterprises carried out in 2001, census of individual entrepreneurs planned in 2003 and full economic census foreseen in 2004-2005.

- Use for statistical purpose

The unified statistical register based on the administrative register is managed on the federal level in the Main InterRegional Centre (MIS) of Goskomstat of Russia. It is used as sampling base all over Goskomstat.

Statistical indicators are also included in the statistical register: production, turnover, staff number. These data are used to classify businesses by size class (small, middle or large enterprise) and to create samples. The register includes other indicators that are used for specific statistical tasks.

Divisions of Goskomstat of Russia and local statistical offices are users of the statistical register. The register is also accessible to registered users through the computer network.

3. ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1. National Accounts

Goskomstat has developed since 1993 the compilation of national accounts according to the concepts of SNA93. GDP is measured by applying three methods: production, expenditure, income. At federal level, annual data are produced in current and constant prices, quarterly data are compiled in current prices and in comparable prices of the corresponding period of the previous year. Yearly data are also available at regional level. Regions are responsible for the raw data providing, which is sent to Moscow for checks and controls, then sent back to the regions with modifications before the figures are granted official status.

Work is ongoing, with TACIS support, to improve the quality of national accounts and to bring about further harmonisation with international standards. Current efforts aim at constructing time series and their components on quarterly basis according to international standards. Methodological developments are also needed to estimate financial intermediary services indirectly measured (FISIM). The compilation of input-output tables is also a matter of concern. Work is needed to set up an appropriate information support database. Finally, enhancement of methodology for estimating investments in fixed capital is necessary because the quality of these estimates have impact on the reliability of nominal and real GDP assessments.

Macro-economic analyses are published with yearly data. They are sent to print in July, and available in paper form between September and October. However, the yearly data are available on the Internet within 3 months.

The National Accounts data for the year 2000 will be reviewed on the basis of the data collected during the census of small and medium enterprises, performed during the summer of 2001, and could be adjusted retrospectively.

Non Observed Economy stands between 25 and 30 % of GDP, and is allocated by sector, after being agreed with the CBR Balance of Payments (BOP) data, except methodological differences, which are explained in footnotes.

3.2. Finance statistics

Finance statistics is a new area of cooperation for Goskomstat. Collection of information on economy and financial domain is performed by Goskomstat and the Central Bank of Russia. An agreement records the modalities of cooperation between Goskomstat and the Central Bank as regards production and exchange of statistics. Cooperation is very close for the construction of the Balance of payments. The annual federal programme of statistics stipulates the list of indicators to be provided to the Ministry of Finance and to the Ministry of income tax and taxes.

Improvement in the area of finance statistics is needed to produce indicators meeting users needs and consistent with SNA requirements. To that purpose, Goskomstat has launched, in cooperation with the Central Bank of Russia, methodological work to develop new approaches for conducting surveys and producing indexes.

Methodological developments are being conducted, with TACIS support, in three directions:

- Measurement of foreign investments, in compliance with the Balance of Payments requirements and with international standards;
- Setting-up up-to-date, regular and most complete statistics in the sector of non-profit institutions serving households;
- Setting-up statistical surveys on flows of securities and income on securities split by economic sector.

3.3 External Trade statistics

External trade statistics are based on the raw data produced by the State Customs Committee on the basis of customs declarations. Customs statistics are sent on a monthly and quarterly basis to the Goskomstat and the Central Bank of Russia.

The Central Bank makes adjustments in order to produce the Balance of Payments; part of the adjustments are methodological, and the rest is for the assessment of non registered trade. Methodology for adjustments has been agreed with Goskomstat. The Central Bank sends its adjusted data monthly to Goskomstat.

Goskomstat checks the Central Bank figures through its own methods on NOE assessment, and if there is too big a discrepancy, the Central Bank is contacted in order to study its reason. In most cases, this leads to a reduction in the discrepancy.

Improvement of quality of external trade statistics is a key issue for the Russian Federation, with regard to the increasing influence of external economic relations on the country economy. This is the main purpose of an ongoing extensive Tacis project, with participation of the Customs Committee, Goskomstat, the Central Bank and the Ministry of Economic Development and Trade. The objectives are fourfold:

- a) Comparison analysis of trade data between Russia and EU countries ("mirror exercises").

The reasons for discrepancies in trade statistics between Russia and five EU important trade partners are being studied with Belgium, France, Finland, Italy and Germany. Detailed comparison analyses of trade data between Russia and the EU countries are carried out. They allow to better understand the reasons for discrepancies and should result, in fine, to proposals for corrective measures.

Customs tariffs have been changed in 2001 and duty rates within identical product groups have converged. This step has been taken to reduce deliberate over-use of product codes with low duty rates. The impact has still to be analysed in terms of customs revenues and in the context of mirror comparisons.

- b) Estimation of non-registered trade.

Improvement in this respect is expected from specific sample surveys. After studying the Polish practice in conducting surveys to determine unrecorded trade, Goskomstat carried out in October and November 2001 a pilot survey of tourist operators and air carriers in 18 territories of Russia. Results are to be available for review in January 2002.

- c) Estimation of trade between Russia and Belarus in the absence of customs border. A pilot survey on Russian exporters to Belarus, to be carried out in 4 Russian territories is being prepared..

d) Measurement of export (import) of tourism services. On the basis of know-how transferred during the project, Goskomstat will implement western experts recommendations to prepare the questionnaire and sampling procedure, data treatment and data dissemination for a scheduled pilot survey of tourism services, to be implemented during the first semester of 2002.

3.4. Internal Trade statistics

Trade statistics in Russia are compiled on the basis of statistical reports provided by trade enterprises. Different approaches are applied for each trader category. Large and medium-size trading enterprises are surveyed through full count census, whereas small enterprises and individuals trading on clothes, mixed and foodstuff markets are covered by sample surveys. A functional approach is used: enterprises can be both trading as well as non-trading, whether trading is the principal activity of the enterprise or not.

In terms of the structure of the recently estimated retail trade turnover, 28 % of the turnover is generated by large and medium enterprises, 42 % by small size enterprises and 30 % by individual entrepreneurs.

In order to verify ratios and related indicators for output, intermediate consumption and value added in current prices of small enterprises and individual entrepreneurs, Goskomstat has launched, with TACIS support, a pilot survey in the Republic of Tatarstan.

Meanwhile, Goskomstat envisages to switch the method for estimating output, intermediate consumption and value added in large and medium enterprises from the functional approach to the institutional approach compliant with the international system of national accounts, SNA 93. In this new work approach, the proposal is to take into account first only enterprises specialised in trade (the sector), and for each of the remaining enterprises that have a trading activity, on top of their other activities (services, production...), analyse the sales as an "independent unit" separated from the production activity. Experimental estimates are to be realised within the framework of an on-going TACIS component. This represents for Goskomstat a new experimental approach, which involves three departments, of trade statistics, national accounts and enterprise statistics. It should lead to further adaptation of the system of statistical surveys and of production of macro-economic indicators to international standards.

4. POPULATION AND SOCIAL CONDITIONS

4.1. Demographic Statistics

After a first trial census in October 2001, which took place in a few regions, the first population census since 1989 will take place between the 19th and 26th October 2002. It will be fully financed by the Russian federal budget. A dedicated web site, in Russian, has been set up at <http://www.perepis2002.ru/>.

Apart from censuses, the major sources of information on the population of Russia are administrative records, especially those compiled by the civil registrars' offices, and specialised surveys. A project, financed by Tacis, on population monitoring and forecasting was completed successfully in September 2001. In the course of the project implementation were developed a demographic database, a set of algorithms to calculate

demographic indicators for monitoring purpose and an up-to-date Russia-adopted methodology of demographic projection, which allows to forecast the population by region, sex and age class. The Goskomstat experts were trained in the use of system. It will be used in between censuses, which are very costly and can be undertaken only every 10 years, in order to assess with better accuracy the evolution of the Russian population. Comparisons between the final results of the population census of 2002 and forecasts that will be undertaken using the new system and its modern algorithms will be very useful, both for quality checks on the census results, and for refining the forecasting system and hypothesis.

The system was demonstrated and presented to the Ministry of Employment in November 2001, in order to show its possibilities to forecast the population of working age for the next 15 years.

The setting-up of the system has been finalised and from 2002 onwards Goskomstat will proceed to launch demographic projections under the new methodology. Upon completion of the major part of information in the demographic database and on the basis of the 2002 population census data, the system will look to further advance with respect to the implementation of additional block on the current assessment and projection of households.

4.2. Labour statistics

In Russia, labour statistics are compliant with ILO recommendations, as an audit took place and all questionnaires were accepted in February 2001.

The Goskomstat carries out a Labour Force Survey, on a quarterly basis since 1999 (it was annual until 1998), on a sample of 170 000 persons aged 15 to 72. An employment survey on enterprises is carried out monthly.

Furthermore, a quarterly SME's survey is sampled on the following indicators:

- employment by categories (hours worked, hours not worked, staff hired, staff fired, vacancies)
- wages

The interviewers are external staff, hired by survey.

There is a good relationship with the Ministry of Employment, which sends monthly its data on unemployment, but their data is about 8 times lower than Goskomstat data, which is much more reliable. The Goskomstat publishes both data sets.

Other sample surveys are done every 2 years on the cost of manpower by various economic sectors (from 11 to 15 000 enterprises), and also on wages by profession, which is carried out every other year, in October.

There is also a large block of work on statistics of public servants in all government sectors.

An on-going Tacis financed project aims to improve Labour Statistics in Russia, by introducing Labour satellite accounts. It will enable the Goskomstat to study the general system of Labour Accounts in EU countries, and to plan its implementation in the Russian Statistical System.

5. BUSINESS STATISTICS

5.1. Short term indicators

The statistical programme of Russia includes a wide range of business tendency surveys, which have been introduced progressively after pilot surveys were carried out successfully within the framework of successive TACIS projects. The Centre for Economic Analysis, which is a governmental body in charge of economic analysis and short-term forecast, conducts in cooperation with Goskomstat surveys on industry (monthly and quarterly), on construction, wholesale and retail trade, commercial banks, insurance companies, small businesses (quarterly), on innovation activities (quarterly), investment activities (twice a year), financial and production groups (once a year). Road transports are to be introduced in 2002. Indicators of shadow activities of industry, construction and retail trade companies are produced twice a year. Goskomstat carries out surveys in the consumer sector. The extension to the service sector, with the support of a current TACIS project, will allow a full coverage of the economy. This project includes pilot surveys on 5 sectors - air transport, hotels, leasing activities, information services and public catering- which are planned between April and September 2002.

The Centre for Economic Analysis produces monthly and quarterly reports addressed to the Government, ministries, the Parliament and scientific institutions. It also delivers publications and has a Web site. The Centre aims at improving and deepening business cycle analysis and short-term forecasting of economic activities. The ambition is to reach the European level of quality in this area.

5.2 Surveys on small enterprises

Development of sample surveys of small enterprises is a topical issue for the adaptation of business statistics in Russia to the conditions of a market economy. It has particular importance in regions, where the needs for information on activity of small enterprises cannot be fully satisfied by the federal system of surveys. Three directions could possibly be envisaged to produce regional statistics: conducting specific regional surveys; extending samples of federal surveys; making estimations from federal samples.

A specific TACIS component devoted to these issues was completed in 2001, with participation of Goskomstat and three regional committees. It included three topics: conducting of regional surveys of small enterprises; methodological recommendations on revealing and registering non-typical units; estimation of small areas.

Pilot regional surveys of small enterprises were completed. Methodologies defined for these surveys can be used later in all regions of Russia. Methodology for detecting non-typical units was developed and checked. The estimation of small areas is a difficult question, which requires further work.

Progress in the reliability of the observation of small enterprises is also expected from the SME census that was carried out in 2001.

5.3 Monitoring Individual entrepreneurs

Production of statistics on individual entrepreneurs is a brand new issue for Russian statistics. For their registration Goskomstat faces a number of organisational and methodological problems. Approximately only one individual entrepreneur out of four is registered in the State business register.

Goskomstat plans to carry out a census of individual entrepreneurs in 2003. In order to prepare for that and to set the methodological and logistical bases for their statistical observation, a specific TACIS project component has been carried out and successfully completed at the end of 2001. Work was conducted in two steps:

The Rostov territorial committee compiled a list of individual entrepreneurs in three municipalities, using notably data from various administrative sources.

A large scale pilot survey has been designed and completed in 3 districts of Rostov region; it also enabled, as a result of the survey, to acquire information about their economic activity.

These pilot experiences have allowed to progress in methodology for identification and statistical observation of individual entrepreneurs. They showed that improvements are still needed as regards quality of the list, contents of questionnaires for surveys and also exchange of information between administrations. They underline the importance of the legal basis to implement the census of individual entrepreneurs, in light of the relevant international experience.

6. OTHER STATISTICS

6.1. R&D and innovation Statistics

The Centre for Science and Research in Statistics (CSRS) of the Ministry of Industry, Science and Technology (MIST) is in charge of statistics on R&D and innovation in Russia. Along with providing traditional annual surveys in these areas, the CSRS launched a number of new methodological projects and pilot statistical surveys in 2001. Those activities were implemented in the framework of federal programmes and contracts with the MIST and Goskomstat. Some methodological activities, pilot surveys and publications were supported in the framework of the CSRS-Eurostat TACIS funded project on new areas for R&D and innovation statistics.

Methodological developments concerned in particular: the innovation survey in line with international CIS-III approach; biotechnology statistics; monitoring of intangible investments; revision of education statistics on the basis of OECD/Eurostat/Unesco standards; additional modules for the Labour Force survey.

Besides annual publications on R&D, innovation and education statistics, CSRS published results of pilot surveys on information technology and on technological innovation in industry and services. In addition, one of the most significant outcomes of the above-mentioned TACIS project was the joint Eurostat-CSRS publication "Science and Technology indicators in Russia and the European Union", which provides for a comprehensive comparison of S&T indicators.

Further developments are foreseen notably within a newly started TACIS cooperation project, under the concept of information society statistics. Methodological efforts will focus on pilot surveys on use of Internet and other global networks, organisational innovation and innovation in very small enterprises, development of a GIS for R&D and innovation statistics integrated with databases and statistical models.

6.2. Regional system of Statistical Indicators

Establishment of a universal regional system of statistical indicators is considered a key issue for the creation of a regional information-statistical model satisfying the needs of both federal and regional administrative organs. This concept was developed within a specific TACIS component, which involved the Goskomstat and six territorial committees.

Another objective was to harmonise statistics at international level particularly in the EU framework, statistics being produced and disseminated at a regional level with the help of the best modern means. An important deliverable is to inform the users on statistical data available, and provide the system of standardised indicators, efficient and confidential data capture, processing, dissemination and interpretation in clear, sound and integrated data production systems.

Some steps were taken into these directions. Regional experiences in compiling and disseminating regional indicators were exchanged. The system of socio-economic indicators developed by the Moscow Region Statistical Committee was considered very promising. This Committee concluded separate agreements on exchange of information with several regional and municipal authorities.

Work accomplished within the mentioned TACIS component can be considered as first stage in the establishment of the territorial information system in Russia.

6.3 Tourism statistics

This statistical field has been highlighted in the programme for development of statistics, prepared 2 years ago by Goskomstat for a period of 5 years.

Statistical supervision over hotels and similar establishments is carried out on a regular basis in annual, and since 2002 – in a quarterly mode. Data are collected about room numbers, beds & nights spent, quantity of tourists (selected by purposes of trip, duration of stay & country of arrival) turnover of the hotels, personnel employed etc.

A survey of tour firms will be conducted every two years since it was first completed in 2000. It was sent to all registered tour firms and has been received filled from 3000 of them, with a response rate of 70%.

A pilot survey was also undertaken in 2000, in the Saint-Petersburg region, in co-operation with and co-financed by Statistics Finland. It covered foreign tourist expenses in the region, on the basis of a Statistics Finland designed questionnaire, and the data was compared to the mirror Finnish data. The results of the survey were published in the journal "Questions of Statistics".

In 2001, a publication on Tourism in Russia was issued, it is a summary of statistical information published in various bulletins and journals.

There are links with the Central Bank of Russia, but it seems that the CBR methodology is simplified; the CBR data for Balance of Payments is checked and compared with Goskomstat data. In 2000, there was a 15% difference between both figures.

Under a new Tacis financed project, it is foreseen to set up satellite accounts on Tourism in Russia.

Furthermore, it is planned in 2002 to propose to define a Tourism sector in the Russian classification, in order to improve the understanding of the tourism activity in Russia.

Within the framework of bilateral co-operation between Goskomstat and Statistics Finland in 2002 the publication of statistical collection "Tourism in Russia & Finland" is planned.

7. CONCLUSIONS

The year 2001 has been the last year of implementation of the programme for the reform of State statistics, originally foreseen for the period 1997-2000. At the end of 2001 was adopted the new programme for the development of the State statistical system until 2005. The objectives of this programme have been defined in accordance with the medium-term programme for socio-economic development of Russia (2002-2004) and also with long-term prospects for socio-economic policy. The programme aims at further development of statistics in order to describe accurately the socio-economic situation of the country and to increase society confidence in official statistics. In building up this programme, Goskomstat claims to have used Eurostat recommendations on strategic planning. Goskomstat has decided to submit the programme to an international expertise, to be carried out within the World Bank funded project for the development of the statistical system (STASYS).

The legal basis of the Russian statistical system is not yet established. In 2001, a significant step has been the adoption of the framework law for the population census scheduled in October 2002. The statistical law is still missing. In 2001, the work organisation for preparing a new draft law has been settled. Goskomstat intends to set up a law compliant with Russian legal requirements and international guidelines. However, the final adoption of the law is not expected in the near future.

The lack of a proper legal basis is a handicap to guarantee confidentiality of individual information and to take effective protection measures, particularly in regions. Territorial committees still face demands from regional authorities to provide individual data on enterprises. At least the understanding of the problem has progressed throughout Russia, but the general implementation of practical measures to guarantee confidentiality will take time.

Goskomstat has started modernising the technical infrastructure of the statistical system. A big effort is to be put on improvement of the IT infrastructure, with the support of the World Bank loan. This will be coupled with a reform of the regional structure of the statistical system, which may lead to a strengthening of the central office and staff reductions in the regions, compensated by improved productivity and better communication networks. Renewal of staff is problematic: the low level of salaries in

public administrations does not allow for the easy recruitment of the necessary young qualified specialists, considering the differences in wages that are paid by the private sector. Increasing importance is given to training of staff. The STASYS project includes a wide range of training activities, both on managerial and statistical issues.

Progress has been made towards the introduction of European compatible classifications. At the end of 2001, the new classification of economic activities based on NACE was officially adopted by the State Committee on standardisation. It will be introduced into practice in the whole Russian economy at the beginning of 2003. This will have a big impact on all aspects of statistical work. From 2002 onwards, Goskomstat plans to carry on with the process of introducing new classifications in compliance with European standards.

Work is ongoing to improve the quality of the business register, at federal and regional level, and to develop its use for statistical purpose. Goskomstat has started developing the use of administrative sources to update the register, but inter-administrative coordination needs to be improved to that purpose. A lot of work has still to be made to identify properly local units and to integrate them into the statistical register. Therefore the setting-up of a unified system of registers in Russia can still be considered as a medium-term prospect.

In the coming years Goskomstat plans to carry out several wide-scale statistical operations: population census in 2002, census of individual entrepreneurs in 2003, economic census in 2005 and agricultural census in 2005-2006. These global observations of the Russian population and economy are expected to provide reliable pictures of the socio-economic situation in the country. Meanwhile big efforts are being made to develop sample surveys in various economic sectors. Improvement is expected, in particular, as regards statistical observation of small enterprises.

In recent years Goskomstat has put substantial efforts to develop dissemination of statistical information via an increasing use of electronic means of communication: Web site, production of CD-ROMs, development of user-friendly databases accessible to users via Internet. The exchange of statistical indicators between EU and Russia is working smoothly. Increased dialogue with users of statistics is also a clear orientation. Federal and regional users are consulted in the course of preparation of statistical programmes. Some reactions from users still show lack of confidence in official statistics, progress has to be made, in particular, to improve transparency of methodologies. Setting-up of a regular dialogue with users also includes the development of relations with media and regular monitoring of the demand for statistics notably through customer surveys.

In the process of reforming State statistics, Goskomstat benefits from technical assistance provided by various donors. Progress has already been made for introducing methods and practices compatible with European and international standards. Current co-operation programmes are focused on upgrading of the system of National Accounts and increased compliance with international standards and methodologies, as well as improved assessment of new sectors of the economy, such as services and information technology. A big effort is also being put to improve the quality of external trade statistics, which still show big discrepancies with EU data. Another area of potential improvement is still the measurement of non-observed economy. Further efforts should aim at improving the quality of statistics and their comparability with those of EU and other countries.

At the beginning of the 21st century Goskomstat has asserted the ambition for Russian statistics to progress towards compliance with European requirements, in relation with the strengthening of political and economic relations between EU and Russia. In this respect, an in-depth assessment of quality of Russian statistics and of their degree of compliance with European requirements would help clarify the strategy for the modernisation of the statistical system in the coming years and the definition of priorities for future cooperation.

8. ANNEXES

Annex 1: Administrative-territorial division of the Russian Federation on January 1st 1999

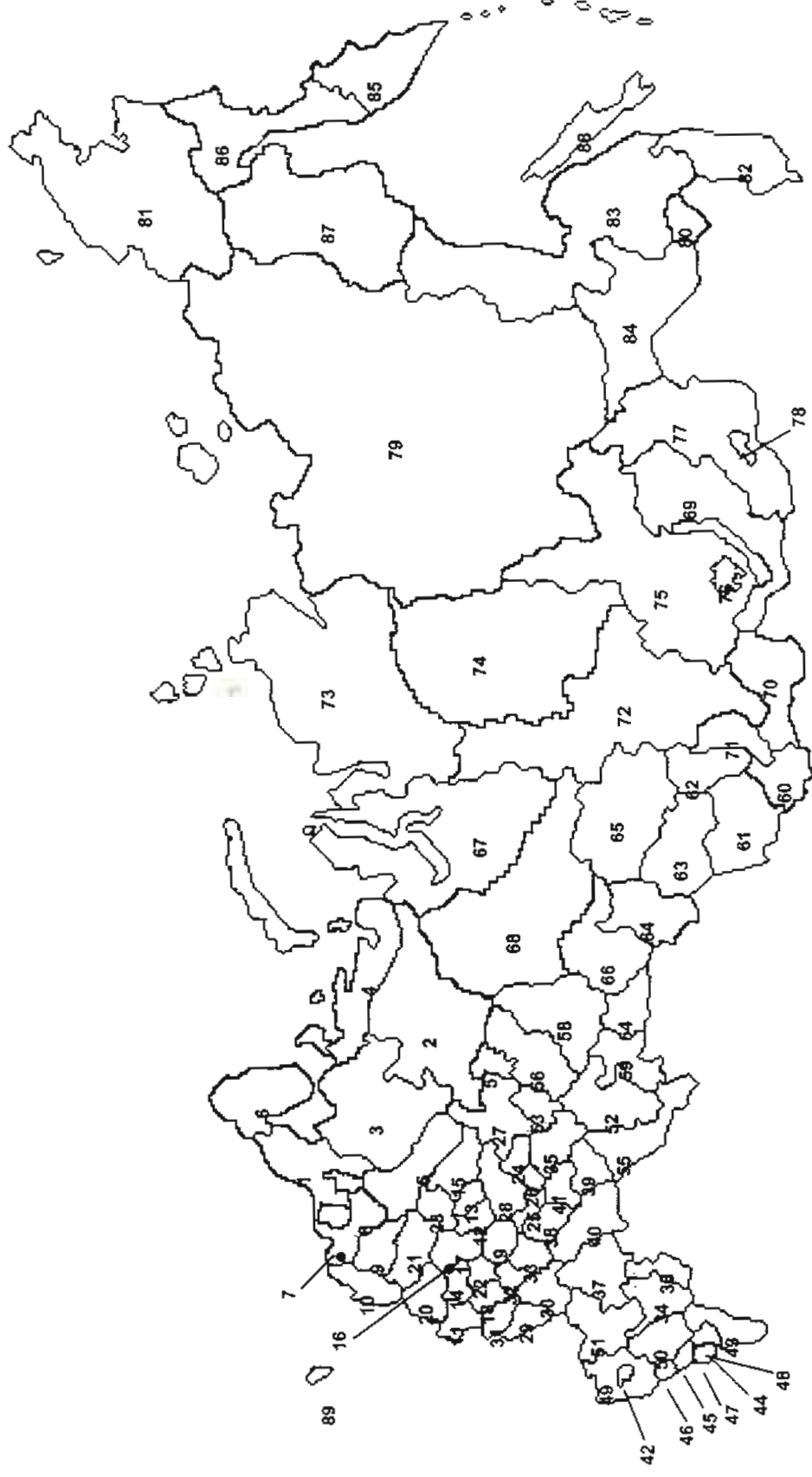
Annex 2: Scheme of the Statistical System

Annex 3: List of technical departments

Annex 4: List of publications

Annex 5: List of co-operation projects

Annex 1: ADMINISTRATIVE-TERRITORIAL DIVISION OF THE RUSSIAN FEDERATION on January 1st 1999



Northern region

- 1 - Republic of Karelia
2 - Republic of Komi
3 - Arkhangelsk region

18 - Orlov region

- 19 - Ryazan region
20 - Smolensk region
21 - Tver region

35 - Republic of Tatarstan

- 36 - Astrakhan region
37 - Volgograd region
38 - Penza region

53 - Republic of Udmurtiya

- 54 - Kurgan region
55 - Orenburg region
56 - Perm region

71 - Republic of Khakassiya

- 72 - Krasnoyarsky krai
Including:
73 - Taimyrsky (Dolgano-Nenetsky) autonomous

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- 4 - Including Nenetsky autonomous region
5 - Vologda region
6 - Murmansk region

22 - Tula region
23 - Yaroslavl region

Volgo-Vyatski region

24 - Republic of Mordovia

25 - Republic of Nizhny Novgorod

8 - Leningrad region

- 9 - Novgorod region
10 - Pskov region

Central region

- 11 - Bryansk region
12 - Vladimir region
13 - Ivanovo region
14 - Kaluga region
15 - Kostroma region
16 - city of Moscow

17 - Moscow region

- 39 - Samara region
40 - Saratov region
41 - Ulyanovsk region

North-Caucasian region

42 - Republic of Adyghea

26 - Republic of Chuvashiya

- 44 - Republic of Ingushetiya
45 - Republic of Kabardino-Balkariya
46 - Republic of Karachaevo-Cherkessiya

- 27 - Kirov region
28 - Nizhny Novgorod region

Central-Chernozemny region

- 29 - Belgorod region
30 - Voronezh region
31 - Kursk region
32 - Lipetsk region
33 - Tambov region

Povolzhsky region

34 - Republic of Kalmykia

- 57 - Including Komi-Permyatsky autonomous region
58 - Sverdlov region
59 - Chelyabinsk region

West-Siberian region

60 - Republic of Altai

43 - Republic of Dagestan

- 62 - Kemerovo region
63 - Novosibirsk region
64 - Omsk region

61 - Altaiysky krai

- 74 - Evenkiysky autonomous region
75 - Irkutsk region
76 - Including Ust-Ordynsky Buryatsky autonomous region
77 - Chita region

78 - Including Aginsky Buryatsky autonomous region

Far East region

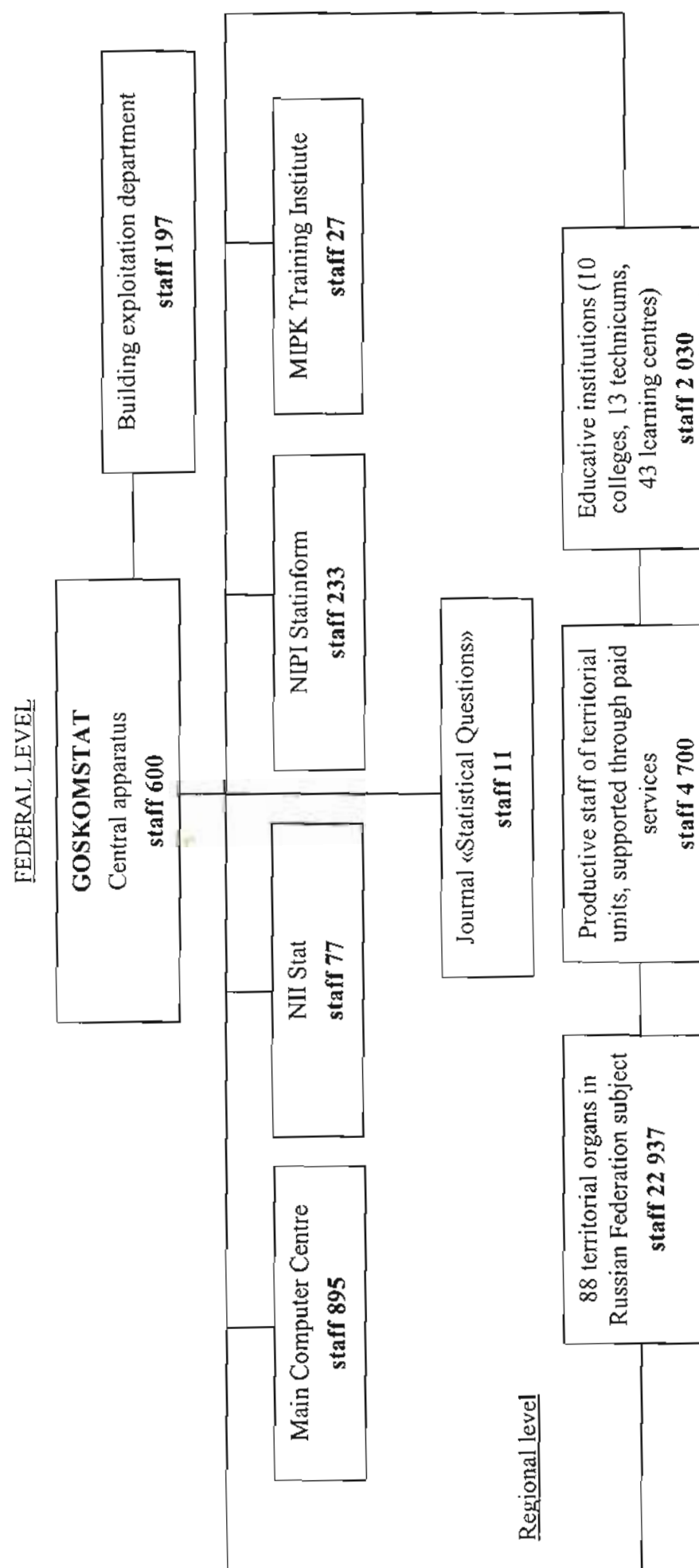
- 79 - Republic of Sakha (Yakutiya)
80 - Jewish autonomous region
81 - Chukotsky autonomous region

- 82 - Primorsky krai
83 - Khabarovsk krai
84 - Amur region
85 - Kamchatka region
86 - Including Koryaksky autonomous region
87 - Magadan region

East-Siberian region

- 69 - Republic of Buryatiya
70 - Republic of Tyva

Annex 2: Scheme of the Statistical System



Annex 3: List of technical departments

- 01 Department of statistical planning and organisation of statistical enquiries
- 02 National accounts
- 03 Enterprise statistics and structural enquiries
- 04 Department of aggregated information
- 05 Department of International statistics and technical co-operation
- 06 Statistics of living conditions and households surveys
- 07 Employment statistics
- 08 Population statistics and population census
- 09 Statistics of services, transport and communications
- 10 Investment and construction statistics
- 11 Internal and external trade
- 12 Environment and agriculture
- 13 Price and financial statistics
- 14 Financial and economic department
- 15 Department of state service, personnel and territorial organs
- 16 Administration
- 17 Department of Information technology
- 18 Department of production and technology
- 19 Department of data confidentiality
- 20 Department of special programs

Annex 4 List of 2001 official statistical publications

1. Periodical publications

Socio-economic situation of Russia- monthly
Information on Socio-economic situation of Russia (concise report)- monthly
Socio-economic situation of the federal super-regions ("okrugs")- quarterly
Current Statistical Survey (in Russian)- quarterly
Current Statistical Survey (in English)- quarterly
Statistical Bulletin- monthly
Questions of statistics - monthly

2. Statistical books

The Statistical Yearbook of Russia, 2001
Regions of Russia, 2001 (two volumes)
Russia in Figures , 2001 (in Russian)
Russia in Figures, 2001 (in English)
National Accounts of Russia for 1993-2000
Russia' 2001 pocketbook (in Russian)
Russia' 2001 pocketbook (in English)
Tables "expenditures and output"
Prices in Russia
Trade in Russia, 2001
Transport and communications in Russia, 2001
Agriculture in Russia
Farm-produce industry in Russia, 2001
Public health in Russia, 2001
Science in Russia, 2001
Protection of environment in Russia, 2001
Investments in Russia, 2001
Industry in Russia
Construction in Russia
Small businesses in Russia, 2001
Labour and employment in Russia, 2001
The Demographic Yearbook of Russia(Russian and English), 2001
Women and men in Russia
Social Status and Living Standard in Russia, 2001

Housing resources in Russia

Economic activity of the population (based on results of selected investigation)

Socio-economic situation in the regions of Russia

Russia and Countries of the World (Russian and English)

Belarus and Russia , 2001

Methodological guidelines for statistics (part 4)

The organisation of the State statistical system in Russia

Annex 5: List of international co-operation projects

Finland bilateral co-operation

A few actions took place in 2001 under a co-operation agreement, which targets the following priorities statistical areas:

- toxic waste: results of pilot survey was processed and discussed at the final seminar with participation of several North regional committees
- transport flows: discussion on the design and ways of implementation for the pilot survey was continued
- tourism statistics: coordination of the lay-out of the publication «Tourism in Russia and Finland»
- joint publication on the Barents region: preparations for 2nd publication «Regional aspects of cooperation»
- prices and finance statistics: detailed consultations on different aspects of these two issues
- dissemination: the seminar on Internet in statistics was held in Moscow.

Poland bilateral co-operation

First actions (NA, Labour statistics, statistical programming, Demography) within 2001-2002 Cooperation Plan were held in late 2001.

OECD

2000 Round of comparisons on PPP for CIS and Mongolia within the framework of ECP. In this activity, organized with technical and financial support by OECD, the Russian Federation (in cooperation with CIS-Stat) acts as coordinator for the comparisons for CIS and Mongolia.

Meeting on 2000 comparison round was held in Moscow surroundings.

Russian Federation also participate in 1999 and 2002 PPP OECD-Eurostat programme.

World Bank Loan, Project STASYS

World Bank project for the development of the statistical system (30 million US \$ loan over 2001-2004). The first tenders for the implementation of the STASYS project have been launched in early 2001.

1st stage of Vocational training of Russian statistical system specialists was organized in 2001. Training included a broad list of statistical areas:

- “The use of economical census, administrative registers data & other similar data bases for improving the accuracy & authenticity of the sample investigations’ results”;
- “Organization & realization of economical census & publication of its’ results”;
- “The development of the United State Register of Business & Organizations (EGRPO) & its statistical use”;
- “Statistical observation methods on the issues of salaries & labour expenses”;
- “Labour observation”;
- “Methodology of constructing actives’ and passives’ balances”;
- “Methodology of defining the cost of industrial & building output & account of physical volume indexes within these areas”;

- “Training program of the methodology of estimating the investments & account of physical volume index”;
- “Perfection of statistical observation of the retail trade at store, mixed & food markets”;
- “Methodology of constructing food balances in the EU countries”;
- “Official statistics & economical system. Managing strategy & ways of realization”.

World Bank Loan, Project Bureau of Economic Analysis, part C

Worldwide both independent and NSI experts consulted Russian statisticians on concrete actual statistical issues. A lot of special translations were made.

World Bank Loan, Project NOBUS

Mounting household survey in 2001.

UKRAINE

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Annexes

1 INSTITUTIONAL ASPECTS

1.1 Mission

The mission of the State Statistics Committee of Ukraine (SSCU) is the development of the statistical system of the country, including the following directions:

- determination of the state statistical policy,
- coordination of statistical activity in the country,
- collection, processing, storage, protection, dissemination, and analysis of statistical information,
- ensuring reliability and objectivity of statistical data,
- development, implementation and improvement of the statistical methodology,
- development, implementation and improvement of the system of statistical classifications,
- development and maintenance of the Single State Register of Enterprises and Organisations.

1.2 Structure and organisational aspects

- Internal organisation of the NSI

The statistical system is centralised and consists of three levels – central, regional (oblast) and local (rayon). The Central Office is SSCU that is located in the city of Kiev. The head of SSCU is the Chairman who has 4 Deputies responsible for different areas of the SSCU's activities. At present, the structure of SSCU consists of 21 departments, each including several divisions. The structure of SSCU is approved by the Chairman of SSCU.

Besides, SSCU incorporates the Research Institute of Statistics, the Institute of Statistics, Accounting and Audit, the State Agency for Dissemination of Statistical Information, and the Information and Publishing Centre. The organisational chart is given in Annex 1.

- Appointment procedures

Since 1997 the Central Statistical Office has a status of Committee. The President of Ukraine appoints and dismisses the Chairman of SSCU and his Deputies based on a proposal of the Prime Minister of Ukraine. The Chairman of SSCU is not a member of the Cabinet, but takes part in the Cabinet meetings as an observer.

- Regional structure

The second level of the statistical system consists of 28 regional statistical offices, including: the Main Inter-regional Statistical Office located in Kiev (former Computer Centre as reorganised in late 2000), the Main Statistical Office in the Autonomous Republic of Crimea, 24 oblast statistical offices, and the city statistical offices of Kiev and Sevastopol. The third level, i.e. local statistical offices, includes 587 statistical units of the rayon and town level.

All territorial (regional and local) statistical offices are financed from the SSCU budget. The territorial offices have the right to undertake extra statistical surveys under the request of the regional or local administration in case the latter provides funding of the surveys.

The Chairman of SSCU, in coordination with the regional administrations, appoints the heads of regional statistical offices. The latter, in their turn and in coordination with the local administrations, appoint the heads of town and rayon offices, which are under their respective

supervision. On average, 230 persons work in each regional office and 10 persons in each local office.

The level of equipment of the territorial offices is rather poor (see point 2.1).

The local offices are responsible for data collection and first data check. The regional offices aggregate data received from the local offices, input all the data into PCs and carry out a necessary logical check. The regional offices disseminate the aggregate data at the oblast level, do some analysis and submit the results obtained to the SSCU and to relevant administrative authorities.

- Scientific institutes

In 1969, under the Decree of the State Committee for Science and Technology of the Council of Ministers of USSR, the Ukrainian branch of the Research Institute of the CSO of USSR was established. The branches of the Research Institute of Statistics of CSO of USSR in the Ukraine and Latvia were its only territorial subdivisions. Since 1992, the Institute has become an independent institution, and is subordinated to SSCU.

The mission of the Research Institute of Statistics, as set by SSCU, is to investigate methodological solutions for a number of vital problems in the transformation process towards international standards under the conditions of the integration of the Ukraine into the world economy.

Nowadays, the staff of the Institute amounts to 150 persons, of which 10 are doctors of sciences and 28 - candidates of sciences. The Institute runs post-graduate courses, and is a leading research institution making expert examination of scientific dissertations in statistics, economic, and mathematical modelling. There are three territorial branches of the Institute located in Zhitomir, Lvov and Kharkov.

The Research Institute of Statistics implements the following activities:

- Development of specialised classifications
- Development and adaptation of statistical methodology (national accounts, non-observed economy, household surveys, agriculture, environment, etc...) and mathematical methods (sample surveys, ranking of enterprises and regions)
- Estimation and short-term forecasting of socio-economic indicators
- Developments concerning the Information Technology infrastructure.

SSCU together with the Research Institute of Statistics work on creation and adoption in the practice of new state statistical classifications and a system of automatic keeping the classifications, as well as on implementation of sample surveys.

Experts of the Research Institute are involved in conducting business tendency surveys based on the European harmonised questionnaires. The results of the questioning are regularly published in the OECD publication *Key Economic Indicators: Non-Members*.

Every year the Research Institute of Statistics holds scientific and practical conferences. It is a member of the International Statistical Institute and international association CIRET. It has its own web-site on the SSCU server: <http://www.ukrstat.gov.ua>.

The Research Institute of Statistics publishes quarterly the *Bulletin of Business Tendency of the Ukraine*, *Bulletin of the Survey of Business Activity of Ukrainian Enterprises*, *Journal Statistics of Ukraine*, and annually the collection of scientific studies *Problems of Statistics*.

- Organisation and working conditions

The building of SSCU was constructed in 1951. In 1987, a new part of the building was completed. SSCU occupies the whole building and has 219 offices located on six floors. Due to lack of finances only some offices were renovated during the last ten years. The heating system runs below full capacity. SSCU experiences problems connected with the payment of some infrastructure costs. There are no problems with electricity. Though, due to some technical reasons occasional cuts-off are possible. Salaries are paid in time. A special security is organised for the building. On average, three to four employees share one office. Heads of departments have separate offices. International phone calls are recommended to be made from the international relationship department.

In December 2000, SSCU was reorganised to incorporate the former Computer Centre together with its building, which is connected to the building of SSCU through passages.

1.3 Legal setting

- Law on statistics

The adoption in 1992 of the Law of Ukraine on State Statistics created a legal basis for the development of statistics and marked the beginning of the reform of the national statistics. The law covered basic provisions of independence of statistics and reorganisation of the statistical system towards the needs of a market-oriented economy. It also determined the responsibility of SSCU for organisation and functioning of the statistical system of the country as a whole and prevented other government authorities, legal entities and the public from intervention into the activities of SSCU.

In 1995 and 1997, two Presidential Decrees aiming at improved performance of SSCU were issued. The 1997 Decree on Measures to Develop the State Statistics was devoted to creation of a single system of accounting and statistics according to international standards and stipulated the task to develop a multi-annual programme of statistical reforms till the year 2002.

In 2000, the Parliament of Ukraine adopted the Law of Ukraine on Introduction of Amendments to the Law on State Statistics (No 1922-III of 13 July 2000). The draft law had been prepared by SSCU and discussed with all interested ministries and departments. While drafting the law, SSCU followed the UN fundamental principles of official statistics and took into account the model law drafted by Eurostat and effective legislative enactments of other countries. The final version of the Law was prepared in close co-operation with the IMF adviser and approved by the IMF Statistics Department and Eurostat. The Law came into force as of 1 January 2001.

- Other relevant administrative regulations

Besides the Law of Ukraine on State Statistics the statistical legislation also includes the Law of Ukraine on the All-Ukrainian Population Census and Amendments to the Code of Ukraine on Administrative Violations adopted in 2000. In addition, there are a number of normative and legal acts related to different statistical areas (e.g. national accounts, industry and transport statistics, etc.).

In connection with the adoption of the Law on State Statistics SSCU prepared a draft law on introduction of amendments to some legislative enactments. The bill was considered and approved by the Supreme Council on 7th of February 2002.

In compliance with the Law on State Statistics adopted in 2000, the State Statistics Committee drafted amendments to the Statute of SSCU stipulating to strengthen the role of SSCU in the system of executive power.

- Data confidentiality

SSCU acts in accordance with the international statistical standards on data confidentiality and makes every effort to strictly follow these standards. The Law on Statistics contains a separate chapter devoted to confidentiality of statistical data, which includes two clauses: the first imposes on SSCU the obligation to ensure confidentiality of individual data and the second specifies the statistical data to be disseminated.

The implementation of the confidentiality principle, which is defined by the Law on Statistics, creates some practical difficulties. There were several court trials in 2001 involving a regional statistical body versus some other administrations for non-provision of confidential data. Up to now the Courts have always supported the SSC. The origin of such misunderstandings is to be sought in the legislation of other administrations, which sometimes define the right for access to individual data from the SSCU. These difficulties are nowadays mainly with the Ministries of Defence and Security. In order to solve most of these contradictions, SSCU has introduced a new Law, which contains a list of amendments to other laws (see below).

- Registers

SSCU is responsible for keeping the Single State Register of Enterprises and Organisations of Ukraine and supervises organisational, methodological, normative and technological issues related to the creation and keeping of the register. The work is underway on improvement of the existing administrative register of enterprises with the purpose to expand its statistical functions and set up on its basis a statistical register to be used for constructing statistical samples and conducting sample surveys. The register does not contain individual data on natural persons.

There is no population register in the Ukraine. SSCU is now working on the development of a register of agricultural producers.

1.4 Relationship with Central and Local Governments

- Role of SSCU in the government

SSCU is an independent institution, which is not subordinated to any ministry or department. SSCU reports directly to the Cabinet of Ministers of Ukraine. Not being a Minister, the Chairman has the right to participate in the meetings of the Cabinet of Ministers.

SSCU is supposed to be the co-ordinator of the statistical system in the country, but inter-governmental communication still remains insufficient and needs to be further improved.

Some other ministries and executive authorities also implement various surveys having agreed with SSCU necessary reporting forms and instructions for completing those.

- Relations and links with ministries at central level

Within its responsibilities to provide statistical data for policy-making in different branches and to monitor its implementation, SSCU works in close co-operation with all state executive authorities providing them with statistical information and also receiving from them necessary administrative data.

Thus, under the agreement on information co-operation between SSCU and the State Customs Committee, the latter delivers to the statistical bodies primary monthly external trade data based on customs declarations. The Ministry of Fuel and Energy provides data on exports/imports of electricity, oil, and gas. Using data on exports/imports of goods and services, SSCU prepares and publishes a quarterly trade balance. SSCU delivers data on external trade of goods and services to the National Bank of Ukraine (NBU), which is responsible for the Balance of Payments. At the same time, SSCU uses data obtained from NBU to analyse the financial situation, as well as to compile national accounts and calculate indicators of money expenditures of the population.

Relations are also developed with the State Tax Administration, which allows executing data exchange and using the tax register information for statistical purposes.

SSCU submits on a regular basis to the Ministry of Labour and Social Policy of Ukraine a full set of data on labour and other relevant issues. The State Employment Services, in their turn, provide SSCU with information on employment and the number of unemployed.

The Ministry of Economy and European Integration of Ukraine gets numerous statistics developed by SSCU and uses these for data analysis and forecasting of trends of the socio-economic development.

Good contacts have been established with the Ministry of Internal Affairs (MIA), which were intensified recently in the course of preparing and conducting the All-Ukrainian Population Census. SSCU regularly receives from MIA data on crimes, offences, road accidents, etc. The procedure of providing SSCU with data on registration of cars is now under consideration.

SSCU gets data on execution of budgets at different levels from the Ministry of Finance of Ukraine and delivers, in its turn, aggregated business statistics, official releases of finance statistics, and other aggregated data. SSCU in co-ordination with the Ministry of Finance develops bookkeeping forms.

- Protection of the SSCU independence

In accordance with the law on statistics SSCU is independent from the government, political parties and organisations, as well as from private companies or persons. It has the right to determine the content of statistical data and choose statistical methods, data sources, dates of data release, and ways of data collection and dissemination. In all these areas the independence of SSCU is secured by the active legislation.

- Relations and links at regional level with Local Governments

Both regional and local statistical offices operate independently from the local governmental authorities and provide them on a continuous basis with free statistical information on the socio-economic situation of the region, which enables the latter to make adequate administrative decisions.

1.5 Relationship with users and dissemination policies

- Relationship with users

In accordance with the responsibilities imposed on SSCU to produce and disseminate objective, reliable and timely statistical information reflecting different processes of economic and social life in the country, statistical data are submitted to different groups of users like governmental

authorities, which form the largest group of users, as well as to scientific circles, research institutions, mass media and the public. The demand for statistical information constantly increases.

Aiming at training statistical users, SSCU has started to organise seminars on various statistical issues like national accounts, industry statistics and households surveys.

Each month SSCU prepares a report and statistical bulletin on the socio-economic situation in the Ukraine, as well as produces current statistical information. In 2000, SSCU issued 183 express releases, 159 economic reports, 98 statistical bulletins and 46 statistical publications (see the list of main publications in Annex 2).

All publications are issued in Ukrainian. There are several bilingual (English/Ukrainian) publications and some publications include a summary, table of contents, and table headings translated in English (e.g. *Statistical Yearbook, Ukraine in figures, Ukraine and CIS countries*). A joint publication *Ukraine and Germany* was issued in 2000 in Ukrainian and German, a joint SSCU/Eurostat statistical book *Ukraine and EU countries: facts and figures* in Ukrainian and English is being finalised. The insufficient amount of English publications limits their usefulness for international users.

Standard statistical products are provided to users on paper copies (which is the most popular form of presenting data) and in electronic form. Statistical data on CD have not been produced yet.

The address of the SSCU Web site is: <http://www.ukrstat.gov.ua>

- Dissemination and marketing policy

In August 1998, the Regulation on "Approval of the Regulation on Implementation of Statistical Works and Rendering Paid Services by State Statistical Bodies" was adopted by the Cabinet of Ministers of Ukraine. Following this Regulation, the program of statistical bodies activities in rendering paid services was elaborated within the framework of the TACIS project on data dissemination and approved by the Chairman in November 1998. The program covers basic aspects of statistical data dissemination among different users, key aspects of pricing policy, setting up of contractual work etc. Nowadays, the program is being revised and more comprehensive concept of SSCU marketing policy is being prepared.

In order to improve the dissemination of statistical information, the State Agency for Dissemination of Statistical Information has been established (SSCU Order of 19 April 2000). SSCU has delegated to the Agency its responsibilities on providing paid services in dissemination of information and selling statistical publications. The Agency is subordinated to SSCU and headed by a former Deputy Chairman of SSCU.

Over the recent years, the programme of publications has been expanded and their structure, contents and design have been improved. This has contributed to the intensification of relations with all kinds of users, but governmental authorities still remain the main users.

Information is disseminated in paper and electronic form. The Presidential Administration, Cabinet of Ministers, government executive bodies, and some international organisations receive statistical publications free of charge on a regular basis. Mailing lists are prepared for each publication produced. Since 1994, SSCU issues the Catalogue of Statistical Publications, which is distributed among different users.

- Relations with the press

Based on the overall dissemination policy and on agreements with the mass media, SSCU provides basic information to news agencies on a regular basis. There is a calendar for preparation and publishing of express releases and express reports based on which sensitive data are delivered to the general public through various media representatives (in 2001 to approximately 600 users).

Twice a week, users can visit SSCU to obtain official data they are interested in free of charge. Requests outside the Plan of State Statistical Observations requiring additional data to be prepared, are made on a commercial basis.

In the past press conferences practically were not organised. Under preparation and conduct of the All-Ukrainian population census two press-conferences were organized. Starting from 2002 it is planned to organize press-conferences once a quarter, but at least twice a year.

- Publication of sensitive data

Sensitive data are included in most publications. GDP data, unemployment and inflation rates are published monthly. All users get the information at the same time according to the dates fixed in the calendar.

- Monitoring the demand for statistics

A questionnaire concerning the quality of published data and user satisfaction was developed and distributed in 1999 to the different groups of statistical data users of official statistics. The feedback was taken into account to improve the satisfaction of SSCU users but there is still no regular monitoring of user needs and satisfaction.

1.6 Relationship with data suppliers

- Access to administrative sources

In accordance with the Law on State Statistics, SSCU is allowed to use the administrative sources for meeting the obligations imposed on it. The major administrative sources are as follows:

- Register of taxpayers of the State Tax Administration (used to set up a statistical register),
- Register of the State Committee on Regulatory Policy and Entrepreneurship (information of small businesses),
- Register of the State Employment Service of the Ministry of Labour and Social Policy (number of registered unemployment).

SSCU also receives administrative data from other ministries and departments that collect statistical information (National Bank, Ministry of Finance, Ministry of Labour and Social Policy, State Customs Inspection, Committee for Youth, Sports and Tourism, Ministry of Education and Science, State Tax Administration, Ministry of Agrarian Policy, State Committee for Land Resources, Treasury, etc).

- Relations with reporting units

SSCU collects information from economic entities and households. The response rate is rather good for the both types of reporting units.

The methodology department co-ordinates all the questionnaires for surveys to be conducted in different areas in order to reduce the burden on respondents and avoid overlapping of questions.

- Interviewer network

There are 510 interviewers in the whole country. For the labour force survey and newly established household budget survey a network of interviewers was set up, so that the same interviewers can be used for both surveys. Besides, this approach guarantees more effective training of interviewers. The same interviewers are involved in implementation of some other surveys, so they are hired by SSCU for the whole year and attracted for different surveys. The interviewers have the status of statistical office employees and are paid out of the central statistical budget.

1.7 Planning and programming

- Planning process

The planning process of statistical activities involves SSCU and other central government bodies, scientific research organisations, and users of statistical information. The former National Statistical Council attached to the President of Ukraine played in this area a key role, collecting ideas and requests for statistical information. After the abolishment of the Council new ways are used to involve some of the users in the planning process.

SSCU develops long-term statistical programmes covering five years, which define the strategy for developing state statistics taking into account both internal and external factors. The main objective of such programme is the reform of the statistical system. Therefore, in addition to SSCU, other ministries and departments, as well as scientific research institutes and higher educational establishments also take part in its drafting and implementation. The programme is elaborated based on a broad discussion within the statistical system itself at the central and local levels and also with all interested users outside the system.

Since the Ukraine gained independence in 1991, two such programmes have been drawn up. The first one covered the period from 1993 to 1997 and was aimed at the transition towards the international standards of accounting and statistics. The second programme for reforming the statistical system covers the period from 1998 to 2002. It was developed by SSCU and aimed at a comprehensive reform of the statistical system in accordance with international standards.

Stemming from the five-year programme, SSCU develops annual plans of statistical work. They include lists of surveys to be conducted, tasks to be performed, the methodology used, periods covered and reporting units involved. Other ministries implementing statistical surveys in the area of their competence also elaborate their annual plans based on the five-year programme.

All annual plans of different ministries are submitted for consideration to the Board of SSCU, which issues comments and recommendations. Previously all these plans were also discussed and approved by the National Statistical Council attached to the President of Ukraine. Financing of all these annual plans is provided by the State budget and other external sources. Financial resources are allocated directly to the ministries actually implementing the respective annual plans. SSCU gets the budget for its part of work.

The main problem associated with these annual plans is insufficient funds available each year. This results in the need to postpone deadlines for completing tasks and to change priorities. The priorities have then to be adapted to the available financial resources, which is certainly an obstacle for the whole planning process.

The long-term statistical programmes and annual statistical work plans are the basis for drafting programmes of co-operation with international organisations and statistical services of other countries.

- Adoption procedures

The process of formulating the annual statistical work plan comprises several stages. At first, the SSCU Commission on Improving the Existing Statistical Reporting Forms and Accounting Documentation takes decisions on changes in statistical reporting forms for the following year. This work is carried out by the staff of SSCU and also by representatives of territorial statistical offices. The Commission terminates its work in April and by August the drafting of the statistical work plan for the following year is completed. The content is approved by the main ministries interested in the plan - first and foremost- by the Ministry of Economy, Ministry of Finance, Ministry of Justice, and the National Bank. In August it is reviewed by the Board of SSCU. Finally, the Cabinet of Ministers of Ukraine approves the annual statistical work plan. The same procedure is applied to the long-term programme, which also needs to be approved by the Cabinet of Ministers.

- Scientific board/Advisory board

There are different boards in the statistical system with their own different tasks. The Methodological Commission, which is comprised of the staff of SSCU, decides upon the methodology used for statistical surveys. It also issues recommendations for the long-term programme and annual plans of statistical surveys.

The Board of SSCU comprises the top management and other executives of SSCU. It makes decisions on the development and implementation of the statistical policy and approves priorities of research statistical studies, etc. At the meetings of the SSCU Board, where the heads of the SSCU structural sub-units are invited, the long-term statistical programmes and annual statistical work plans are considered and adopted. The most urgent issues of the statistical development and the activity of the different bodies are also reviewed. The Board also adopts new methodological concepts.

Previously the National Statistical Council existed, which was attached to the President of Ukraine. It included representatives of various institutions involved in collection and use of statistical information. This Council has been abolished, like numerous other Councils to President, and its functions have not been taken over by any other institution so far.

- Reference to the list of surveys

All the surveys planned for the current year are mentioned in the annual work plan. Questionnaires and other statistical instruments for surveys are prepared by the appropriate departments of SSCU jointly with the Department of Methodology and Planning. They take into account recommendations of the SNA Department.

In some cases the draft questionnaires are agreed with the data suppliers, as well as with the main users (governmental authorities, banks, etc.). Usually new survey questionnaires are tested

through pilot surveys. Though SSCU does all in its power to reduce the number of surveys, they are still rather numerous.

1.8 Finance and budgeting

- National budget

In 2001, the budget of SSCU increased by 29.7% as compared to the budget for 2000. The main reason for this was the forthcoming population census and the budget increase was intended just for this purpose. In 2001, 91% of the budget was used for the operation of regional offices, in 2000, this figure stood at 92.5%. The structure of the 2001 total budget is as follows: 38.7% used for the staff salaries, 19.2% - for operational costs, and 42.1% - for funding statistical operations. The Draft Law of Ukraine on State Budget of Ukraine for 2002 provides for the reduction of the budgetary allocations to SSCU by 33.7% as compared to the previous year.

- Assistance received from bilateral and multilateral donors

SSCU is involved in international co-operation and receives technical assistance from various donors: EU TACIS Programme, international organisations (IMF, World Bank and UN organisations, OECD), and international development agencies (DFID, SIDA, CIDA, USAID). A summary of various co-operation projects implemented with other donors is listed in Annex 3.

More attention has to be given to the preparation of documents defining the contents and objectives of the Tacis programme. The absorption capacities and resources of the SSCU have to be taken into account more accurately when drafting new cooperation projects.

1.9 Staffing, staff recruitment and development

- Main characteristics of staff

Nearly 13000 people are employed by the state statistical system, of which 467 persons work at the SSCU Central Office, about 6500 in the regional statistical offices, and 5800 in the local offices. More than 90 % are women.

Salaries in the statistical system are relatively low compared to the commercial sector. Payment of salaries is done regularly. Because most employees have economical background, the general level of statistical knowledge is relatively high, though not totally up to date. This creates the necessity to permanently train the staff in order to improve their professional knowledge, especially in respect of new methods and international standards. The Kiev National Economic University is the main source of specialists in statistics. The annual number of newly hired specialists is on average 45 persons, while about 40 persons leave SSCU every year.

- Recruitment procedures

Recruitment of new specialists is organised according to the general rules for filling in vacancies and the law on state service. There is a vacancy competition commission headed by the Deputy Chairperson of SSCU. The Commission takes a decision on the qualification of an applicant for the position claimed. According to the Commission's decision a successful applicant is taken on the SSCU staff by a Chairman's Order.

This procedure is applied to the middle management and specialists of the SSCU Central Office, deputy heads of the regional statistical departments and specialists working at the regional and local levels.

The heads of organisations and institutions subordinated to SSCU (Research Institute of Statistics, Institute for training specialists in statistics and market issues), who work on a contractual basis, are appointed by the Chairman of SSCU after approval of candidacies by the SSCU Board.

- Management style

The management style has improved during the recent three years with the introduction of some kind of teamwork. Improvements in the relationships between statisticians and scientists, SSCU and statistical organisations and economic entities in implementation of joint projects have been outlined. Decision-making is still very centralised at the top level and therefore takes plenty of time, especially when it deals with the implementation of international projects. It is necessary, in view of human resources of SSCU, to improve the system of delegating authorities to the level of heads of departments.

- Language abilities

All official documents are to be prepared in the official language - Ukrainian. The level of knowledge of foreign languages - except Russian - is very low. Only a small number of employees speak other foreign languages like English, French or German, which makes international co-operation more complicated. Hence, it is necessary to pay more attention to improving language skills of the SSCU staff.

1.10 Training policy

- Training Plan

Training of statisticians is organised within the Institute for Statistics, Accounting and Audit of SSCU. The need of such training is obvious because 4200 staff members out of 13000 do not have statistical background. In 2000, the first group of specialists (32 persons) completed their training, in 2001 - 25 persons. Top and middle managers are trained at the Academy for Government Management under the President of Ukraine. Training for the regional offices is mainly organised by the SSCU specialists themselves.

In order to update the knowledge of the SSCU staff in international statistical methodology, a training centre on statistics was established in 1998 with the support of the TACIS Programme. A draft training strategy covering all training needs and defining different sources of financing has been developed in 2001. The document will be subject to further improvement.

In the previous years TACIS Programme has financed practical training seminars in various statistical fields and participation of Ukrainian experts in some TES courses.

Future assistance will focus on the training of trainers in various statistical areas. This process allows a multiplying effect of the training activity. Within the framework of the current TACIS Programme the training of experts in business statistics is planned, who will, in their turn, further train representatives of the territorial statistical offices. This strategy is a way to handle the problem of the great number of statisticians, in particular in the regions, to be trained or re-trained in the near future.

- Library

There are two libraries in SSCU.

A scientific library was founded in the 1950ies. Its stock includes 12000 books on economics, statistics, and other issues. The library is managed by one full-time librarian and equipped with one PC. There are no copying machine or Internet connections. Main users are the employees of SSCU and Research Institute of Statistics. Besides, the library is open for the persons having permits of the SSCU top management to use the library book stock. Basically, these are researchers and students.

The second library was established in 1995 within the Department of Statistics of Foreign Countries and International Co-operation of SSCU. Its stock numbers more than 2000 units, which are different publications, methodological documents, statistical yearbooks from 18 international organisations and 30 countries of the world, and other documents received from statistical organisations and offices abroad. About 200 new publications come in every year. The library is open for employees of the governmental authorities and research organisations. In 2001, the library furniture was changed within the framework of co-operation programme with Statistics Sweden, which is financed from the foundation SIDA.

1.11 Organisation of International Co-operation

- Existence of specialised department

SSCU has a special department responsible for co-ordination of international co-operation and technical assistance. It has 14 employees and is organised in three divisions: the Division of Statistics of Foreign Countries, the Division of International Co-operation, and the Protocol Division. Communication with the international partners is, basically, realised through the e-mail address of the Division of International Co-operation : zakordon@minstat.kiev.ua

The existence of various programmes and numerous donors requires proper co-ordination among all parties involved aiming at effective use of the assistance provided. The present situation in co-ordinating international co-operation has to be improved in terms of organisation and clear definition of responsibilities. This implies improvement in the reporting system (quality and timeliness), better organisation of joint projects, better monitoring of their implementation and better evaluation of the results achieved. Co-ordination of different donor's programmes needs to be improved as well.

Implementation of international co-operation between SSCU and statistical services of other countries is based on bilateral agreements and memoranda of understanding signed between the two parties:

- Poland - Agreement on Co-operation (signed 22 February 1994)
- Sweden - Memorandum of understanding (signed 6 July 1995)
- People's Republic of China - Agreement on Co-operation (signed 4 December 1995)
- Georgia - Agreement on Co-operation (signed in February 1997)
- Kyrgyzstan - Agreement on Co-operation (signed 16 October 1997)
- Russian Federation - Agreement on Co-operation (signed 23 December 1997)
- Bulgaria - Agreement on Co-operation (signed 24 March 1998)
- Uzbekistan - Agreement on Co-operation (signed 29 May 1999)
- Belarus - Agreement on Co-operation (signed 16 May 2000)

The Memorandum of understanding between Eurostat and SSCU on exchange of external trade statistical data was signed on December 10, 1999. Starting from the second half of the year 2001, the actual data exchange has been launched.

Some organisational changes are still needed regarding the international co-operation in SSCU. The distribution of responsibilities between two Deputy Chairmen requires better co-ordination of the co-operation programmes and their implementation.

2 STATISTICAL INFRASTRUCTURE

2.1 Information technology

- Architecture

In 1997, an institutional building loan was granted to the Government of Ukraine by the World Bank. Part of the loan was allocated to SSCU for reforming statistics and spent on acquiring computers and other equipment. During the five recent years a move from the mainframe environment to PCs and LANs has been accomplished. At present, the mainframes are out of service and statistical data are processed on PCs.

The operation systems used within SSCU are Windows 3.1, Windows 95/98/00, Windows NT and Novell.

In 2000, SSCU developed and got approved the Concept of Computerisation of Statistical Bodies of Ukraine, that determines main directions and goals of the development and use of modern information technologies. In the same year the Scientific and Technical Council on IT Issues was established, comprising the staff of the SSCU Department of Computerisation, representatives of the Main Inter-regional Department of Statistics in the city of Kiev and those of the Research Institute of Statistics to SSCU, which takes decisions regarding the directions of further development of Information Technologies.

Each SSCU department has its individual e-mail address and each head of department has his/her personal e-address.

- Level of equipment

The following table shows the current situation in the computerisation of SSCU

Level	Number of units	Number of statisticians	Number of computers	Statistician s per PC
SSCU	1	467	356	1.3
Regions (oblast)	28	6 499	1 500	4.3
Districts (rayon)	587*	5 842	845	6.9
Total	616	12 808	2 701	4.7

*) including 10 districts of Kiev city

76% of employees of the Central Office of SSCU are provided with personal computers. The availability of computers at the territorial level is still rather low. There data collection and processing are mostly carried out manually.

- Projects of development

The main elements of the future IT development are implementation and use of modern information technologies, soft- and hardware for automation of statistical data collection, processing, storage, and dissemination, and namely:

- creation and maintenance of statistical databases
- creation and maintenance of systems of long-term statistical data storage and ensuring the access to those
- electronic data collection
- improvement of the system of statistical data exchange among different levels of data processing
- use of statistical software packages
- statistical data dissemination through Internet
- ensuring data protection and confidentiality within the process of their automatic processing and storage
- ensuring efficient functioning of local area networks in the state statistical offices.

In order to implement this concept, SSCU will need technical assistance both in terms of equipment and expert recommendations, as well as in organising training of the staff in design and administration of local area networks, databases, data protection systems, and telecommunication networks.

Organisation of tenders within the Tacis framework have revealed to be rather complicated and lengthy due to an inadequate coordination of the concerned services. The organisation and management of tender procedures has to be improved.

2.2 Classifications

- Use of international nomenclatures

At present, 18 classifications are developed and recognised as state classifications in the Ukraine, of which 9 are harmonised with the relevant international analogues, i.e. the classification of economic activities (NACE, Rev.1), classification of products (CPA, PRODCOM), commodity nomenclature of external trade (HS), classification of occupations (ISCO-88), classification of currencies (ISO 4217-95), classification of countries of the world (ISO 3166-95), classification of buildings and constructions (CC), classification of diseases and causes of death (ICD-10).

The other classifications are national classifications of types of ownership; of organisational and legal forms of economic management; of administrative and territorial divisions of Ukraine; of wastes; of fixed assets, etc.

- Introduction into Questionnaires

During the period 1997-2000, SSCU has gradually introduced the Classification of Economic Activities (KVED) based on NACE into practice. Operating enterprises and organisations in the register were surveyed and re-coded, their main activity determined, reporting forms updated, and electronic data processing improved. Starting from 2001, statistical surveys have been organised, summary information produced, and statistical data published according to KVED. The second revision of the Classification of Economic Activities is now under preparation, which will take into account the most recent changes of NACE.

At the moment, the State Classification of Products and Services is being adapted for statistical purposes. A central statistical classification of products is being set up on the basis of CPA and also a nomenclature of products covering 7-8 thousand items on the basis of PRODCOM. These projects are planned to be finished in 2002.

Since 1 July 2001, the National Classification of Goods of External Economic Activity (UKTVED) has been adopted in the statistical practice, which is based on the 6 digits of the Harmonised Commodity Description and Coding System (1996 revision). The approval of the classification has been postponed several times due to the lack of the unified customs tariffs. The introduction of the classification in the middle of the year causes problems for the consolidation of statistical data of external trade and especially for the calculation of quarterly and annual value and volume indices.

At present, works are carried out on setting up a single automatic system of keeping classifications, which will allow to centralise the use of classifications in the branch data processing software packages and in the state and statistical registers and to build a system of inter-links among classifications, including relevant international classifications. It will make possible using the system for synchronising data and performing the retrospective analysis of statistical data.

2.3 Business register

- Description

The Single Register of Enterprises and Organisations of Ukraine, which is an administrative register, contains about 835000 units (legal entities and some of their local units, budgetary organisations, schools and the like), of which 787000 units are legal entities and 48000 units are local units. The register covers all legal entities, their structural subdivisions, representations, etc. Natural persons (individual entrepreneurs) are included in the register of natural persons kept by the tax administrations. The register identification code is unique for legal entities and their subdivisions within the whole information space of Ukraine and is used by all government authorities in their databases. All economic activities of enterprises and organisations in the register have been changed according to KVED (NACE).

Since 1998, the process of registration is organised in the following way: the "enterprise" gets registered in the regional administration where it is given a code. The local administration provides the regional statistical office with the registration details within 5-10 days. If the enterprise is going to open a bank account or complete its tax declaration, it needs a special confirmation from SSCU about its inclusion in the register. This means that the enterprise in any case has to apply to SSCU or to its regional office where it is coded by its economic activity. Each enterprise is given its identification code, which is unique and used by all governmental authorities. The register is stored and kept in the Computer Centre of SSCU.

The main shortcoming of the register is that natural persons are not included yet. Based on estimations, they number 1,5 mill. persons. At the same time, each quarter the Tax Administration submits to SSCU data on activities of natural persons engaged in entrepreneurial activity.

Setting up a statistical register is the responsibility of a new division specially created in the structure of SSCU.

- Updating strategy

A pilot survey took place in 2000, which covered 22000 enterprises and was intended to check the quality of information contained in the register. The survey included only state-owned enterprises and joint ventures with foreign capital. Not all questionnaires were returned. The main reason of non-response was that the legal addresses in many cases were different from the

actual location of enterprises. Among those returned and processed questionnaires, discrepancies were found in more than one third of the enterprises. Most discrepancies occurred in the number of subdivisions, names and economic activities harmonised with KVED. The information on the discrepancies requiring re-registration of the enterprises and also information about changes in addresses was forwarded to the registration authorities.

The register is updated on the basis of data obtained from the pilot survey, from the structural business surveys and from the Tax Administration. The statistical office is also in charge of collecting all the primary annual and quarterly reports from enterprises, which constitutes another source of updating the register content.

- Use for statistical purpose

With the purpose of a better control of the register, a statistical register is being set up on the basis of the administrative register. SSCU has prepared the Concept of Statistical Register, the Regulation on Procedures of Forming a Population for Statistical Surveys, as well as methodological notes on the change of main activity. At present, a separate server is put into operation and connected to the SSCU network, which provides an access for the branch statistical departments with the purpose of making the population for statistical surveys. Besides, the work is carried out to form the population of statistical units for co-ordination of statistical observations.

3 ECONOMIC, FINANCIAL AND TRADE STATISTICS

3.1 National Accounts

The Department of National Accounts is staffed with 34 persons and equipped with 28 PCs, of which 19 are connected to the network of SSCU and 5 are networked in the LAN of the department.

The National Accounts of Ukraine are based on the SNA 93. Since 1989, SSCU has been compiling all accounts, except the financial account, for 25 branches and 5 sectors of the national economy (financial corporations, non-financial corporations, households, non-profit institutions serving households, general government) using old classification of branches of national economy. All the accounts are calculated at current prices and at prices of the previous year. There is no base year to make comparisons. First preliminary annual GDP data are published in February of the following year, final results are published 14 months after the reporting period.

All three methods are used for the GDP calculations, the production and expenditure approaches being more reliable.

Quarterly accounts are compiled 90 days after the reporting period using again all the three methods. They are available for all 25 branches. Data are calculated at current prices and at prices of the respective quarter of the previous year.

On the request of the government with the purpose of monitoring economic performance of the country, SSCU makes monthly GDP estimations. Despite the IMF recommendations, the government has declined the requests from SSCU to stop compiling monthly GDP data. So, SSCU provides monthly GDP estimation every 15th working day after the reporting period. Monthly GDP is computed based on the production indices of the branches, for quarterly GDP

data sources are more numerous (business statistics, BoP data, banking statistics, data from the Ministry of Finances and other governmental authorities).

The Department of National Accounts closely co-operates with the Main Department of Business Statistics: it regularly receives business statistics data for compiling national accounts, and in its turn, continuously informs them of the data needed and invites them to take part in seminars on methodological problems held by the IMF, OECD and World Bank.

An Input-Output-Table is compiled every year covering 20 branches and 13 sub-branches of the industry sector. At present, it is planned to extend works on compiling the Input-Output-Table and setting up the Supply-Use-Table.

Work on regional accounts has started with calculating the value added by region. The total of regions does not give the country total, as certain data are not available at the regional level (e.g. data on defence expenditures, the Parliament spending at the regional level, etc).

Starting from 2001, national accounts have been compiled using the new classification KVED. Annual national accounts for 2000 are compiled in accordance with the two classifications, which will allow making the retrospective calculations. Quarterly calculations are carried out based on both the production and income methods and cover 10 economic activities (based on KVED).

Much work has been done on co-ordination of the state budget indicators and SNA categories.

Aiming at setting up a legal basis for compiling the national accounts, as well as at creation of a comprehensive and well-arranged system of collection, processing and submission of the SNA indicators, the Regulation of the Cabinet of Ministers of Ukraine "On compiling national accounts of Ukraine" has been drafted, which determines the dates and procedures for the central executive authorities, National Bank, and enterprises to provide SSCU with information necessary for compiling national accounts and making short-term GDP estimations.

Within the TACIS project some work has been started on macro-economic analysis, which could replace the monthly GDP data once some forecasts would be available (maximum for 2 quarters). This component is also used for improving the quality of NA data.

At present, the major goals of compiling NA are as follows:

- improve the quality of all basic data
- check the content, definitions and concept of all indicators aiming at harmonisation
- put all classifications for NA into a system
- define the base year for constant prices and calculate the indicators accordingly (1997 could be the base year)
- compile the financial account
- improve regional accounts.

3.2 Estimation of Non-Observed Economy

The non-observed economy is at a very high level and not taken into consideration in a proper way. It is considered to be 20% of GDP. Estimates are made for each branch based on the ratio of production and consumption, which then are used to measure the non-observed economy. SSCU together with the Research Institute of Statistics develops methodological recommendations on measuring the non-observed economy in selected branches (industry, construction, transport, trade).

Within the framework of the TACIS programme, the co-operation with the CSO of Poland is focused on using and integrating different data sources (LFS, HBS, structural survey etc) for required adjustments. The tables for making adjustments of non-observed economy in the household sector are compiled using household survey data. Methodology for measuring non-official employment is under preparation.

While making GDP estimates using production and income methods, the output, intermediate consumption and labour costs data are corrected so that to cover non-observed economy. Also some corrections are made in separate items of household final consumption.

3.3 External Trade Statistics

There are 14 employees in the Department of External Trade Statistics and each has a separate PC. 11 computers with 1,1 GB memory were paid from the credit of the World Bank.

Improvement of external trade statistics is of utmost importance for Ukraine. This covers the introduction of international classifications, adaptation of the methodology, and mirror exercises with major trade partners.

The department works with one monthly and four quarterly reporting forms. Since 1997, SSCU also receives on a monthly basis in electronic form all primary data based on customs declarations from the State Customs Service of Ukraine. SSCU receives as well information on exports/imports of electricity, oil, and gas from the Ministry of Fuel and Energy of Ukraine.

The information collected from the Customs Committee, the Ministry of Fuel and Energy, and business reports form the basis for the register of enterprises involved in the external trade activities. The register contains data on 26000 importing enterprises and 20000 exporting enterprises. Each quarter SSCU enters in the register data on investment companies and enterprises engaged in foreign trade services. The values are estimated based on a daily exchange rate provided by the National Bank.

In the process of producing external trade statistics international classifications of countries and currencies are used. The 1992 version of the Harmonised System (HS) has been introduced from April 1995, which is why the year 1996 is considered as a base year. Starting from 1 July 2001, the National Classification of Goods of External Economic Activity (UKTVED) has been introduced in the statistical practice. It is based on the 1996 version of the HS. There is no plan to adopt an Ukrainian version of the 2002 revision of the HS.

The Department of External Trade Statistics undertakes international comparisons at the level of 4 digits of the HS. To make comparisons with trade partners, a methodology of mirror statistics of visible trade was developed and approved inside SSCU. The mirror exercises were carried out with Hungary, Uzbekistan, Kazakhstan, Belarus, Russia, United Kingdom, Bulgaria, and Poland. Further mirror exercises at the level of 6 digits are planned with United Kingdom and Poland.

At present, value and volume indices are being calculated based on the 2000 data. SSCU has developed a methodology to compute indices on the basis of annual data. The methodology has been prepared and the software is under development for calculating quarterly value and volume indices. At present, the development of the methodology is under way to calculate terms of trade indices, with the relative software being planned to get prepared in the coming year.

Some work has been done within the external trade in services. In accordance with the IMF advice, in 1994 a statistical form on exports/imports was elaborated. Based on international recommendations and KVED, the classification of services of external economic activity was

introduced in 1998. Some difficulties exist in obtaining data from foreign embassies and representations.

After the study visit to the United Kingdom organised in April 2001, the SSCU started the work on improving the coverage of enterprises involved in external trade in services. The State Committee for Tourism's register of licences for rendering tourism services and the Transport Ministry's list of licenses for rendering international transport services assisted statistical bodies in identifying the legal persons involved in external trade in service, which resulted in a better coverage of these enterprises. The quality of data on services of hotels, air and sea transport, and construction has been tested; the list of reporting enterprises is now under updating. The SSCU faces certain difficulties in obtaining data on financial services from the National bank. Another major problem is lack of coverage of natural persons involved in providing external services, first of all it concerns such areas as tourism and construction.

4 POPULATION AND SOCIAL CONDITIONS

4.1 Demographic Statistics

The All-Ukrainian Population Census, which had initially been planned for January 1999, has been organised between 5-14 December 2001. The previous population census took place in 1989.

In the course of the preparatory stage the state statistical bodies together with other performers (20 government executive authorities) have implemented a huge package of organisational and methodological measures, specifically, creation of a legislative basis: adoption of the Law of the Ukraine on the All-Ukrainian Population Census and relevant regulatory acts of the Cabinet of Ministers of Ukraine; establishment of the Inter-departmental Census Promotion Commission under the Cabinet of Ministers; development of the census methodology and its practical approval within the 1997 pilot census; recruiting and training of 250 000 temporary census personnel, publicity campaign, testing of the hard- and software intended to process the census data, etc. In the course of preparation and conduct of the census, the state statistical bodies have gained much experience that will be used for further censuses and other statistical observations.

The Census programme was prepared in line with UNSD recommendations for Census taking and covers the following information, like household composition, age, sex, date of birth, family status, ethnic origin, citizenship education, income sources, employment, of household members, language issue, household living conditions, migration activity etc. Census questionnaires were filled in by enumerators based on the information provided by residents without presenting supporting documents. The population were counted by the place of their actual residence, even temporal. The census moment was fixed at midnight from 4 to 5 December 2001. In order to count the population who did not want to allow enumerators to visit their place of residences special permanent and temporal counting points have been established. During the course of census taking about 5,5 thousand basic census divisions, 40 thousand instructors and 170 thousand counting points were operating. Also 150 census divisions, over 3 thousand instructors points and above 22 thousand counting points have been set up in the institutional establishments (children houses, boarding schools, hospitals, hotels, sanatoriums etc). The census instruments have been filled in for 48,86 millions persons (including permanent and available population). Preparation and taking of population census were funded mainly from the Government budget (over 93%), 5.6% - allocations from the local budgets and about 0.5% - donors assistance. The first results of the census are scheduled to be available at the end of the year 2002, the final results - in the beginning of the year 2004.

Current demographic statistics on births, deaths, marriages, divorces and the like are collected from the Ministry of Justice and the Ministry of Interior. At present, there are difficulties in data collection on migration, especially it concerns migration to the CIS countries. Aiming at obtaining more reliable data, SSCU intends to implement sample surveys at the airports and border check points. This is a very expensive exercise and it will be rather difficult to collect reliable data because of a huge number of border check points in the country and numerous places where the border can be crossed without registration. In future it is planned to introduce so-called migration cards, but they will be applied only to those entering/leaving the country with visas. The current estimations show that this category only makes 1/3 of the migrating population.

So far, there is no population register in the Ukraine in spite of the order to create it. Till now the Constitution prohibits collecting data on individual persons without their consents to do so (Paragraph 32). Another paragraph limits the possibility to visit people at home for collecting data. Adding a special chapter to the law on the population census has solved these problems. A concept of demographic statistics for the country has still to be developed.

4.2 Social Statistics

Aiming at strengthening the social trend of the reforms in the Ukraine, a number of strategic state social programmes have been approved, with monitoring of their implementation being carried out by the state statistical bodies. In accordance with the goals of social policy, the social statistics is being reformed with the purpose to create an information basis for monitoring the social sphere. The programmes requiring continuous statistical observation include: Long-term programme of improving the status of women, family, and mother and child protection; National programme of family planning; National programme "Children of Ukraine"; Programme of housing subsidies, the concept of the National programme of village revival for 1995-2005.

In the framework of a joint project with ILO named "Development of indicators of socio-economic protection of the population of Ukraine", SSCU conducted two sample surveys on the flexibility of the labour policy and socio-economic protection of the population. These surveys should serve to monitor the state social policy and better understand the changes that have taken place.

Aiming at monitoring the socio-economic situation in the rural areas of Ukraine, exhaustive surveys were held in 1991, 1996 and as of 01.01.2001. Taking into account a number of recent amendments to the laws related to the development of the rural socio-economic sphere, new items were added to the survey questionnaire. The results of the last survey cover data on allocation of land shares among the population, more detailed data on employment and unemployment, especially among the younger population, and data on labour migration.

Taking into account both international and national experience, SSCU has developed a system of indicators characterising the living standards of the population of the country and of its selected groups, that are published in a special edition *Social Indicators of the Living Standards of the Population*.

4.3 Labour Force Statistics

The Labour Statistics Department employs 19 personnel. Each working place is equipped with PC. The department consists of three divisions that carry out surveys in the following areas: employment statistics (6 regular employees), wages statistics (7 regular employees), one-shot labour surveys (4 regular employees).

In 1999, for both the labour force survey (LFS) and the newly established household budget survey, a sample of households was made and a panel network of interviewers established, so that the same interviewers could be used for both surveys. In the course of the project the results of the LFS were checked by the Finnish experts, which contributed to the improvement of the data quality. By the end of the project, the publication on the 1999-2000 results titled *Economic Activity of the Population of Ukraine* was issued, the English version of which being planned for publication in late 2001.

In 2001, the department was involved in developing 2 monthly, 3 quarterly, and 3 annual centralised statistical reporting forms, one of which was intended for the quarterly labour force survey. Besides, the department uses data of the State Employment Centre of the Ministry of Labour and Social policy of Ukraine.

For quarterly surveys of economic activity of the population (LFS) in all regions of the country 31,7 thousand households is selected with 25% rotation. In 2000, the participation rate of selected households came to average 71,6%. The total number of households involved in LFS in 2000 amounted to 90,8 thousand. 196 thousand interviews were arranged in those households.

The labour statistics covers the following areas: average wage rate, timeliness in wage payment, working hours, job entrants and job leavers, labour conditions, strikes, and numbers of selected categories of employees. These surveys cover all enterprises with more than 50 employees, both private and public (about 70 thousand entities).

The surveys of labour cost and structure of earnings were implemented in co-operation with INSEE, France. SSCU has been undertaking the labour cost survey since 1995. Before 2000, this sample survey was limited to the industry sector only. In 2000, within the framework of the TACIS Programme, the first large-scale sample survey of labour cost of enterprises (structural units) was conducted. 12,7 thousand enterprises with 10 and more employees were covered, which represented 72,2 thousand entities. The plan of the survey was prepared and the results were processed in accordance with the international standards and requirements of Eurostat for the coverage of economic activities and the number of employees, as well as for the information basis of the survey.

As for the structure of earnings survey, SSCU, following the requirements of Eurostat, prepared in 2001 a sample frame and developed the methodology for its implementation. Some enterprises were selected for a pilot survey which took place from June to September 2001 in 4 regions of the country at 2600 enterprises covering 35000 employees. The results of the pilot survey are planned to be used for its adoption in the regular statistical practice and for publication.

There is also a progress in the use of international standard classifications. Within business surveys, KVED (NACE) was used in 2001 in parallel with the national classification and, starting from 2002, all labour statistics data will be processed in compliance with KVED. At the same time, within the pilot survey of the wage earnings the classification ISCO was used for the first time in the national statistical practice. In LFS both KVED and ISCO are used.

Supported by ILO, the SSCU also surveys the labour market and its flexibility. In addition to statistical issues, such surveys include a number of questions of social character aiming at investigating the level of social protection of employees. ILO renders assistance in training the staff of regional offices, which is very important in a field like labour statistics. Another field of co-operation with ILO is children's work, where assistance was provided by colleagues from Portugal.

SSCU is quite active in training data users explaining them concepts behind various indicators. Close co-operation with the Ministry of Labour and its local offices and also with trade unions is established.

4.4 Household budget survey

Before 1998, a family budget survey was conducted on a regular basis. However, due to certain shortcomings of the survey that became obvious in the period of changing the economic situation in the country, a new survey of the living standards of households was introduced from 1 January 1999 as supported by the World Bank. The basic shortcomings of the former family budget survey concerned mainly the methodology of the survey, quality of the sample, system of indicators and the burden on the families.

With the new household survey some quite new principles have been introduced at all stages of the survey: selection of households to be surveyed, data collection, spreading data obtained over the general population, and a new system of indicators. The new survey has been set up in full conformity with internationally accepted standards:

- minimal burden on respondents (households)
- recording the consumption within a short period because habits of people do not change very often
- voluntary consent of a respondent to participate in the survey, which makes data obtained more reliable
- use of area and probability sampling to build a network of households for the survey (PPS principle)
- rotation of respondents

During the year 2000, 12367 addresses were selected and 9318 households actually participated in the survey (75.3% of effective sample, i.e. excluding non-residential buildings). Certain categories of households, like in similar surveys conducted in other countries, are not included in the sample (homeless, inmates of hospitals and prisons, and military service-men). The sample changes completely annually.

Data are collected by regional statistical offices through the network of interviewers that are the employees of those offices. In the regional offices data are entered in personal computers and coded. All further processing (correction, imputation of missing data, aggregation, spreading over the general population, i.e. total population of the Ukraine) are carried out at the central level.

The sample survey of living standards of households includes three constituent parts using different instruments to obtain information: collection of household data of general character, quarterly observation of household incomes and expenditures, one-time subject querying. The following instruments are used in the survey: a weekly diary to record current expenditures, quarterly questionnaire, and one-time forms. During each quarter the households fill in two weekly diaries and then are visited for interview. For some quarterly interviews additional questionnaires, i.e. one-time forms, are also used.

Based on the results of the survey, analytical reports, statistical books and bulletins (of which by regions), and also data microfiles are prepared.

To further develop the project it is planned to introduce additional modules on daily consumption and time use. The introduction of the modules will require a consultative and technical support. Also very urgent is the necessity of using mathematical and statistical

methods to improve the representation of data for small territories, which will require additional resources for the software development, acquisition of additional hardware, and advisory assistance.

5 BUSINESS STATISTICS

In view of the transition process a reorganisation of SSCU has taken place recently. Business statistics are now incorporated under the responsibility of one SSCU department. A separate department for registers and classifications was also established, as well as one for data publications and dissemination. Service statistics are concentrated now within one department except for those related to transport, trade, and science.

A new project has been introduced by SSCU to tackle the problems of business statistics in an integrated way. That concerns mainly structural surveys, introduction of classifications, links between business statistics and national accounts. A unified questionnaire has been introduced for annual structural surveys of all enterprises in different branches of the economy, based on which structural surveys have been undertaken since 1997. Starting from 1998, the structural surveys have been conducted in accordance with KVED (NACE). The results obtained are used for updating the register EGRPOU.

So far only full coverage surveys have been conducted but it is planned to change this practice. Aiming at reducing the burden on small businesses, a methodology of implementation of a sample structural survey for this category of enterprises and processing of its results was developed and tested in industry and construction. At present, the work is under way to extend the survey to small businesses in all activities.

The quality of the business register is a serious problem for the business statistics department. First samples were drawn from the register and adapted to the reality by the regional offices. The same is true for the introduction of international classifications, which has an effect on both short-term and structural statistics. The transfer of know-how in the main directions is practically finished and now problems associated with its implementation will occur. The crucial problem concerns the technical infrastructure and the lack of a network connected to the regional offices and even inside SSCU.

Another problem to be tackled is the study of the structure of the economy in accordance with the KVED classification based on the structural survey results.

5.1 Industrial statistics

The Industry Statistics Department includes 28 personnel and 20 PCs. The department uses one monthly and 13 annual reporting forms. Data are collected from enterprises by mail.

The reporting forms meet the SNA requirements. Since 2001, data have been collected according to KVED. The monthly survey covers about 10000 industrial entities with more than 50 employees.

In the field of industry statistics both short-term and structural surveys are conducted. All reporting forms have been reviewed to avoid overlapping of questions. The project with DESTATIS (Germany) appeared to be very valuable in this context. The methodology of calculating the physical volume index of production has been developed and harmonised with the European methodology. First experimental calculations have been carried out. In 1999, SSCU made an attempt to calculate the value added for 27 regions.

Major problems cover the quality of the register, which is the basis for the surveys, as well as the use of the old classification of products. There are also problems to define the weights inside the value added when calculating it by regions. Other difficulties concern the calculation of incoming orders and of the turnover of the sector.

Data are published in the monthly bulletin *Socio-economic Situation in Ukraine*, quarterly bulletin *Industry*, and annual *Statistical Yearbook*. In addition to these publications, there is a special information note prepared for the Ministry of Economy, Cabinet of Ministers and the President Administration.

5.2 Construction Statistics

The Department of Construction and Investment Statistics is staffed with 24 persons and has 20 PCs available within the department. The following areas are surveyed in the department: statistics of construction activity and construction enterprises (7 personnel), capital investment statistics (4 personnel), statistics of foreign investments and fixed assets (6 personnel), statistics of science and innovations (5 personnel).

The department processes one monthly, 12 quarterly, and 17 annual forms. Data are collected from enterprises by mail. The forms meet the SNA requirements. Construction enterprises are surveyed following KVED. The monthly exhaustive survey covers about 7000 units.

There is close co-operation with the Ministry of Construction, Architecture and Housing Policy and the Ministry of Economy and European Integration.

A number of indicators of the construction sector are already available like the physical volume index and the index of incoming construction orders. A pilot calculation of the physical volume index based on the number of hours worked is being implemented. A national version of the classification of types of buildings and constructions harmonised with Classification of Types of Construction has been developed by SSCU and approved by the State Committee for Standards. Aiming to switch over the project-by-project records based on construction permits, two reporting forms have been drafted and used in 2001 for the pilot surveys of customer-organisations.

The main problem is surveying all builders, who are mainly individual entrepreneurs. Problems still awaiting a solution are the inclusion of research and development statistics into at least the structural survey, the treatment of investment statistics and regular surveys covering all construction activities.

Data are published in monthly and quarterly bulletins and in the annual *Statistical Yearbook*. In addition to these publications, a special information note is prepared for the Cabinet of Ministers, President Administration, and Ministry of Economy and European Integration.

5.3 Retail and Wholesale Trade Statistics

In the Retail Trade Division 8 people work and each working place is equipped with PC.

The division uses two monthly, one quarterly, two annual reporting forms, and prepares a one-time survey. There are 23,4 thousand retail trade enterprises, nearly 5 thousand restaurants, and 15,8 thousand other enterprises involved in retail trade and public catering. Among retail enterprises and restaurants more than 70% are small and medium businesses (under 15 employees). The classification of enterprises is similar to the national classification of activities based on NACE. In addition to this, 2.5 thousand consumer markets are also surveyed. Data are

published in the SSCU monthly bulletins, quarterly bulletins *Retail trade and public catering*, and in the *Statistical Yearbook*.

The Wholesale Trade Statistics Division numbers 7 people and has 7 PCs available. Besides, the division is responsible for the areas of energy statistics, consumption of capital goods, transactions with precious metals and stones, and industrial wastes. For wholesale trade, the division uses one quarterly and one annual forms. There are about 4400 state wholesale enterprises and more than 32000 small and medium private companies (with less than 15 employees). The classification of enterprises is KVED, which is based on NACE.

SSCU successfully co-operated with DESTATIS (Germany) in both retail and wholesale trade. Retail trade is one of the sectors where sample surveys were firstly implemented. This was necessitated by the situation in the country as the structure of the sector and the number of enterprises, especially small ones, had changed radically during the recent years. So far, samples have been only introduced into monthly surveys.

In 1996, a census of retail enterprises was carried out. All enterprises were covered by the census that, according to the register, had trade as their main or secondary activity. The latter makes 30% of the production value of the sector, therefore it was important to include all of them. Public catering enterprises were also covered. The census provided a basis for the further introduction of sample surveys in subsequent years. First, a pilot survey was organised where the sample was tested. Afterwards, during the 2nd half of 1999, the sample survey and the exhaustive survey were carried out at the same time. Problems of discrepancies in the results were partly solved and from 2000 onwards the monthly surveys have become sample surveys.

For the wholesale trade the first exhaustive survey was implemented in October 1999, where the main activity was classified in accordance with KVED. Again, enterprises declaring wholesale trade as their secondary activity were included in the survey as far as SSCU was informed about them. Starting from 2000, quarterly surveys have been introduced in the sector of wholesale trade and monthly and annual surveys are planned to be implemented in 2002.

In future, special attention will be attached to the reform of the wholesale trade statistics. This sector is still underdeveloped in the Ukraine. Therefore, it is necessary to thoroughly study the concepts, definitions and methods of such surveys.

Another problem that is not solved yet for both kinds of trade is the problem of specialisation of enterprises and emergence of trade transactions that are completely new in the Ukraine. SSCU experiences difficulties with the survey of the trade of some specific products like cars and gas.

5.4 Transport and Communications Statistics

The number of personnel of the Transport and Communications Statistics Department is 7. Each working place is equipped with a PC. The department uses 7 monthly, 11 quarterly, and 9 annual forms. Data are collected from enterprises by mail. The enterprises are classified according to KVED.

All surveys are exhaustive. The methodology and definitions of economic indicators conform to the Glossary on Transport Statistics and regulatory documents of Ukraine on transport and communications. During the recent years the system of transport and communications indicators and the methodology of statistical observation has been updated almost completely.

Relations exist with the Ministry of Transport and the Ministry of Internal Affairs (State Road Inspection). However, there is no mechanism regulating the inter-departmental relations. Responsibilities are not properly distributed among different government departments, which

requires further agreement upon the differentiation of competence of various administrations. At present, the State Road Inspection (service of traffic control of MIA) delivers to SSCU data on road accidents, but there is no agreed procedure of obtaining data on the car registration. SSCU also gets from the State Customs data on transportation of exports, imports and transit goods by country of destination/origin, kind of goods, and mode of transport.

The major statistical problem of this sector is the road transport because recently a huge number of transport enterprises have been set up and to survey these, sample methods are needed. SSCU has recently undertaken some steps in this direction. A sample survey of transportation of passengers by minibuses owned by small businesses has been introduced since 1999. In 2000, a survey of natural persons involved in transportation of passengers was launched, and also a survey of commercial road transportation of cargoes as ancillary activity of non-transport enterprises was conducted. In 2001, within the framework of the TACIS Programme, a sample statistical observation of road transportation of cargoes in the city of Kiev was undertaken.

Other fields of transport are covered by surveys rather well, like the water transport where both physical and value indicators are compiled. The same is true for the railway and air transport. For the railway transport monthly and quarterly data are available, which are obtained from administrative sources.

Statistical data on communications are compiled distributed by kind of services, volume of services delivered to enterprises and the population, means of communication available, and number of telephone subscribers. Data are collected on a monthly and quarterly basis. In this sector only about 500 enterprises exist so far, which makes it rather easy for SSCU to collect data. However, with the growing number of enterprises in future, SSCU will also have to change the methods and concepts used in this field.

5.5 Service statistics

The Department of Statistics of Services and Social Programmes employs 26 personnel and has 20 PCs. Here 3 monthly, 1 quarterly, and 35 annual reporting forms are processed. There are near 52000 enterprises of all kinds of ownership and about 18000 small private companies (under 10 employees).

Data are published in the SSCU monthly bulletins, in the *Statistical Yearbook*, and in subject statistical books and bulletins. In addition to these publications a special information note is delivered to the Ministry of Economy and Ministry of Finance.

Within the framework of the TACIS Programme SSCU co-operates with the DESTATIS (Germany) in the field of service statistics aiming to develop the service statistics in accordance with international standards as an integral part of the business statistics for the needs of national accounts and economic analysis of services in the country.

Since 2001, SSCU has been developing the service statistics in view of the SNA requirements and Council Regulation (EC) No 1165/98 of 19 May 1998 on conjuncture statistical surveys. The Concept of Service Statistics has been developed, which was considered at the SSCU Board and left for finalisation. Indicators of the financial market services are included in the annual structural surveys. The work has been launched in the short-term statistics area aiming at the creation of a system of service statistics indicators and implementation of the corresponding surveys.

In August 2001, the first pilot survey in the field of service statistics with the purpose of testing new instruments was undertaken. The main activity was classified in accordance with KVED.

The survey covered those enterprises where, by information of SSCU, rendering services was their main activity. New annual and monthly surveys are to be introduced in the service statistics starting from the 2001 annual report and the January 2002 monthly report.

6 AGRICULTURAL STATISTICS

The Agricultural Statistics Department is composed of 25 people and has 19 PCs available, of which 14 are connected within a LAN.

At the end of 1999, the President of Ukraine approved a programme of privatisation in the agricultural sector. The programme is intended to change the structure of the sector through the transition from large farms towards smaller ones based on private land ownership. The country numbers near 60000 agricultural enterprises, of which 41000 are private farms. Out of the total number, 12000 enterprises are large farms, which are surveyed regularly.

At present, SSCU produces monthly and annual statistics. To that aim, the department uses 10 monthly, 5 quarterly, 1 semi-annual, and 30 annual reporting forms. Data are collected from enterprises by mail. Surveys of agricultural enterprises are exhaustive and surveys of households are made on a sample basis. During a year, about 16000 agricultural enterprises respond to monthly and quarterly questionnaires and 60000 agricultural producers respond to annual forms. Starting from September 2000, 28,7 thousand agricultural households (0,4%) are surveyed on a monthly basis with the purpose of observing their agricultural activity.

With the new structure of the sector the respective statistical system has also to be changed. SSCU has developed a strategy to adapt the system to the new circumstances. The most difficult problem will be to cover all small holdings, both garden plots and true family farms. The first step in applying the new system will be the development of a register of all agricultural producers, including legal units and natural persons. The main burden in collecting the necessary information for the register will be placed on the regional offices. They will have to record the demographic events of new enterprises and all other changes. In principle, such monitoring is already the responsibility of the regional offices, but all the information they have only exists on hard copies. Therefore, this task will rather refer to improvement of the technical infrastructure, which is insufficiently developed in the regions. Tasks connected with the creation of the register of agricultural producers are considered within the framework of the TACIS Statistics 4 Programme.

The second major problem that SSCU faces in the sector is connected with structural and short-term statistics. The existing surveys are oriented towards selected products and so far there is no unified approach to these surveys. The institutional approach has not been introduced yet. Therefore, the system as a whole needs to be reformed. SSCU does not intend to carry out an agricultural census in near future. FAO requests will be responded with the information obtained from regular statistical reporting forms.

In the near future SSCU will concentrate its surveys on the pure agricultural enterprises. The latter will be the biggest problem and most likely additional estimations will be needed. Data on these enterprises will come from the following sources: censuses of selected agricultural products conducted in different areas, sample surveys of the harvest, various administrative sources, information from village councils and from various sample household surveys covering selected products.

At present, some data on prices of sold agricultural products are also collected. Mainly, these are producer's prices that are realised while selling the products for the first time, be it on the

market or to employees of farms. These prices are collected on a monthly basis. Once a year more detailed information on producer's prices is collected. Information on prices realised by individual farmers is collected from the enterprises purchasing products directly from households, but this only covers very few products. Data on agricultural produce prices needed for the CPI calculations are collected in SSCU by the Price Statistics Department.

The Agricultural Statistics Department also provides some source data for GDP estimations. Agricultural output is calculated at the 1996 prices, at current prices, and at prices of the previous year, while the intermediate consumption is estimated at current prices and prices of the previous year.

Food balances are calculated for the country as a whole, including the production of households, private farmers, agricultural enterprises, and exports/imports.

7 OTHER STATISTICS

7.1 Regional Statistics

In August 2001, within the structure of SSCU the Department of Regional Statistics was set up. The department is staffed with 8 persons. There are 4 personal computers in the department, of which two are connected to the LAN.

The main tasks of the department are as follows:

- develop the methodology and create an integrated system of regional statistics indicators aiming at producing reliable data on the capacity, trends and mechanism of development of regions of Ukraine in the current period;
- develop methodological and methodical documents related to the comprehensive approach to the inter-regional comparisons;
- supervise the activity of territorial statistical offices in areas concerning summary statistical analysis, statistical information, and data publishing.

In order to perform its functional duties, the department co-operates with the Ministry of Economy, research institutions, territorial statistical bodies in the areas related to the development of the methodology of elaborating criteria to classify territories by their socio-economic situation, including depressed territories and those in crisis.

Within the framework of the TACIS Programme, a component on organisation of regional statistics was jointly developed with DESTATIS (Germany). It is implemented now by SSCU and the Lvov oblast statistical office. The Lvov office is involved in the development of a catalogue of basic statistic indicators and of functioning principles of databases of regional statistical indicators.

8 CONCLUSIONS

The State Statistics Committee of Ukraine (SSCU) possesses a proper statistical legislation. The new Law of Ukraine on Introduction of Amendments to the Law of Ukraine on State Statistics, as adopted in June 2000, is based on the UN fundamental principals of official statistics. It took a rather long time to get the new law approved by the Parliament although it reflects the requirements of the European model law and covers the independence of SSCU and the confidentiality principles. The confidentiality principle is not always observed in the practice

and may be violated when the governmental authorities request individual data for administrative purposes. Further improvement of the statistical legislation should be focused on harmonising with other effective laws in the context of amendments introduced to the Law on Statistics.

The statistical system consists of three levels - the Central office, regional offices, and local statistical units, and also includes some functional statistical bodies like the Research Institute of Statistics and others. Regional statistical offices are responsible for data collection, checking and transmission to SSCU, as well as for dissemination of these data at the territorial level.

SSCU is financed out of the state budget. The financial resources allocated are intended for implementing the annual programme of state statistical surveys. To introduce new statistical methods and adapt international standards, the attraction of external funds and corresponding technical assistance programmes is needed. SSCU endeavours to enlarge its activities through introduction of paid services.

SSCU gradually improves its user orientation. It has started to organise seminars on various statistical issues like national accounts, industry statistics and households surveys. The government remains the main user, but other groups of users are also more involved in the statistical programming and the monitoring of the demand for statistical information. Step by step, the content and subjects of publications get improved, the number of publications available for users grows. Annually a catalogue of the SSCU statistical publications is issued, providing users with the information on future issues. With the establishment of the State Agency for Statistical Data Dissemination, that is subordinated to SSCU, the work in this field has been improved. First steps have been undertaken to use electronic dissemination channels. A marketing policy is being developed. In future, more attention should be paid to other users, than the government, both in monitoring the demand for information and in disseminating data.

Programming of statistical activities takes into account various demands coming from the government and other users. This is co-ordinated by the Department of Methodology and Planning of SSCU and via inter-departmental consultations. This approach is specifically important for the five-year programmes to be approved by the Cabinet of Ministers of Ukraine. Annual plans are derived from the long-term programme and approved by the Cabinet of Ministers after broad discussion with all ministries and departments included in the statistical system of the country. However, there are also a number of other statistical surveys implemented by other ministries and government institutions and a new mechanism to co-ordinate these works has to be found after the National Statistical Council attached to the President of Ukraine has been abolished. The Board of SSCU plays a certain role in this aspect, but it needs to be strengthened if the Council is not replaced by another institution. The most crucial problem of the annual plans is their permanent under-financing from the state budget. This seriously hampers the planning process and affects its efficiency in terms of setting clear objectives to be reached within the planning horizon.

SSCU is supposed to be the co-ordinator of the statistical system in Ukraine. Co-ordination is mainly done by the Board of SSCU, where the SSCU staff and experts of research organisations are represented. SSCU has also access to registers and other administrative sources. However, due to a generally weak inter-governmental communication and co-operation, the co-ordinating role of SSCU has still to be strengthened.

Almost 13000 people are employed in the state statistical system in total, of which around 467 persons work in the Central Office, 6500 at the regional level, and 5800 at the local level. This number has been considerably reduced over the recent couple of years. The total staff number is

rather high as compared to other statistical offices in the Central and Eastern Europe, but this is linked to the inadequate infrastructure in the territorial offices, which requires more human resources to process data. The turnover of staff is relatively low. Reduction of the number of personnel in the state statistical bodies will be only possible after the necessary technical infrastructure has been created. So far, its level is rather low, especially in regions. To improve the quality of data collection and transmission, more close communication between the regional and central levels is needed.

A staff training strategy needs to be adopted and implemented by SSCU in order to increase knowledge of statistical know-how and language capacities. The implementation of training of trainers in various statistical areas should be broadened as it is a way to handle the problem of the great number of statisticians, in particular in the regions, to be trained or re-trained in the near future. Some team work has been introduced over the recent couple of years, however, the decision making process is still centralised in SSCU. The increase of the delegation of authority to the level of heads of departments and of team work would facilitate the implementation of the various tasks within SSCU, including co-operation programmes.

Other infrastructure elements, like the statistical business register and classifications, are not fully in place yet. The administrative register exists but it needs to be transformed into a statistical one. This process has been lasting for a couple of years and hampers the introduction of new data collection methods in the area of business statistics. Updating of the register information is also done without a real strategy behind and the quality of the register information needs to be improved considerably. The most important European business classifications like NACE, CPA and PRODCOM have been translated and adapted to the Ukrainian conditions. Starting from 2001, the classification of economic activities (KVED) based on NACE has been used for statistical surveys, whereas CPA and PRODCOM are being introduced gradually. Since 1 July 2001, the Ukrainian Classification of Goods of External Economic Activity (UKTVED) based on the 1996 version of HS has been introduced in the external trade statistics. There is no plan to adopt an Ukrainian version of the 2002 revision of the HS.

Good progress can be reported in the general theoretical knowledge of European standards and concepts among the staff of SSCU. In most fields of business statistics the acquired knowledge is used in practice and structural and short-term statistics have been introduced. Social statistics are also rather developed, mainly it concerns the household budget and labour force surveys. Sampling is already used in the practice and a basic set of data is available. There is some progress in the National Accounts, but in this area further improvement in concepts and data quality is still needed. In future further attention should be paid to the following areas: coverage and quality of the business register, development of information technologies, service and transport statistics, improvement of the quality of statistical data.

ANNEXES

- Annex 1:** Chart of the SSCU organisational structure
Annex 2: List of main publications
Annex 3: List of co-operation projects

as of 1 January 2002

STRUCTURE OF THE STATE STATISTICS COMMITTEE OF UKRAINE

Chairman Oleksandr G. Osaulenko		Deputy Yuri M. Ostapchuk	
Department for personnel and training institutions Ivan K. Popovychenko - Personnel division - Division of training institutions		Institute for Training in Statistics, accounting and audit of the SSCU Katerina M. Shishkina Deputy	
Department of statistics of foreign countries and international cooperation Natalia S. Vlasenko Deputy	Department of statistics of foreign countries Irina A. Kuzmina - Division of international cooperation - Division of protocol	Department of labour statistics Nadia V. Grygorovych - Division of consolidated works and online surveys - Division of wage and salary statistics - Division of employment statistics - Division of services statistics and social programs Irina V. Kalachova - Division of consolidated works and business tendency surveys in sector of services - Division of statistics of not market services - Division of monitoring of social programs and one-off surveys - Division of transport statistics and communications	Financial management department Tetyana V. Sorokina - Consolidated division of budgetary expenditures - Division of incomes and expenditures of special funds - Division for purchases and rate setting - Department of accounting and reporting Marina A. Gushchenko - Division of material value and of financial reporting - Division of labor remuneration and other calculations - Control and audit division Tamara V. Gogutsi - Administration department - Division for record keeping and control - Division for business services and labor protection - Division for procurement - Legal division Oksana G. Pysozka - Department of informational services Felix V. Vasilevsky - Division of informational technologies and databases - Division of computing networks and telecommunication systems
Department of consolidated information Pavlo P. Zairodsky - Division of consolidated works - Division of statistical information - Department of methodology and planning Raisa V. Povelko - Division for method of statistical observations - Division of statistical classifications - Division of statistical register - Division of organisation and planning of statistical recording	Department of regional statistics - Division of methodology of regional statistics - Division of organisation of statistical activity in the regions - Department of national accounts Irina M. Nizhynska - Division of consolidated national accounts - Division of short-term compilation of the GDP - Division of consumption and accumulation accounts - Division of production and generation of income accounts - Division of input-output tables - Department of finance statistics Irina M. Zhuk - Division of statistics of government finance, money and credit system - Division of statistics of finance of enterprises and organisations - Division of statistics of market conversion	Department of trade statistics Galina S. Popelova - Division of consolidated works and wholesale trade statistics - Division of retail trade and public catering statistics - Division of statistics of commodity market - Department of trade statistics Svetlana V. Chornyshewa - Division of consolidated works and statistics of foreign trade in goods - Division of statistics of foreign trade in services - Department of price statistics Olena M. Dragovoz - Division of consolidated works and international comparisons - Division of consumer price statistics - Division of producer price statistics	Main interregional statistics department in Kyiv city Nikolai N. Sidorenko Information and Publishing Center Vasili A. Goryainov

Scientific Research Institute of Statistics
Vladimir I. Karpov

Annex 2: List of main publications

- 1) **General Statistics**
 - *Statistical Yearbook 2000* – 600 pages, in Ukrainian. The methodological notes, contents, and titles of tables are translated in English
 - *Ukraine in figures 2000*. Pocket statistical yearbook – 250 pages, in Ukrainian. Contents and titles of tables are translated in English
 - *Ukraine 2000*. Booklet in Ukrainian, Russian and English
 - *Implementation of the programme on elimination of the Chernobyl accident aftermath*
 - *Ukraine and CIS countries*
- 2) **Economy and Finances**
 - *National accounts of Ukraine for 1999*
 - *Gross value added by regions for 1996-1999*
 - *Finances in Ukraine*
 - *Consumer price indices*
- 3) **Population and Social Conditions**
 - *Population of Ukraine*
 - *Children, women and families*
 - *Expenditures and incomes of households of Ukraine*
 - *Economic activity of the population of Ukraine*
 - *Consumption of basic food products by the population of Ukraine*
 - *Labour in Ukraine*
 - *Employment of children in Ukraine* – in Ukrainian, Russian and English
 - *Social indicators of the living standards in Ukraine*
- 4) **Industry, Trade and Services**
 - *Industry of Ukraine in 1995-2000*
 - *Retail trade of Ukraine*
 - *Construction in Ukraine*
 - *Transport and communications of Ukraine*
 - *External trade in goods and services* – three volumes
- 5) **Agriculture and Fisheries**
 - *Agriculture of Ukraine* – in Ukrainian and English
- 6) **Environment, Sciences and Technology**
 - *Environment*
 - *Scientific and innovation activity in Ukraine*

Annex 3: List of co-operation projects

Assistance received from bilateral and multilateral donors

IMF – The IMF Statistics Department works with the SSCU, National Bank, Ministry of Finance and other Ukrainian institutions. Technical assistance is provided through the IMF Multi-sector Resident Statistical Adviser working in the Ukraine since 1994 and through technical missions. The technical assistance focuses mainly on money and banking statistics, balance of payments, national accounts, in particular, quarterly and annual accounts in current and comparable prices, as well as on price and government finance statistics. Also under consideration are such areas as data dissemination standards, statistical legislation, training and co-ordination of co-operation with other international organisations and between SSCU and other Ukrainian governmental authorities. IMF rendered assistance in implementation of the methodology for calculating the consumer price index and physical index of production. The SSCU staff attends the training courses organised by the IMF Institute and JVI. At present, the Ukraine is getting prepared to join the IMF Special Data Dissemination Standard.

World Bank – Within the framework of the WB Institutional Building Loan SSCU has received technical and financial assistance from WB during the period 1995-1998. The credit for statistics amounted to USD 8.6 mill. It was used for equipment and computerisation of the SSCU Central Office, consulting services on creation of external trade statistics, legislation issues, household budget survey, NA compilation and input-output tables. In 1998, WB granted USD 50000 for implementing a newly introduced HBS. The grant was used for consultations on the methodology of the new annual household budget survey, development of the software for data entry, meetings with regional offices, and training of interviewers to carry out the pilot HB survey.

In 1998, SSCU received a Japanese grant for preparing the draft strategy of the reform of the Ukrainian statistical system, which is to be implemented under the WB Institutional Building Loan and deals with issues of institutional development in the Ukraine.

OECD – Since 1991, the OECD has provided significant assistance in the area of national accounts. During 1993-1998, a series of seminars and OECD missions were arranged, which facilitated the SSCU staff mastering the theory of national accounts, its implementation in practice and adoption of the SNA methodology. Currently there is a quarterly exchange of information between OECD and SSCU on main short-term economic indicators. Within the implementation of the International Comparison Programme (PPP) Ukraine was included into OECD group of countries in 1999. Technical assistance from OECD is also provided through participation of the SSCU specialists in the OECD seminars organised for some groups of countries mainly on the national accounts issues.

ILO – Assistance in the reforming and improving labour statistics is provided by the ILO Bureau of Statistics under the trilateral Memorandum between the ILO Bureau of Statistics, Ministry of Statistics and Ministry of Labour signed in November 1991. The ILO assistance has enabled the SSCU developing and implementing the Ukrainian labour force survey (LFS). The first annual survey was launched in 1995. Since 1999, SSCU has moved to a quarterly LFS based on the ILO methodology. Nowadays co-operation with

ILO covers the following directions: improvement of LFS, assistance in measuring employment in the informal sector of economy, children's labour surveying, monitoring and assessing social security in the Ukraine, including the Ukrainian Enterprise Labour Flexibility Survey.

UN - SSCU receives technical assistance from and co-operates with different UN organisations, like UNICEF, UNDP, UNESCO, UNFPA, UNECE, through participation in special training workshops and seminars, getting methodological papers, joint implementation of some projects, and data exchange. UNSD and UNFPA provide technical assistance to the Ukraine in preparing the forthcoming population census.

DFID - (Know-How Fund). Statistical co-operation under KHF was launched in 1992. In the course of the first and second co-operation programmes technical assistance covered the following areas: statistical issues (sampling and seasonal adjustment techniques, consulting on fishery and construction statistics, electronic data transmission), English language courses, and the census project. The new project includes three components: social statistics, strategic management, and methodology and training.

Statistics Sweden - Co-operation with the Statistics Sweden has being implemented since 1995 and funded by the Swedish International Development Co-operation Agency, SIDA. The basis of co-operation is the Memorandum of Understanding between the Ministry of Statistics of Ukraine and the International Consulting Office of the Statistics Sweden signed on July 6, 1995. At the moment, the third co-operation programme is under implementation. SIDA allocated SEK 8 mill. to implement the programme.

The two previous programmes, 1995-1996 and 1997- 1998 (SEK 1175000) covered the following areas: research and statistical methods, demography and population census, administrative and management issues, and statistical publications. Among the results of these programmes the following can be mentioned: business tendency surveys have been implemented into practice, the statistical publication *Ukraine and other countries* has been issued, the results of the pilot population survey have been processed using scanners, etc.

The third programme, which is under way, started in 1999 and covered the following areas: demographic statistics, including the mortality statistics, and move to ICD-10, statistical libraries, gender statistics; business tendency surveys, energy statistics, some aspects of education statistics, household budgets surveys, commercial activities of statistical institutions.

USAID - While implementing a new quarterly household budget survey, SSCU got technical assistance from USAID. USAID funded the consulting firm PADKO to assist SSCU in preparing the questionnaire and survey instruments, purchased SPSS and held training courses.

Canada - Within the framework of the Canadian Bureau of International Education projects financed by the Canadian International Development Agency (CIDA) Statistics Canada provided in 1996 technical assistance to SSCU in the two following areas: preparation of the population census and improvement of national accounts through setting up the Ukrainian NA database on the basis of FAME software application.