Summary

In line with the development of European statistics, Bosnia and Herzegovina (BiH) as a one of developing country is trying to keep up with European standards. Consequently, the Agency for Statistics of BiH, as well as statistical institutions at the national level, making a huge efforts to make their work comply with the rules, regulations and good practices of EU member states.

The statistical system of Bosnia and Herzegovina is organized in accordance with the complex administrative structure. It consists of: Agency for Statistics of BiH at the state level, including Branch Office in District Brčko and two institutes at the entity level: Federal Office of Statistics of Bosnia and Herzegovina and Institute of Statistics of Republika Srpska.

Statistical Business Register BiH is kept and maintained by the Agency for Statistics of BiH in cooperation with two entity statistical institutes on the basis of administrative registers, other administrative sources and statistical surveys. Due to specific of the state and administrative organization, SBR staff makes special efforts to respond on the needs of statistical production as well as at the state and at the European level. SBR BiH covers essential units and their characteristics to serve as backbone in statistical production. The influence of globalization imposes more extensive coverage of statistical units and the connections between them. In view of that SBR BiH has many limitations with access on basic information on the one hand and requirements of European legislation on the other.

SBR has been in use since 2009 and statistical institutions are constantly working to improve data quality, the further harmonization of the methodology of keeping, updating and processing data of the SBR, as well as including new data sources.

The paper presents the current state of role SBR BiH in statistical production on the state level with very specific organization. The level of coverage of statistical units and their characteristics as well as the relationships between them are shown, especially in terms of the limited administrative data sources. Future plans for the further development of SBR and introduction of the new statistical units (e.g. Enterprise groups) are also mentioned.
Introduction

Bosnia and Herzegovina (BiH) is divided into two entities and one district: Federation of Bosnia and Herzegovina (FBIH), Republika Srpska (RS) and Brčko District.

There are three statistical institutions within the Bosnia and Herzegovina. According to the law on statistics, the authorities competent for production and dissemination statistics are: Agency for statistics of Bosnia and Herzegovina at the state level (BHAS) including Branch Office in District Brčko, Federal Office of Statistics for the Entity of Federation of Bosnia Herzegovina (FIS) and Republika Srpska Institute of Statistics for the Entity of Republika Srpska (RSIS). In addition to the three statistical institutions, the Central Bank of BiH provide information on monetary and balance of payments and financial statistics for Bosnia and Herzegovina (CBBiH).

![Chart 1: Statistical system in Bosnia and Herzegovina](image)

In the process of EU integration and harmonization with the standards and practices of the European Union, the statistical system in BiH should be harmonized with the statistical regulations of European statistical system. The transition period involves rapid and significant changes in the economic, legal and political system, which again implies the adoption of new statistical standards and methods. In this process, statistical institutions in BiH face a number of limitations: legal limitations on the entity and state level, limited access to data necessary for the statistical production, lack of material and human resources, etc.

This paper give an overview on Statistical Business Register in Bosnia and Herzegovina, development from the start point until today, as the result of coordination between all three statistical institutions.
Statistical Business Register (SBR) in BiH

Statistical Business Register (SBR) in Bosnia and Herzegovina was established in the period from October 2006 until August 2008, through CARDS Twinning Project "Support to the European Union's statistical sector in Bosnia and Herzegovina - Phase III", which is financed by the European Union and in assistance with experts from Statistics Denmark. During this period data model and IT application was established, at the state level as well as both entities and Brčko District. In 2009 data entering was performed, for the first time and the system was put into use. Today, we have a common SBR for the state and entities level which contains the records on all business entities in Bosnia and Herzegovina.

Statistical Business Register in BiH is kept and maintained by the Agency for Statistics of BiH in cooperation with two entity statistical institutes on the basis of administrative registers, other administrative sources and statistical surveys.

![Chart 2: Data model of Statistical Business Register in BiH](chart)

The chart above illustrates the three major parts of the SBR model:

1. Legal units and Local legal units – data from the administrative sources
2. Enterprises and Local units - data on statistical units in line with the EU regulation
3. Response units and Observation units - survey units

**Characteristics of the units in SBR**

Administrative Units:

*Legal Unit*

- Identification characteristics: Statistical identity number, Value Added Tax (VAT) registration number, Name, Address, Phone, e-mail, etc.
- Demographic characteristics: Date of registration, Date of cessation
• Economic/stratification characteristics: Activity code, Legal form, Origin of capital, Type of ownership, Transaction Accounts of Central Bank of BiH (active/blocked/closed)

Local Legal Unit

• Identification characteristics: Value Added Tax (VAT) registration number, Name, Address, Phone, e-mail, etc.
• Demographic characteristics: Date of registration, Date of cessation
• Economic/stratification characteristics: Activity code

Statistical Units:

Enterprise (including entrepreneurs/crafts)

• Identification characteristics: Statistical identity number, Name, Address (street, house number, postal code, administrative-territorial unit), Phone, e-mail, etc.
• Value Added Tax (VAT) registration number of the legal unit of which the enterprise consist
• Demographic characteristics: Date of final cessation
• Economic/stratification characteristics: Principal activity code and secondary activities (possibly 1 - 3), Number of persons employed, Turnover
• Active/Inactive status

Local Unit

• Identification characteristics: Statistical identity number, Name, Address (street, house number, postal code, administrative-territorial unit)
• Statistical identity number of the enterprise, to which the local unit belongs
• Demographic characteristics: Date of final cessation
• Economic/stratification characteristics: Principal activity code and secondary activities (possibly 1 - 3)
• Active/Inactive status

Surveys Units:

Observation Unit

• Identification characteristics: Value Added Tax (VAT) registration number, Name
• Activity code
• Historical data
• Surveys data
• Link with suitable response unit

Response Unit

• Identification characteristics: Value Added Tax (VAT) registration number, Name, Address (street, house number, postal code, administrative-territorial unit)
• Contact person (Name, Address, Phone, Fax, e-mail)
• Historical data
• Link with suitable observation unit
Relations between administrative and statistical units

The chart above illustrates the relations between administrative and statistical units in SBR:

- legal unit and enterprise – one enterprise is created for each legal unit, 1:1 relation
- legal unit and the local legal unit
- enterprise and local units - link between the enterprise and the main local unit and the enterprise and other local units
- local legal units and local units of enterprise – one or more local legal units can build the local unit in the SBR, 1:n relation

SBR in BiH does not contain Enterprise groups (EG). This activity is planned through the five-year development plan of the SBR. Beginning of implementation EG in SBR is planned through the IPA Twinning Project in cooperation with Denmark statistics that should begin in September of 2014.

Sources for updating of the SBR

The main sources for updating of the SBR of BiH are administrative data and statistical surveys. One of the basic tasks of statistical business registers is to provide appropriate frames for the statistical surveys, but today SBR is a linkage system between administrative data sources and statistical requirements.

Available administrative sources

- Administrative registers – registers where the legal units are legally registered and contains information on legal units and their parts as well as any information provided through form for registration. These registers are currently maintained by the entity statistical institutions and Brčko District.
- **Ministry of Finance** – for the time being we use data from annual balance sheet, data on employment and financial data
- **Central Bank of BiH** - data on active/inactive status of transaction accounts
- **Unified System for Registration Control and Collection of Contributions (USRCC)** - Number of persons employed at the end of the month – Establishment of this system in entities that managed and maintained by entity Tax Administrations, the statistical authorities provided access and use data on employed for statistical purposes

In spite of signed agreement between BHAS and Indirect Taxation Authority, access to the data is unable, which is an important source of data on turnover.

**Survey feedback**

Very important sources of information for updating the SBR are statistical surveys. SBR staff makes special efforts to promote SBR data for conducting statistical surveys and try to get more feedback information. Survey divisions are required to provide feedback information on any frame changes to the enterprises and contact information while collecting survey data.

**Updating of SBR**

Updating process of SBR is organized according to the complex administrative structure of Bosnia and Herzegovina.

In order to protect the common core of the system, as well as data model and on-line applications, all changes in the SBR, must be performed in accordance with previously agreed procedures by the SBR team all three statistical institutions and may not be doing independently.

Data are updated only in statistical institutions. The entity statistical institutions and Brčko District receive data from administrative registers in regular periodicity. Based on these data, newly registered legal entities are automatically included in the Statistical Business Register, and in the same way the changes of identification and demographic characteristics are downloaded.

Exchanging information on individual units between all statistical institutions is done on a quarterly basis, in clearly defined periods of time. An identical copy of the SBR data base has every statistical institution. Each SBR unit contains information about the entity that is responsible for maintaining and updating these units. According to the agreement reached between the three statistical institutions, data on turnover and number of persons employed are exchanged in categories by size and not on individual level. These variables are currently performed annually on the basis of annual financial statements. Updated registers, entity institutes and Brčko Distrikt submit to the Agency for Statistics, which than perform data compilation, control and complete updated SBR data base forwards entity statistical institutes. In this way is established a common database and unique SBR in Bosnia and Herzegovina.
Agency for Statistics of BiH assumes information from Central Bank of BiH twice a year. Thereafter, BHAS delivers obtained data for those subjects for which a given entity or district responsible. Central Bank data are used as one of the significant inputs to update the status of activities of enterprises.

**NACE Classification**

In 2010 the new national classification of activities KD BiH 2010 was prepared and published. It is completely harmonized with NACE Rev. 2. During 2010 the new KD BiH 2010 was introduced in the SBR. All enterprises (without entrepreneurs/crafts) were recoded according to KD BiH 2010 and double coded according to the old national classification KD BiH (NACE Rev. 1). Legally, the new classification KD BiH 2010 has been in use since January 2011.

In 2012 entrepreneurs/crafts were also recoded to KD BiH 2010 but there are not included in surveys yet.

**Survey coordination**

Survey coordination is performed in accordance with the organization of the statistical system in BiH. Survey and SBR divisions of three statistical institutions are involved in the realization of survey. Accordingly, updating of SBR with data from administrative sources and feedback from statistical surveys is done at the entities level and Brčko District. Updated database of SBR, as already mentioned above, entity statistical institutions and Brčko Distrikt send to the Agency for Statistics of BiH.

**Survey side of SBR**

IT Application of the Statistical Business Register is designed that contains two parts, i.e. two sides of the application (Chart 2.) Statistical side contains merged and updated data from administrative and statistical sources, from two entities and Brčko District, and represents the basis of the statistical production. The other side allows the monitoring of statistical activities that are based on response units and that part of the application we call "Survey side of SBR" and is intended for exclusively statistical survey divisions. Survey side is not fully developed and is not used in all statistical institutions. The project of development of this part of the application requires changes that are planned for the following period.

It is anticipated that for each statistical survey special list of units is designed that will suit the needs of specific statistics. This implies that the data related to the enterprise and the local units of the particular survey to be at the same time placed on the response units and observation units of the same survey, on the survey side of the SBR application. This would allow updating of the response units and observation units, adding new units and in special cases, deleting the response units and observation units on the survey side. Survey methodologists would update the results obtained from
this survey, on the survey side. However, the SBR team would ultimately decide who will make corrections on the enterprises and local units in the SBR.

Functioning of the survey side would allow much better coordination between SBR and survey divisions. The survey side would contain more comprehensive information for statistical surveys and on the other hand more feedback information to the SBR. Currently, no marking of burden on statistical units through surveys in SBR but through this model it will be enabled.

The survey side is currently used differently and in different degrees in the three institutes. It was agreed that further development of the application is to be postponed until the survey side is used more universally in all three institutions.¹

Future plans

By signing the five-year SBR development plan 2012 envisages activities for further development and quality improvement of SBR. The plan provides intensive work on data quality improvement and prepare of the quality report. Also the plan provides introduction of the new characteristics in SBR such as: Enterprise groups, Institutional sector and Business demography.

The introduction of Enterprises group is planned through IPA Twinning Project in cooperation with Statistics Denmark, in September 2014. At the first stage, it was planned to develop methodological part of the introduction of EG in SBR.

Realization of the introduction Institutional sector in coordination with National accounts department and Business demography in coordination with Structural Business Statistics department is also planned through the IPA Twinning Project.

Establishing a regular cooperation with administrative sources and regular updating with SBR data obtained from administrative sources with Indirect Taxation Authority.

Finding, contacting and making agreements with new administrative sources.

Development of the survey side of SBR in BiH is on-going activity on the one hand and the future task on the other.

For the first time, Annual BR Questionnaire 2011 has been sent to Eurostat and it will be continue.

¹ IPA Twinning Project: Mission Report on SBR, Component 1.1.7, 11-15 February 2013
Conclusion

Since establishing and first data exchange between statistical institutions in BiH, SBR has been evaluated in representative database to serve as backbone of statistical production in Bosnia and Herzegovina.

Development based on EU standards and proactive work on improvement of SBR data quality is permanent task of SBR staff. Including new characteristics in SBR, finding new administrative sources and development of SBR application require coordination between all three statistical institutions and challenge for SBR staff.

Realization these activities, SBR in BiH would get new dimension, more harmonized with EU standards, in order to provide much better statistical production in Bosnia and Herzegovina.

References

