

~ Methodology ~

INDUSTRIAL TURNOVER INDEX

LEGAL BASIS

The statistical activity is carried out in accordance with the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03) and the Statistical Programme of Republika Srpska for the period 2022-2025 (Decision of the Republika Srpska Government on the adoption No. 04/1-012-2-3176/21, published in the "Official Gazette of Republika Srpska", No. 102/21).

Monthly report on industry serves to monitor, process and present statistical data on industrial turnover, in line with the current Classification of Economic Activities.

METHODOLOGICAL BASIS

AIM AND CONTENT

One of the aims of the Monthly report on industry is to calculate monthly industrial turnover indices, which further serve to provide an overview of trends in turnover and sale of industrial products and services of domestic produces, at the overall, domestic and non-domestic markets.

OBSERVATION UNITS / REPORTING UNITS

Observation units for the purpose of calculating industrial turnover indices are business entities and business units which are, according to the current Classification of Economic Activities, classified into the sections (B) Mining and quarrying and (C) Manufacturing.

COVERAGE

This survey covers industrial enterprises and industrial units of non-industrial enterprises which cover at least 90% of the value added at the level of each class of industrial activity.

METHOD AND PERIOD OF DATA COLLECTION

The collection of data for this statistical survey is carried out via reporting method, by filling out forms/questionnaires by reporting units. The reporting period is a month and it coincides with the calendar month.

PROTECTION OF CONFIDENTIAL DATA

Confidential data are protected pursuant to Articles 25 and 27 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03) and in accordance with the Rules of protection of confidential data.

Published are indices for total industry and for main industrial groups (MIG) for the overall market, as well as indices for the domestic and non-domestic markets.

DEFINITIONS OF MAIN FEATURES – INDICATORS

Industrial turnover indices are chain indices calculated from the total value of turnover/invoiced industrial products and services at the observation unit level.

Total turnover value coincides with the market value of sold industrial products and services supplied to third parties on the domestic and non-domestic market. The value includes all other costs (transport, packaging, etc.), and all taxes on invoiced goods and services, except value added tax (VAT). Excluded are the discounts and price cuts (excluding cash discounts), and the value of returned packed products.

Revenues from sales on domestic market are generated with sales of products and services in Bosnia and Herzegovina, while **revenues from sales on non-domestic market** refer to sales outside Bosnia and Herzegovina. Revenues are classified into revenues from sales on domestic market and revenues from sales on non-domestic market based on the criterion of the first destination of a product or service, and change of ownership (regardless of the product or service for which the invoice is issued physically crossing the border or not).

Industrial turnover indices are indices which show monthly changes in turnover and in sales of industrial products and services of domestic producers, from which seasonal effects and effects of the number of working days and holidays in the observed month are not eliminated.

Seasonally adjusted indices represent indices from which seasonal effects were eliminated, as well as the number of working days and holidays during the current month.

Working-day adjusted indices represent indices from which effects of the number of working days and holidays during the current month were eliminated.

INDEX CALCULATION METHOD

Turnover indices for the domestic and non-domestic market, at all levels, are calculated by weighting with their share in the value of sale on the domestic or non-domestic market.

Turnover index for the overall market is calculated by multiplying the indices for the domestic and non-domestic market by their corresponding shares in the total value of turnover.

Indices for main industrial groups, defined on the basis of economic purpose of products (MIG), are calculated using the same method, by grouping starting at the group level of the Classification of Economic Activities, in accordance with the EU statistical standards

Grouping starting at the group level of the Classification of Economic Activities, according to MIG:

AI Intermediate goods: divisions and groups of the KD BiH 2010: 07 – 09, 10.6, 10.9, 13.1 – 13.3, 16, 17, 20.1– 20.3, 20.5, 20.6, 22 – 24, 25.5 – 25.7, 25.9, 26.1, 26.8, 27.1 – 27.4 and 27.9

AE Energy: divisions of the KD BiH 2010: 05, 06 and 19

BB Capital goods: divisions and groups of the KD BiH 2010: 25.1 – 25.4, 26.2, 26.3, 26.5, 26.6, 28, 29, 30.1 – 30.4, 32.5 and 33

CD Durable consumer goods: divisions and groups of the KD BiH 2010: 26.4, 26.7, 27.5, 30.9, 31, 32.1 and 32.2

CN Non-durable consumer goods: divisions and groups of the KD BiH 2010: 10.1 – 10.5, 10.7, 10.8, 11, 12, 13.9, 14, 15, 18, 20.4, 21, 32.3, 32.4 and 32.9.

WEIGHTS SYSTEM

The structure and share of turnover, on the overall market, for all levels of aggregation for the previous year (period t-1) are calculated based on industrial turnover values at the observation unit level, using data from the Annual report on structural business statistics (for the period t-2), and corrected using data from the Annual report on industry (PRODCOM surveys, for the period t-2) and industrial turnover indices (for the period t-1). They are updated annually.

The share of turnover on the domestic and non-domestic market in the overall market is obtained using data from the Annual report on industry (PRODCOM surveys).

SEASONALLY AND WORKING-DAY ADJUSTED INDICES

Seasonal adjustment of original indices is performed using the TRAMO-SEATS method in the JDEMETRA+ 2.2.3 environment, on a monthly series of indices, which begins with the index for January 2010, for total industry and for sections, divisions and MIGs.

Due to the characteristics of the applied method of seasonal adjustment, the extension of a series of indices by adding indices for each following month may cause subsequent corrections of published seasonally and working-day adjusted indices and trends.

Seasonally adjusted indices are indices from which seasonal effects were eliminated, as well as the number of working days and holidays during the observation month. In accordance with the EUROSTAT's recommendations, data which are compared with data from the previous month (so-called monthly comparison) are presented in the seasonally adjusted form of indices of industrial production or as change rates calculated using them.

Working-day adjusted indices are indices from which effects of the number of working days and holidays during the observation month were eliminated. Also, in accordance with the EUROSTAT's recommendations, data which are compared with data from the same month of the previous year (so-called annual comparison) are presented in the working-day adjusted form of indices of industrial production or as change rates calculated using them.

COMPLIANCE WITH INTERNATIONAL RECOMMENDATIONS AND STANDARDS

The Monthly report on industry is in line with international standards and European Union regulations. The methodology used to calculate the industry turnover index is based on EU recommendations related to short-term statistics (Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 and Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020).

IMPLEMENTATION ORGANISATION

AUTHORITIES IMPLEMENTING THE STATISTICAL SURVEY

Authorised producer of industrial turnover indices is the Republika Srpska Institute of Statistics.

Collection and entry of data is carried out in the regional offices of the Republika Srpska Institute of Statistics, while processing of data is done in the Department for Industry, Construction and Energy Statistics of the Institute.

OBLIGATION TO PROVIDE DATA

Reporting units are obliged to submit data to the Republika Srpska Institute of Statistics pursuant to the Law on Statistics of Republika Srpska.

PERIOD OF DATA COLLECTION

Reporting units are obliged to submit data to the relevant regional office of the Republika Srpska Institute of Statistics until 5th in the month for the previous month.

INSTRUMENTS

QUESTIONNAIRE

The questionnaire “Monthly report on industry – M KPS IND-1” is used to carry out this survey. The questionnaire is published at the official website of the Institute at:

<http://www.rzs.rs.ba/front/category/7/73/?&add=None>

INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE

Instructions for completing the questionnaire are provided in the questionnaire itself.

PUBLISHING

Data are published for the level of Republika Srpska, in the monthly report “Industrial turnover index”, 30 days after the end of the reference month. Interpretation of the published data is in the exclusive jurisdiction of the Republika Srpska Institute of Statistics.

Preliminary data are subject to change. Final data are available on the day of publishing a release for the following month.

The Institute conducts a regular revision of the statistical data. The revision is carried out in accordance with the general policy of the Institute on the revision of statistical data, with the aim of improving industry statistics and their harmonization with EU recommendations and standards.

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