



~Methodology~

QUARTERLY REPORT ON DISTRIBUTIVE TRADE K KPS TRG-2

LEGAL BASIS

The survey is carried out pursuant to 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 2013-2017 (Decision of the National Assembly on the Adoption No. 01-1901/12 of 13th December 2012, published in the “Official Gazette of Republika Srpska”, No. 120/12).

METHODOLOGICAL BASIS

AIM AND CONTENT

The aim of this survey is to calculate indices of turnover in distributive trade, which present changes of the level of realised turnover, as well as other relevant indicators of trade statistics.

Index of turnover in distributive trade is applied to estimate results of the retail trade sector, wholesale sector and sector of trade of motor vehicles, as well as to estimate expenditures of the population and for the calculation of national accounts.

OBSERVATION UNITS / REPORTING UNITS

The survey on distributive trade covers business /legal entities which are, by their main activity, registered to perform activities in the section G of the KD BiH 2010:

- 45 – Wholesale and retail trade of motor vehicles and motorcycles; repair of motor vehicles and motorcycles;
- 46 – Wholesale trade, except trade of motor vehicles and motorcycles;
- 47 – Retail trade, except of motor vehicles and motorcycles.

To a lesser extent it also covers business entities that are, by main activity, registered in other activities (industry, construction, catering trade, etc.), but also perform trade activity.

COVERAGE

The survey covers all active business entities from the Business Register on the territory of Republika Srpska which are engaged in trade activity and have an annual turnover exceeding 4,000,000 KM, as well as sampled business entities with an annual turnover between 100,000 KM and 3,999,999 KM. Entrepreneurs and entities with an annual turnover under 100,000 KM are excluded.

METHOD AND PERIOD OF DATA COLLECTION

Data for this statistical survey are collected using the reporting method. The reporting period is a quarter.

PROTECTION OF CONFIDENTIAL DATA

Pursuant to Article 27 and Article 28 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, the Institute is obliged to protect submitted confidential data. Thus, the Institute must not use data collected for statistical purposes for any other purposes nor publish them as individual data.

DEFINITIONS OF MAIN FEATURES - INDICATORS

Trade is a set of activities of sale of goods and/or provision of services to realise profit or another socio-economic goal.

Distributive trade includes all forms of trade activities, from the purchase of goods from manufacturers to the delivery of goods to final consumers on domestic market. It covers wholesale trade for own account, intermediation in wholesale trade, retail trade and repair of motor vehicles and motorcycles and of personal and household goods.

Wholesale trade is the activity of purchase or resale of goods to industrial, commercial or professional users and institutions and other business entities engaged in wholesale or retail trade. It also includes transit turnover of goods (sale of goods that are by a seller's order delivered directly to a purchaser, without being previously stored by the seller).

Intermediation in wholesale trade refers to the performance of wholesale trade activities for a fee or on a contract basis. It includes sale from consignment warehouses, commissioners/agents' services, sale through intermediaries for trading goods and other wholesalers operating on behalf of others. It also covers activities of entities engaged in connecting sellers with customers and of those that undertake trade transactions on behalf of the owner of the goods.

Retail trade includes sale of goods to final consumers, i.e. to the population (for own consumption or for household use).

Turnover is total invoiced amount calculated by an enterprise/reporting unit for goods sold to third persons or services performed during the reference period, which corresponds to the market value of these goods and services.

Realised turnover also includes other costs associated with sale (transport, packaging, etc.) transferred to the customer, even when these amounts are shown separately in invoices. Value added tax (VAT) and other deductible taxes directly associated with turnover, as well as all custom duties and taxes on goods and services invoiced by the unit are excluded from turnover. Price reductions, rebates and discounts, and value of returnable packaging are excluded from realised turnover. Subsequent price reductions, rebates and bonuses for customers (for example, at the end of the year) are not taken into account.

In accordance with this definition, **included** are:

- Sale of products,
- Sale of products manufactured by subcontractors,
- Sale of goods purchased for resale (in the same condition in which there were received),
- Invoiced services,
- Sale of byproducts,
- Invoiced costs for packaging and transport,
- Invoiced worked hours of work for third persons – subcontracting only,
- Invoiced assembly, installation and repair,
- Calculated installments (by payment phases),
- Invoiced development of software and software licences,
- Sale of supplied electricity, gas, heating, steam and water,
- Sale of waste and scrap materials.

Revenues which are classified in the accounts of enterprises as other operating income, financial income or extraordinary income and revenues in the enterprises' accounts are **excluded** from turnover.

This group includes the following:

- VAT and similar deductible taxes directly associated with turnover and all custom duties and taxes on goods and services invoiced per unit,
- Commissions,
- Renting and leasing,
- Rental of own production units and machinery to third persons,
- Lease of a flat owned by the enterprise,
- Revenues from licences - fees,
- Revenues from the staff (e.g. transport of employees, canteen),
- Delivery of goods and services within the observation unit,
- Sale of own land, facilities and fixed assets,
- Sale or rental of own real estate,
- Sale of shares,
- Interest and dividends,
- Other extraordinary revenues.

Abovementioned items may be included in turnover if such turnover was realised within the reporting unit's main activity.

Data processing

Data collected from reporting units included in this statistical survey represent the basis for an estimate of data on the entire population. Based on microdata on turnover of reporting units and through their aggregation at the level of activity strata – KD BiH 2010, total turnover is calculated. The aggregation of turnover to higher levels (group, division, special aggregates) of activity is carried out before the compilation of indices.

Compilation of indices

The process of indices compilation for the level of Republika Srpska consists of the following phases:

1. The first phase is the calculation of turnover totals of distributive trade at the level of activity strata – KD BiH 2010;
2. Turnover totals at the level of strata are aggregated to higher levels of activity (group, division, special aggregates);
3. Indices are obtained as a quotient of turnover in the current period (for various levels of activity) and turnover realised in the base year or in another earlier period;
 - 3.1 Base indices – present relative change rates of turnover in the reference quarter compared to the base year average (ø2010);
 - 3.2 Chain indices – represent the percentage change of turnover between current and previous period. In distributive trade, two types of chain indices are calculated. Indices are primarily compiled to lower levels of the KD BiH 2010 classification and survey results can also be expressed as growth rates. Growth rates represent percentage rates of change in the level of turnover in the current period compared to the previous period.

WORKING-DAY AND SEASONAL ADJUSTMENT OF SEASONAL INDICES

Indices of turnover of distributive trade are presented in three forms, which complies with the Eurostat's requirements:

- original (non-adjusted) indices,
- working-day adjusted indices (WDA)
- seasonally adjusted indices (SA)

Original nominal indices of turnover for the current quarter are calculated in relation to the average from the base year (2010), which is revised every five years pursuant to the EU-STS regulation.

Working-day adjusted indices (WDA) of turnover are calculated in relation to the same quarter of the previous year. Data which are compared with the same period of the previous year are presented and interpreted in their working-day adjusted form. This means that the data are adjusted for the number of working days in the given quarter, effects of leap years, effects of holidays (public and religious holidays), etc. In case these calendar effects significantly affect the observed time series, they must be eliminated.

Seasonally adjusted indices of turnover are calculated in relation to the previous quarter. Basically, this means that the series is broken down into three components: trend, seasonal and irregular component. Effects of different numbers of calendar days and seasonal effects are eliminated from the series.

Working-day and seasonal adjustments are done in the Demetra application (version 2.2), using the TRAMO-SEATS method, on series of monthly data, all pursuant to the ESS (European Statistical System) guidelines.

Adding new quarterly observations to the series may lead to certain changes in indices for previous periods.

COMPLIANCE WITH INTERNATIONAL RECOMMENDATIONS AND STANDARDS

Given that the definitions of main STS variables and adopted methodologies comply with the Eurostat's requirements in the field of short-term business indicators, it is possible to compare the data with the EU member states' data. A new classification of economic activities is used, namely the KD BiH 2010 classification, which is completely harmonised with the European classification of economic activities NACE Rev.2 and with the United Nation's International Standard Industrial Classification of all Economic Activities (ISIC).

IMPLEMENTATION ORGANISATION

AUTHORITIES IMPLEMENTING THE STATISTICAL SURVEY

Division for Services Statistics of the Republika Srpska Institute of Statistics is responsible for the preparation and implementation of this survey. Collection of data is carried out in the regional offices of the Republika Srpska Institute of Statistics, while entry and processing of data are the responsibility of the Division for Services Statistics of the Institute.

OBLIGATION TO PROVIDE DATA

The obligation to submit data to the Institute is based on Article 8 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03).

IMPLEMENTATION FREQUENCY

Reporting units are obliged to submit data to the Republika Srpska Institute of Statistics by the 15th of the month after the end of the quarter.

INSTRUMENTS

QUESTIONNAIRE

“Quarterly report on distributive trade” (K KPS TRG-2) is used for the implementation of this activity.

INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE

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

PUBLISHING

Data are published for the Republika Srpska level, in a quarterly release of “Distributive trade”, at the official website of the Institute www.rzs.rs.ba. Interpretation of the published data is the sole responsibility of the Republika Srpska Institute of Statistics.

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