



~ Methodology ~

MONTHLY REPORT ON INDUSTRY (M KPS IND-1)

LEGAL BASIS

The survey 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 between 2022 and 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 production, based on the current Monthly Nomenclature of Industrial Products and in accordance with the Classification of Economic Activities.

METHODOLOGICAL BASIS

AIM AND CONTENT

The aim of this survey is to calculate monthly indices of industrial production and indices of employees in industry, which further serve to provide an overview of trends in industrial production and employees in industry.

OBSERVATION UNITS / REPORTING UNITS

Monthly report on industry is submitted by business entities and their units which are, according to the current Classification of Economic Activities, classified into the sections Mining and quarrying (B), Manufacturing (C) and Electricity, gas, steam and air-conditioning supply (D), except group 35.3.

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 through statistical forms. 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 sections, divisions and main industrial groups (MIG) for the level of Republika Srpska.

DEFINITIONS OF MAIN FEATURES - INDICATORS

Indices of industrial production are indices of finished industrial products, defined by the Monthly Nomenclature of Industrial Products, which is harmonised with the EU PRODCOM list.

Original indices of industrial production are indices which express actually realised finished production from which seasonal and working-day effects in the current month were 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.

Industrial production covers finished production in natural form, regardless whether the product is further manufactured in total or partially in the enterprise or it is provided as a commodity outside the enterprise. Unfinished production is not included in finished production until it reaches a certain phase in the production process. This phase is defined in the NIP as a specific product which has its given code and name.

In accordance with the principle of so-called homogenous production, industrial products are classified into industrial divisions and main industrial groups defined on the basis of economic purpose, i.e. on the basis of final consumption of products (MIG), regardless of the predominant activity of the enterprise which produced them.

CALCULATION METHOD

Original indices of industrial production are calculated in two phases, using the Laspeyeres's formula.

In the first phase, indices are calculated by multiplying the data on quantities of manufactured products from the Monthly NIP with the corresponding weight coefficients and by summing the obtained products to the group level of the Classification of Economic Activities. Weighting coefficients for individual products from the Monthly NIP represent the average unit gross value added of products from 2021.

In the second phase, for groups and all higher levels, weighting is carried out using the structure, i.e. the share in gross value added from 2022 (period t-2).

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

Grouping from 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, 19 and 35.

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.

WEIGHTING SYSTEM

Weight coefficients for particular products from the Monthly NIP, which are used to calculate group indices, represent the average unit gross value added of products from 2021, and these were calculated on the basis of the Annual report on industry for 2021. Weight coefficients are revised every five years.

The structure of industry for groups and all higher levels is calculated on the basis of gross value added obtained using data from the Annual report on structural business statistics (for the period t-2) and industrial production indices (for the period t-1). In certain cases, gross value added obtained using the data from the Annual report on structural business statistics (for the period t-2) is corrected with results of the Annual report on industry - PRODCOM survey (for the period t-2) 2016. The structure is updated at the beginning of each year, for the calculation of indices for the current year.

SEASONALLY AND WORKING-DAY ADJUSTED INDICES

Seasonal adjustment of original indices is performed using the TRAMO-SEATS method in the JDEMTRA+ 2.2.3 environment, on a monthly series of indices, which begins with the index for January 2006, 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 and seasonally 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 current month. In accordance with the EUROSTAT's recommendations for the presentation of short-term indicators, 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 current month were eliminated. Also, in accordance with the EU recommendations and regulations, 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.

Indices of employees in industry are obtained through the aggregation of the number of employees at the end of the month, according to enterprises' personnel files, including those who were engaged in management activities and those who worked in subsidiary workshops which provide services for their own enterprise only. Excluded are data on the number of persons employed in non-industrial activities of enterprises, performing services in the enterprise and out of it. Data also cover the number of employees in units engaged in industrial production, which are in composition of non-industrial enterprises.

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 index of industrial production 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 the Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020).

IMPLEMENTATION ORGANISATION

AUTHORITIES IMPLEMENTING THE STATISTICAL SURVEY

Authorised producer of indices of industrial production and indices of employees in industry is the Republika Srpska Institute of Statistics.

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

OBLIGATION TO PROVIDE DATA

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

PERIOD OF DATA COLLECTION

Reporting units must 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 releases “Indices of industrial production” and “Indices of employees in industry”, 22 days after the end of the reference month, as well as in the publication “Monthly statistical review”. The Republika Srpska Institute of Statistics is the authority responsible for the interpretation of published data.

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