

# Screening report Serbia

## Chapter 18 – Statistics

**Date of screening meetings:**

Explanatory meeting: 20 & 21 May 2014

Bilateral meeting: 25 & 26 November 2014

## **I. CHAPTER CONTENT**

The EU *acquis* in statistics consists almost exclusively of legislation which is directly applicable in Member States, such as European Parliament and Council Regulations and Commission Decisions and Regulations. The statistical *acquis* contains also a wide range of methodological handbooks and manuals in the various statistical domains such as agriculture, economic and social statistics. International agreements or international standards such as the European statistics Code of Practice provide a further base for the statistical production.

## **II. COUNTRY ALIGNMENT AND IMPLEMENTATION CAPACITY**

This section summarises the information provided by Serbia and the discussion at the screening meeting.

Serbia indicated that it accepts the EU *acquis* regarding statistics and that it does not expect any particular difficulties in implementing the EU *acquis* by the time of accession.

### **II.a. Statistical Infrastructure**

The Statistical Office of the Republic of Serbia (SORS) is the main producer and the overall co-ordinator of statistics in Serbia. Other producers are the National Bank of Serbia and the Ministry of Finance as well as several government agencies. The Law on Official Statistics (Official Gazette Serbia No 104/2009) provides for the framework of official statistics in Serbia. Furthermore Serbia has adopted the programme on official statistics 2011-15 in which the comprehensive development of the statistical production and dissemination of official statistics and for the organisation of the system is outlined. A yearly plan of official statistics adopted by the government completes the regulatory framework. Serbia informed that there are several Memoranda of Understanding in force with other producers of official statistics. These stipulate the working arrangements within the national statistical system.

Each year the government adopts an annual plan of official statistics. This completes the regulatory framework and defines surveys to be pursued in the year ahead.

The workforce of SORS amounted to 427 members of staff as of late-2016.

Serbia stated that it is committed to the principles for the production of official statistics as laid down in Regulation (EC) No 223/2009, which provide that data are produced on the basis of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness.

### **II.b. Classification and Registers**

Serbia informed that the majority of European statistical classifications are implemented in the country. The NACE (Nomenclature Générale des activités économiques dans les Communautés Européennes) Rev. 2 and the CPA (Classification of Products by Activity) are adopted by Serbia. The GEONOM (Country Nomenclature of External Trade statistics and statistics of Trade between Member States) is equally applied. Serbia informed that the international standard classification of occupations (ISCO-08) and the international standard classification of Education (ISCED) are implemented. Moreover, Serbia stated that PRODCOM (List of Products of the European Community) is applied. In 2010, Serbia submitted a proposal for the territorial breakdown to the Commission

## II.c. Sectoral Statistics

Serbia stated that **transport statistics** are partially compliant. According to Serbia, railway statistics are largely aligned with Regulation (EC) No 91/2003 although there are still variables missing. Air transport statistics are partially aligned but not all variables are collected according to the EU *acquis*. Regarding transport on inland waterways Serbia informed that further harmonisation is necessary and that this would be completed by 2017. Maritime transport is not relevant for Serbia, as the country does not have any maritime coastlines.

Serbia stated that road accident data are widely available whereas data on transport of goods by road need to be further developed. Serbia informed that data on passenger transport and passenger mobility also needed further development. Harmonisation according to the requirements of the EU *acquis* is scheduled for 2018.

In the sector **agriculture and fisheries** Serbia stated that it implements the Farm Structure Survey according to Regulation (EC) No 1166/2008. In addition, Serbia informed that it conducted an agricultural census in 2012 and that it subsequently published the results.

Serbia noted that the Economic Accounts for Agriculture (EAA), the Agricultural Price Index (API) and the Agriculture Labour Input (ALI) according to Regulation (EC) No 138/2004 have been introduced and are scheduled to be completed by 2018. Agricultural price statistics have also been introduced and are scheduled to be completed by 2018.

As regards crop, milk and dairy statistics, Serbia stated that it is already aligned. Furthermore, Serbia stated that livestock and meat statistics are partially aligned, with the exception of meat production forecasts and reports on quality. For hatcheries (egg) statistics Serbia informed that national legislation needs to be amended in order to ensure full compliance with Regulation 617/2008. Serbia plans to do this by 2017. Serbia explained that statistics on organic farming are introduced and that data for subcategories need to be completed. The orchards and vineyard surveys (Regulation (EU) No 1337/2011) remain to be introduced. Serbia informed that the situation is similar on pesticides' statistics, where data collection in line with the EU *acquis* is pending.

Serbia informed that **fisheries statistics** according to Regulations (EC) No 216, 217 and 218/2009 are not relevant for Serbia as they cover catches on high sea. Regulation (EC) No 762/08 on aquaculture and inland waters is partially implemented as the methodology needs to be further developed. The target is to achieve this in 2017.

Serbia stated that in the sector of **energy and environment** its statistics are partially in line with Regulation (EC) No 1099/2008. Annual data as well as monthly data for electricity and coal are produced. Monthly data for gas and oil remain to be implemented. Methodological development for energy consumption and renewables is ongoing. Serbia informed further that, since 2012, waste statistics (Regulation (EC) 2150/2002) are collected, published annually and transmitted to Eurostat. According to Serbia, air emissions accounts and environmental taxes by economic activity are established. Data on economy-wide material flow accounts are reported to be available for the period 2001-2014. Environmental protection expenditure accounts are partially available, such as data on investment expenditure, total current expenditure, and revenues. The remaining data are expected for the 4<sup>th</sup> quarter of 2018. The situation is reported to be the same for environmental goods and service sector accounts and physical energy flow accounts.

Concerning **external trade statistics** Serbia informed that Extrastat has been introduced and is highly aligned with Regulation (EC) No 471/2009. Serbia stated that it does not yet collect Intrastat statistics according to Regulation (EC) No 638/2004.

Serbia informed that in the sector of **economic and monetary policy**, statistics on Gross National Income (GNI) are partially aligned with the requirements of the EU *acquis*. Serbia stated that it has already implemented underlying calculations on FISIM (Financial Intermediation Services Indirectly Measured), dwelling services and VAT but that the alignment needed to be further improved. Full alignment is – according to Serbia – scheduled for 2018. National Accounts are already collected according to the ESA 2010 methodology (Regulation EU Nr. 549/2013) but complete implementation is scheduled for 2018. Serbia stated that it currently compiles GDP on an annual and quarterly basis in current and previous year prices and in chain linked volume according to the production and expenditure approaches but not yet according to the income approach. Serbia stated that it needs to develop annual and quarterly national accounts according to the ESA 2010 transmission tables. Annual non-financial sector accounts (ESA 2010 table 8) have been partially compiled and transmitted to Eurostat since 2015. Serbia informed that it had already established an inventory of methods and sources for the compilation of National Accounts. The responsibility for Government Finance Statistics is shared. Non-financial transaction responsibility will be of the Statistical Office of the Republic of Serbia, whereas compilation of financial accounts is the responsibility of the National Bank of Serbia. Financial Accounts are already introduced, but are not available for all sectors.

Serbia stated that the Excessive Deficit Procedure Statistics are produced in a joint effort by the Ministry of Finance, SORS and the National Bank of Serbia. This is to be formalised in the new, revised Memorandum of Understanding between three institutions. Government accounts transactions are recorded mostly on cash basis. Some ESA tables were transmitted officially under ESA 2010 methodology from September 2014 onwards. In addition Serbia provided EDP notification tables in 2016 on a best-effort basis acknowledging that the reporting is not complete and not fully in line with EU standards (ESA 2010).

Serbia informed that the **Balance of Payments** is produced on both annual and monthly basis by the National Bank. It further stated that it is compiled in broad compliance with the balance of payments (BOP) Manual, 6<sup>th</sup> edition, and Regulation (EC) 184/2005. Also, that Foreign Direct Investment Statistics (FDI) and International Trade in Service Statistics (ITSS) are equally in broad compliance with the EU *acquis* but needed a change in national by-laws.

Serbia informed that the collection of **Foreign Affiliates Statistics** (FATS) according to Regulation (EC) No 716/2007 started with a pilot survey in 2012. Methodological work is on-going and data transmission to Eurostat is scheduled for 2016. This is, according to Serbia, the case for both inward and outward FATS.

Serbia informed that **price statistics** are produced by SORS. The Harmonised Index of Consumer Prices (**HICP**) is described, according to Serbia, as highly compliant with the EU requirements. Further work to improve quality and compliance is on-going. Serbia stated that **Purchasing Power Parities (PPP)**, as laid down by Regulation (EC) 1445/2007, are equally highly compliant. Statistics for the calculation of remunerations and pensions of EU Staff are not yet collected. Serbia informed further that introductory work on housing price indices commenced.

**Structural Business Statistics** (Regulation (EC) No 295/2008) and **Short Term Statistics** (Regulation (EC) No 1165/2008) are, according to Serbia, already implemented with partial compliance. Serbia informed that further efforts would be needed concerning timeliness, the coverage and the comprehensive production of variables. The **Business Register** (Regulation (EC) 177/2008) is, according to Serbia, by and large compliant. Serbia stated furthermore that the **PRODCOM** (List of Products of the European Community) statistics are equally largely compliant.

In **Information society** statistics, data on ICT usage are already introduced, but ICT investment and expenditure statistics have not been introduced. ICT sector statistics are being collected. Serbia explained that postal statistics and telecommunications statistics are equally produced but needed further revision.

R&D and innovation statistics are, according to Serbia, compliant with EU standards. SORS produces R&D expenditure and personnel statistics. First data on GBAORD (Government Budget Appropriations and Outlays on Research and Development) were produced in 2014 for the first time. According to Serbia, CIS statistics (Community Innovation Survey) are harmonized with EU methodology.

Serbia stated that it organised, in 2011, a **Census of Population and Housing** according to EU *acquis* and subsequently published the results. Serbia stated that its **Demographic Statistics** are compliant as well.

Serbia informed that statistics on **Migration and Asylum** are at an initial compliance stage. Serbia stated that statistics on illegal immigration are partially compliant but that statistics on asylum and residence permits need further work. According to Serbia, currently available data is not yet based on the definitions as included in the EU *acquis*.

According to Serbia **Public Health** and **Health & Safety at work statistics** according to Regulation (EC) No 1338/2008 have been introduced but need further improvements. Serbia informed that health status and health determinants statistics are already largely compliant and that Causes of Death statistics (Regulation (EC) 328/2011) are partially aligned. Serbia stated that health care statistics are not yet compiled. As regards accidents at work (Regulation (EC) No 349/2011) the data collection remains to be developed in conformity with the EU *acquis*. Serbia informed of its intention to create a unified register for accidents at work in co-operation with the Ministries of Labour and of Health. Alignment is scheduled for 2018.

According to Serbia, **Labour Market statistics** are already being implemented. Serbia informed that the Labour Force Survey is compliant and conducted in the required periodicity. The Labour Cost Index, the Labour Cost Survey and the Structure of Earnings were introduced whereas Serbia informed that the Job Vacancy Statistics was not yet collected in compliance with the EU *acquis*.

As regards the **Survey of Income and Living Conditions** (SILC-Regulation (EC) No 1177/2003) Serbia has launched a regular survey that it considers to be compliant with the EU *acquis* both in terms of quality and of timeliness.

European social protection statistics (**ESSPROS**) as required under Regulation (EC) No 458/2007 and subsequent implementing Commission Regulations are, according to Serbia, already in place and will be further harmonised with the EU *acquis*.

As regards **Education and Training statistics** Serbia stated that the Continuous Vocational Training Survey is currently not conducted. An Adult Education Survey is already **being** implemented. Education statistics based on the UNESCO-OECD-Eurostat (UOE) data collection have been, according to Serbia, equally introduced as from 2014.

Serbia stated that **Tourism statistics** are partially compliant. Monthly and annual data on arrivals and nights spent at tourist accommodation establishments and on net occupancy rates of bed places as well as annual capacity data are already available. Serbia stated that further work is required for the breakdown on the type of locality and on national tourism (participation and tourism trips), where no data are being collected so far. Serbia informed that it wants to close the gap in international and in national tourism by 2018.

### III. ASSESSMENT OF THE DEGREE OF ALIGNMENT AND IMPLEMENTATION CAPACITY

Overall, Serbia's statistical system is well established but it needs further development to fully comply with the EU *acquis* and the relevant international standards.

#### III.a. Statistical Infrastructure

The statistical infrastructure is in line with the EU *acquis* and international standards.

Important parts of the EU *acquis* are implemented by the Statistical Office of the Republic of Serbia (SORS), the National Bank of Serbia, the Ministry of Finance and government agencies. SORS produces and disseminates official statistics broadly respecting in practice the principles of professional independence, impartiality and objectivity, and statistical confidentiality. The Official Statistics Law needs to be amended to include an explicit reference to the professional independence of SORS, to include a provision on the release calendar for all producers of official statistics and the timing of statistical releases, and provisions regarding the appointment, the fixed-term mandate and the protection against inappropriate dismissal of the Director of SORS. The right of SORS to intervene publicly in cases of misinterpretation or misuse of its statistics needs also to be explicitly laid down in the Official Statistics Law.

The administrative capacity is considered to be adequate for work undertaken currently by SORS. However, it needs to be further strengthened to be able to manage the comprehensive implementation of the EU *acquis*.

#### III.b. Classifications and registers

Classifications and registers are largely in line with the EU *acquis* and international standards. However, as regards the classification of statistical regions, Serbia does not yet comply with Regulation (EC) 1059/2003 (NUTS - Nomenclature of Territorial Units for Statistics).

#### III.c. Sectoral Statistics

**Transport statistics** need to be upgraded: Railway statistics are partially aligned but the Passenger Mobility survey and the Road Freight Transport Survey are not conducted yet. Road network data and road accident data are not transmitted to Eurostat. The air passenger and air-transport statistics are not fully aligned. The transport safety statistics are partially aligned, but require further work.

**Agriculture statistics** need to be upgraded: Economic Accounts for Agriculture (EAA), the Agricultural Price Index (API) and the Agriculture Labour Input (ALI) need to be further developed as well as the agricultural price statistics. Further progress needs to be made in organic farming statistics and in **fisheries** statistics as regards aquaculture.

In the sector of **energy and environment**, statistics are partially compliant.

In the area of **economic and monetary policy**, Serbia's statistics are partially in line with the European System of Accounts. SORS compiles currently Gross Domestic Product data on an annual and on a quarterly basis according to the production and expenditure approach, but not the income approach as required under the EU *acquis*. Annual and quarterly national accounts as required by the ESA 2010 transmission tables remain to be further developed to be fully

compliant. Considerable efforts are required for the compilation of financial accounts for all sectors. Furthermore, the quality and completeness of the Excessive Deficit Procedure (EDP) notification data and the Government Finance Statistics (GFS) need to be further improved. Serbia provided the EDP notification for 2016 on a best effort basis but needs to continue to align it with ESA 2010 regulations in terms of completeness and methodology.

**External trade statistics** are compiled according to the scope defined in the Extrastat Basic Regulation and the methodology applied is fairly harmonised with the EU *acquis*. Regarding preparatory work for Intrastat, Serbia will need to proceed cautiously as the Intrastat system is currently being revised.

Statistics on the **Balance of Payments** are compiled by the National Bank of Serbia. They are broadly in line with the 6<sup>th</sup> edition of the balance of payments manual and Regulation (EC) No 184/2005. Foreign Direct Investment statistics (FDI) and International Trade in Services (ITSS) which are also covered by the National Bank are equally broadly in line with the EU *acquis*.

In **Price statistics**, the Harmonised Index of Indices of Consumer Prices (**HICP**) and **Purchasing Power Parities (PPP)** are aligned. However, further fine-tuning is required. Statistics for the calculation of the remuneration and pensions of EU Staff are not yet collected.

**Structural Business statistics** and **Short Term statistics** are already implemented in Serbia and are partially in line with the EU *acquis*. Further quality improvements and an increased coverage of variables are necessary. The situation is similar in the **Business Registers** where substantial progress has been achieved, but comprehensiveness and full harmonisation with the EU *acquis* need further attention. Particular attention is also required for the definition of enterprise groups and local units. The **PRODCOM** (industrial production) statistics are linked to the business register and therefore equally partially in line.

**Foreign Affiliates Statistics (FATS-inwards and outwards)** are partially aligned with the EU *acquis* and data submission needs to start.

For **R&D and innovation statistics**, further efforts are needed for finalising and transmitting R&D expenditure and other related data to Eurostat. Regarding the usage of information and communication technologies (ICT), data and metadata are still missing; therefore, it is not possible to make an assessment of Serbia's compliance in this area.

The **Demographic** statistics are in line with the EU *acquis*. Serbia organised a Census of Population and Housing in 2011 in line with the European definitions and subsequently published almost all census data. Other population statistics are equally largely compliant.

Statistics on **Migration and Asylum** are not compliant. Statistics on illegal immigration, asylum and residence permits are partially produced but not yet aligned with the EU *acquis*. Statistics on international migration flows and acquisition of citizenship are partially produced but not under the harmonized definition of Regulation (EC) No. 862/2007. Regarding population by foreign background statistics, data are missing.

**Public Health and Health & Safety at work statistics** are partially aligned with the EU *acquis*. Health status and determinants as well as causes of death statistics are already available and largely in conformity with the EU *acquis*. Further work is required for the introduction of health care statistics.



The **Labour Market statistics** are broadly aligned with the EU *acquis* but their quality needs to be improved. In the Labour Force Survey, a complete set of data, quality reports and micro data should be transmitted to Eurostat and Serbia should increase the efforts to provide all information within stipulated deadlines as required under the *acquis*. As regards **Earnings and Labour Cost statistics**, the Job Vacancy statistics remain to be established. The Labour Cost Survey and the Labour Cost Index are compliant with the EU *acquis* while the Structure of Earnings statistics need further improvement.

A regular Survey of **Income and Living Conditions (SILC)** has been implemented in Serbia in line with the EU *acquis*. The social protection statistics (**ESSPROS**) are implemented. This also applies to the **UOE Survey** and the **Adult Education Survey**. Data for the **Continuous Vocational Training Survey** remain to be collected.

**Tourism statistics** are partially aligned with the EU *acquis*. Further work is required on data on the breakdown on the type of locality and on national tourism.

Overall, additional efforts are necessary before Serbia can become fully compliant with the EU *acquis* in this chapter.

#### **IV. CONCLUSIONS AND RECOMMENDATIONS**

In view of the above, in particular the findings presented in Part III, Serbia can be considered to be sufficiently prepared for negotiations on this chapter. Therefore, the Commission recommends the opening of accession negotiations with Serbia on Chapter 18: Statistics.

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