

**Government of Montenegro**

**Ministry of Finance**

## **Questionnaire**

Information requested by the European Commission to the Government of Montenegro for the preparation of the Opinion on the application of Montenegro for membership of the European Union

## **18 Statistics**

**Minister: Igor Luksic**

**Podgorica, December 2009**



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**CHAPTERS OF THE ACQUIS – ABILITY TO ASSUME THE  
OBLIGATIONS OF MEMBERSHIP**

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## Chapter 18: Statistics

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**1. Statistics might be collected by other institutional actors than the National Statistical Institute. In order to provide an overall picture of the system of official statistics, please give a description of the institutional arrangements concerning data collection, production and dissemination of official statistics in your country. This should include a listing of the specific responsibilities of the various actors.**

The statistical system of Montenegro must be based on three key principles provided for by the Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05), namely: methodological, legal and information consistency.

Fully respecting these principles, the Statistical Office of Montenegro - MONSTAT within its competences develops statistical system, coordinates, outlines and implements the Programme; fulfils international obligations; defines, updates and maintains methodological bases; monitors their application and instructs other statistics producers on the methodology application; produces basic indicators and aggregates of statistics defined by the Programme; uses all available data sources, administrative sources and data resulting from the observation and monitoring method which are collected by all statistics producers; monitors and controls the quality of statistical results; analyses and interprets, keeps statistical register and statistical database; organises the exchange of data and methodological basis of statistics; and performs other operations ([Annex 150](#) – Law on Statistics and Statistical System of Montenegro).

Apart from MONSTAT, statistical activities in Montenegro have also been performed by other statistics producers, laid down by the Law on Statistics and Statistical System of Montenegro, Programme of Statistical Surveys 2009-2013, and Annual Plan for 2009.

Under the Law, other statistics producers are:

- Central Bank of Montenegro;
- Securities Commission of Montenegro;
- Customs Administration;
- Tax Administration;
- Ministry of Finance;
- Commercial Court Central Register;
- Administration authority competent in the development affairs.
- Other bodies defined by the Programme

Under the Annual Plan, other statistics producers are:

- Health Insurance Fund of Montenegro;
- Pension and Disability Insurance Fund of Montenegro;
- Public Health Institute of Montenegro.

Statistical Office of Montenegro - MONSTAT keeps the following statistics: macroeconomic statistics, national accounts, foreign trade, prices, structural business statistics, registers, demography, statistics on agriculture, environment, forestry, statistics of short-term indicators, labour market, living conditions, social services, household consumption, education, research and development, culture, judicial statistics, and administration statistics.

The Central Bank of Montenegro – keeps monetary statistics, financial statistics, insurance statistics, balance of payments and foreign payment transactions statistics.

The Securities Commission of Montenegro – keeps statistics on the capital market.

Customs Administration – collects and controls the data on international exchange of goods (tariffs and customs duties; excises on imports, except for the excise goods which are subject to deferred payment of excise duty; VAT on imports; road tolls in the transit of goods over the territory of Montenegro; and administrative fees applicable to goods in customs procedures).

Tax Administration – keeps fiscal revenue statistics.

Ministry of Finance – keeps the statistics on fiscal expenditure and non-fiscal revenues.

Commercial Court Central Register – keeps the statistics on economic entities (business organisations, entrepreneurs).

Administration body competent in the development affairs i.e. the Secretariat for Development has ceased to operate by the new organisation of the Government of Montenegro, its competences from the area of statistics thereby denied.

List of statistical surveys carried out by other statistics producers:

<b>Central Bank of Montenegro</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Money market
2	Aggregate balance sheet of banks in Montenegro
3	Interest rates of banks
4	Liquidity of Montenegrin banking system
5	Aggregate balance sheet of micro-credit financial institutions (MFIs) in Montenegro
6	Money supply in Montenegro
7	Reserve requirements
8	Balance of payments of Montenegro
<b>Securities Commission of Montenegro</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Analysis of state securities
2	Analysis of financial instruments
3	Analysis of collective investment schemes
4	Analysis of other securities
5	Analysis of data from annual accounts of joint stock companies and other issuers of securities
6	Analysis of financial intermediation operations
7	Analysis of stock exchange operations
8	Structure analysis of investors in securities
9	Indices of capital market
10	Analysis of financial results of financial intermediaries
11	Analysis of financial results of investment funds
12	Analysis of financial results of voluntary pension funds

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13	Analysis of financial results of insurance companies
<b>Customs Administration</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Monthly revenue collection
2	Monthly protection of customs territory (offences, seized goods)
3	Monthly administrative capacity building (trainings, rewards, disciplinary proceedings)
<b>Tax Administration</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Monthly tax return for value added tax (PR-PDV2)
2	Monthly report on personal income of the employed (OPD1)
3	Annual individual income tax return (GPP-FL)
4	Corporate tax return (PD)
<b>Ministry of Finance</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Analysis of public debt, quarterly
2	Analysis of consolidated public spending, quarterly
<b>Pension and Disability Insurance Fund</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Monthly report on pension and disability insurance beneficiaries
2	Annual report on pension and disability insurance beneficiaries
<b>Commercial Court Central Register</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Register of business organisations, administrative source
<b>Health Insurance Fund</b>	
<b>Number</b>	<b>Statistical survey</b>
1	Report on health insurance beneficiaries by type of beneficiary
2	Report insurance beneficiaries - employees
3	Report on insurance beneficiaries - employees by activity
4	Annual report on revenue and expenditure of the Health Insurance Fund
5	Report on insurance beneficiaries by foreign social insurance schemes
6	Report on medical treatment abroad

Public Health Institute of Montenegro	
Number	Statistical survey
1	Report on the safety of food and items of general use
2	Report on safety of drinking, bottled, mineral and spring water
3	Report on work and on identified diseases, conditions and injures in out-of-hospital health care
4	Report on registered cases and epidemics of contagious diseases
5	Report on compulsory immunisations carried out against contagious diseases
6	Report on childbirths
7	Report on miscarriage
8	Report on organisations and activities of hospitals
9	Report on patients treated in stationary service
10	Report on blood transfusion service
11	Report on organisational structure and human resources in the health service

ollection and dissemination of data between statistics-producing institutions are defined by memorandums of cooperation. Individual memorandums of cooperation which define the data exchange for the MONSTAT needs, MONSTAT has signed with:

- Customs Administration (April 2004, Annex I of June 2005 and Annex II of January 2009)
- Ministry of Interior and Public Administration (February 2009)
- Tax Administration (April 2006)

Memorandums define inter-institutional exchange of data as to the type, manner of submitting thereof, timeliness, methodology changes, liability for the quality, confidentiality of data which MONSTAT adopts from other institutions and uses as an input for calculation of statistics within its competences.

The Memorandum of Cooperation with the Central Bank of Montenegro and Ministry of Agriculture, Forestry and Water Management is in process, and the signing thereof can be expected by the end of 2009.

Production of official statistics in terms of methodological consistency has been defined by the Law (Article 7). The data at the system level may not be produced by an internal methodology and incompliantly with international standards and classifications. MONSTAT is competent in the methodology defining and updating, harmonization thereof with other statistics producers, monitoring the methodology application, and instructing other statistics producers on the application thereof.

Further institutional capacity building, methodological role of MONSTAT at the system level, signing of separate memorandums of cooperation, as well as drafting of secondary legislation have been planned under IPA 2007 programme by mid-2011.

**2. Please describe the organisational structure, staffing levels and the level of independence of the National Statistical Institute. How have these issues developed in recent years, and what plans are there for the future? Can the Government influence the (choice of) data published by the National Statistical Institute? Please refer especially to measures aiming to increase the professional independence of the Institute.**

According to the Rulebook on internal organisation and job descriptions of the Statistical Office of Montenegro - MONSTAT of 2005, organisational structure consisted of two departments

(Department of Macroeconomic Balances and Business Statistics, and Department of Population and Social Statistics); four sections (Section of Macroeconomic Balances, Section of Business Statistics, Section of Population, Employment, Wages and Registers Statistics and Section of Social Statistics), two divisions (Division for Automatic Data Processing, and Division for Data Collection with regional offices), and Administration Service.

As regards that the goal of the statistical system development has been the harmonisation with the EU standards, the human resources inter alia, having been identified as lacking in reaching thereof a new organisation scheme of MONSTAT has been developed and adopted according to the EU experts' recommendations, providing for more employees.

The new Rulebook on internal organisation and job descriptions of the Statistical Office provides for five departments, one division, one service, and regional offices by municipalities.

Lower-rank organisational units - sections have been organised within a department, as follows:

- 1) Department of Macroeconomic Statistics, National Accounts and Prices
  - Section for Macroeconomic Statistics and National Accounts
  - Section for External Trade Statistics
  - Section for Prices (industry, construction, agriculture, and CPI)
  - Section for International Cooperation and EU Integrations
- 2) Department of Business Statistics
  - Section for Structural Business Statistics and registers
  - Section for Short-Term Indicators
- 3) Department of Social Statistics and Demography
  - Section for Demography and Population Censuses
  - Section for Labour Market, Living Conditions, Social Services, and Household Consumption Statistics
  - Section for Education, Research and Development, Culture, Judiciary and Administration Statistics
- 4) Department of Agriculture and Environment Statistics
  - Section for Agriculture Statistics
  - Section for Forestry and Environment Statistics
- 5) Department of Statistics Coordination and ICT
  - Section for ICT
  - Section for National Coordination, Classifications, Metadata, and Sampling
- 6) Division for Dissemination, Public Relations, and Databases
- 7) General Administration, Human Resources and Finance Service
- 8) Regional offices for data collection

Titles of civil servants and state employees are provided for by the Law on Civil Servants and State Employees, Articles 38 and 40 (Official Gazette of Montenegro 50/08).

Titles of civil servants are assigned to three grades, as follows:

First grade:

- Senior adviser I
- Senior adviser II
- Senior adviser III

Second grade:

- Adviser I
- Adviser II
- Adviser III

Third grade:

- Junior adviser I
- Junior adviser II
- Junior adviser III

Titles of state employees are assigned to five grades, as follows:

First grade:

- Senior state employee I
- Senior state employee II
- Senior state employee III

Second grade:

- State employee I
- State employee II
- State employee III

Third grade:

- Junior state employee I
- Junior state employee II
- Junior state employee III

Fourth grade:

- Junior state employee IV
- Junior state employee V
- Junior state employee VI

Fifth grade:

- Junior state employee

The former Rulebook on internal organisation and job descriptions of MONSTAT of 2005 provided for 120 civil servants and state employees. There are 203 civil servants and state employees provided for by the new Rulebook on internal organisation and job descriptions of MONSTAT adopted in 2008. Because of a lack of sufficient premises MONSTAT currently employs 141 civil servants and state employees.

One of the fundamental legal principles of the MONSTAT's work is professional independence. This means that the institution is independent of any influence in applying scientific and professional methods while performing statistical activities. MONSTAT is also independent in the official statistics dissemination. According to the Law, the Programme and Plan of Statistical Surveys are promulgated in the Official Gazette of Montenegro, while quarterly reports provide description of accomplished results. Monthly releases, monthly statistical reviews, statistical yearbooks and other publications are published independently of any kind of political, business or other type of influence. In this respect, the Government does not influence the data published by MONSTAT. All of this indicates that MONSTAT to this regard fully applies the European Statistics Code of Practice.

**3. Please describe the compliance of the statistical system of your country with the requirements as stated in the latest version of the Compendium, especially as concerns:**

**a) the current situation;**

**b) steps being taken to comply with the requirements (legislative and other measures to be taken, such as the implementation of the European Statistics Code of Practice, deadlines to achieve compliance);**

**c) major obstacles to be solved before being fully compliant.**

**This description should be provided for the following main areas:**

## **I Statistical infrastructure**

### **Theme 6.01 Statistical coordination**

#### **a) Current situation**

Statistical coordination includes activities which facilitate and make the production and dissemination of statistical data more efficient, as well as the activities aimed at more efficient use of statistical data by the users.

Statistical Office of Montenegro - MONSTAT disseminates statistics at the aggregate level.

Statistical data must be equally and simultaneously accessible to all users.

Publishing activity of MONSTAT is performed in accordance with the Publishing and Dissemination Programme which is developed every year.

The Publishing Programme comprises the review of planned issues for current year, depending on when the processing of data from certain statistical surveys is finished.

#### **b) Further measures for harmonisation with EU**

Construction of a new dynamic website for presentation of statistical data and data series.

### **Theme 6.02 Statistical training**

#### **a) Current situation**

IPA 2007 Multi-Beneficiary Statistical Cooperation Programme (IPA 2007 MB) is in the process of implementation, while the IPA 2007 Project - national project has been launched in September 2009. These projects will provide introduction of new methodological solutions and standards,

improvement of statistical system, better education of staff and participation in international meetings and conferences.

With a view to evaluating statistical information better, there is a commitment to improve statistical knowledge through both activities in the MONSTAT, and participation of statistical staff in international meetings and trainings within different projects.

There are two types of training:

- Trainings organised by the Human Resource Management Authority (HRMA) and MONSTAT;
- Trainings and seminars organised with international support.

Recognising the needs of public sector, the Human Resource Management Authority organises trainings in accordance with the Annual Training Calendar. Organised trainings relate to management, human resources, laws, European integrations, etc.

Trainings attended by MONSTAT employees related to:

- Improving the knowledge of English;
- Information technologies;
- European integrations.

In the period from 2006 to 2009, 65% of employees passed the training through the HRMA.

The trainings under IPA 2007 Project (multi-beneficiary and national) have implied the attendance of employees to shorter seminars or working meetings. There were 58 international meetings held from 2008 to the middle of 2009.

A number of courses has been organised with the IMF assistance and attended by our employees:

- Course for quarterly national accounts, organised in Vienna in 2008, and attended by one MONSTAT employee for the period of two weeks;
- Courses for annual national accounts, organised in Washington, attended by two MONSTAT employees for the period of five weeks each. This course was financed by IMF in 2008, and co-financed by MONSTAT in 2009.
- Course on poverty line organised in Washington in 2007, and attended by four MONSTAT employees for the period of two weeks.

#### **b) Further measures for harmonisation with EU**

- Improvement of statistical knowledge (methodology, sample, etc.), as well as learning of English as one of the EUROSTAT recommendations, aimed at enabling participation of increased number of employees in international meetings and trainings;
- Signing of additional contracts with employees who had acquired additional professional knowledge through a financial support by MONSTAT;
- Traineeship in EUROSTAT.

#### **c) Main problems**

- Lack of training results' monitoring system;
- Outflow of trained staff;
- Defining of a method for sharing the acquired knowledge with others.

### **Theme 6.03 IT support for statistical production**

#### **a) Current situation**

When statistical surveys are being conducted, the data are controlled visually by means of calculation and logical control within the computer program. The quality of results is evaluated by means of control tables, comparison with previous periods (total and by structure), and on the basis of professional knowledge and experience of statisticians – experts for certain matter.

For large statistical surveys such as censuses, pilot censuses are organised on a predefined sample so that the quality of conducted survey can be evaluated.

In the case of sample-based survey, the basic quality measures, such as variance, i.e. relative standard error are calculated. Questionnaires in this type of statistical survey (HBS and LFS) also contain a form for non-response units enabling a detailed non-response analysis. For other surveys we also take care of response and non-response, but in a different way, which also enables non-response analyses.

The quality and possible need for further improvement of statistical survey are done on the basis of report on the course of survey.

It is also important to continue our work on updating the databases (registers) which are used for the purpose of creating a framework, but also as information for data comparison.

#### **b) Further measures for harmonisation with EU**

It is necessary to establish a quality management system in accordance with the EU recommendations on the quality and implementation of a quality assurance strategy, and accept the Quality Declaration of the European Statistical System.

The implementation of quality assurance instruments will bring to a wider and better use of indicators. Reports on quality and reviews will contribute to further action toward quality improvement, defining further best practices, and to a more stable process of carrying out a survey based on the quality assurance approach.

#### **c) Main problems**

MONSTAT has neither department nor team of experts responsible for the development of quality management system. Thus, it is necessary to appoint persons who will be engaged in this work and to train them so that they could develop the system and conduct quality assurance procedures.

### **Theme 6.04 IT standards, tools and services for data exchange in the ESS**

#### **a) Current situation**

MONSTAT's computer network is based on the client/server environment. The network is structured with CAT5E cabling, 10/100Mbyte switches with 1000Mbyte uplinks toward the network core, while the network core uses gigabyte L3 switch. The network is divided by L3 switch to 7 WLANs. Regional offices are not connected to the central computer system (except for the Podgorica regional office).

Domain controllers and database servers are based on the standard Intel server technology. Web server is based on IIS 6 server, while mail server is based on the EXCHANGE 2003 server. MONSTAT has its own website, [www.monstat.org](http://www.monstat.org).

All employees have their own PC with constant approach to the local network and internet. All the employees have their own email addresses. PCs have Microsoft XP Professional and Microsoft Vista operating systems, Microsoft OFFICE 2003/2007 software packages. The databases use SQL SERVER 2000, Visual Basic 6.0 is used for the construction of applications for entering data, arithmetic and logical control, while tabulation is done by Crystal Report. Samples are created by SAS software package. Further processing and data analysis by statisticians mainly rely on Microsoft Excel, in some cases SPSS. Arc View program package is used for updating of territory register units.

The data are sent to EUROSTAT via e-mail. Only in some cases eDAMIS web portal is used. Also, data, releases and publications can be downloaded via our website: [www.monstat.org](http://www.monstat.org).

#### **b) Further measures for harmonisation with EU**

- On-going training and new IT knowledge acquiring;

- Training for the use of NET tools;
- Making application for online data entering;
- Connecting all regional offices into a central computer network;
- Higher level of use of eDAMIS Web portals for forwarding the data to Eurostat, and installation of eDAMIS Web Application (eWA) in MONSTAT for data exchange with Eurostat, which will provide harmonisation of data formats and easy reference thereto, and comparability;
- Development of metadata database;
- Construction of dynamic website.
- Harmonisation of the IT environment by introducing standard tools and solutions;

#### **c) Main problems**

- Lack of metadata database.

### **Theme 6.05 Data and metadata structural definition**

#### **a) Current situation**

MONSTAT uses the adopted methodologies and classifications for conducting of statistical surveys, but they are not compiled into a single metadata repository.

#### **b) Further measures for harmonisation with EU**

The main problem right now could be recognised in the lack of experience

#### **c) Main problems**

MONSTAT is in the planning phase of its own metadata system.

Precondition for realization of this plan is to create a special team (division consisting of methodologists, statisticians and IT experts).

What should be emphasised is the fact that IPA 2007 programme has offered us a great opportunity to create metadata database for the LFS (Labour Force Survey) activity that will serve as a starting point for realisation of our overall metadata system.

### **Theme 6.06 Information and dissemination**

#### **a) Current situation**

Statistical Office of Montenegro - MONSTAT disseminates statistical data at the aggregate level. Statistical data must be equally and simultaneously accessible to all the users. Users of statistical data are obliged to name the source when they use the data.

Publishing activity of MONSTAT is performed according to the Publishing and Dissemination Programme adopted each year. The Publishing Programme includes the review of planned issues for current year, depending on the completion of processing the data from certain statistical surveys.

Publishing activity in 2008;

Monthly publications:

- 69 issues of monthly releases, the circulation of 150 copies per issue;
- 12 issues of Monthly Statistical Review, the circulation of 150 copies per issue;

Quarterly publications:

- 4 issues of releases – Labour Force Survey, the circulation of 30 copies per issue;

Annual publications:

- Statistical Yearbook of Montenegro - 1, the circulation of 400 copies;
- Montenegro in Numbers -1, the circulation of 300 copies;

Extraordinary publications:

- Poverty Analysis in Montenegro for 2005 and 2006, the circulation of 100 copies;
- Database of RAE Population in Montenegro, the circulation of 300 copies;
- Demographic Trends in Montenegro - projections until 2050, the circulation of 150 copies.

The MONSTAT's publications subject to the highest demand are: Statistical Yearbook of Montenegro, Monthly Statistical Review, and Releases. Number of subscribers is negligible, and the publications are submitted free of charge to interested institutions in the country and abroad (Central Library, University of Montenegro, institutes, ministries, municipalities, foreign embassies and consular offices in Montenegro, etc.).

#### **b) Further measures for harmonisation with EU**

The Statistical Office of Montenegro – MONSTAT has launched the bilingual editions of Statistical Yearbook of Montenegro (Montenegrin and English version) in 2005, and of the Monthly Statistical Review in 2007. Additionally, the regular Montenegro in Numbers publication has been published bilingually, as well as the Labour Force Survey (LFS) release.

Most of the MONSTAT's publications have been published at the website [www.monstat.org](http://www.monstat.org), the Statistical Yearbook of Montenegro also printed in the CD format.

As to the future prospects, the SDDS application is expected to develop (SDDS standing for the Special Data Dissemination Standard - i.e. application of basic standards for dissemination of economic and financial statistical data), as well as introduction of other standards referring to data transparency.

#### **c) Main problems**

There is no section for publishing activity and dissemination, meaning the lack of experts that would work on introducing innovations into the data dissemination.

### **Theme 6.07 Statistical cooperation with the candidate and potential candidate countries**

#### **a) Current situation**

Within its international activities, MONSTAT pays special attention to candidate and potential candidate states.

*The Former Yugoslav Republic of Macedonia* – An example of enhancing the cooperation and exchange of experience is signing of the Memorandum of cooperation with the Former Yugoslav Republic of Macedonia. The cooperation is based on the memorandum of statistical cooperation signed by both of countries covering business statistics, labour market, agriculture statistics, national accounts, legislation on statistics, development of methodology and statistical surveys, harmonisation of national with international classifications, social statistics, and information technologies.

*Republic of Croatia* – A study visit to the Central Bureau of Statistics Croatia - CROSTAT has been organised within the CARDS programme with the purpose to improve the Labour Force Surveys. In the future, experiences in tourism statistics are to be exchanged.

*Republic of Turkey* – Future exchange of experience with the Turkish Statistical Institute - TurkStat has been planned.

*Republic of Serbia* – There is already a high level of cooperation aimed at sharing experiences in all areas of statistics with the Statistical Office of the Republic of Serbia - SORS. Apart from the

Agreement on the use and protection of individual Montenegrin foreign trade data, a number of study visits are performed on a regular basis with the aim to share the experiences in the area of education and science statistics, as well as statistics on labour costs.

*Bosnia and Herzegovina* – cooperation has been developed although not yet formalised, and is currently based only on sharing experiences between the statistical offices.

*Republic of Albania* – statistical cooperation has been developed, although without formal contracting relation. Missions have been organised with the aim to share the knowledge and experience in the area of foreign trade.

*Kosovo (under United National Security Council Resolution 1244)* – Currently, there is no cooperation with Statistical Office of Kosovo - SOK. However, there are realistic expectations that it will be launched in the future for a quality and timely exchange of data between two statistical offices.

#### **b) Further measures for harmonisation with EU**

- Further harmonisation of the Montenegrin statistical system with the EU standards;
- Formalization of cooperation with a number of countries in the form of Memorandums of Cooperation, bilateral agreements, exchange of documentations, and similar, thus facilitating to a large extent the fulfilment of the EU requests related to statistics.

#### **c) Main problems**

Lack of memorandums and agreements on cooperation with Croatia, Serbia and Bosnia and Herzegovina.

### **Theme 6.08 Statistical cooperation with countries covered by the European Neighbourhood Policy (ENP)**

#### **a) Current situation**

Cooperation in the area of statistics with the countries covered by European Neighbourhood Policy (ENP) has not yet been established. Montenegro is open for statistical cooperation with the ENP countries.

### **Theme 6.09 International statistical cooperation**

MONSTAT established its first division for international cooperation by the new Rulebook on internal organisation and job descriptions of April 2008. . The division herein performs the following affairs: involvement of the statistical system in the international and European statistical developments; harmonisation of statistical system according to the needs for harmonisation with international and EU standards; development of international statistical cooperation programmes; Fulfilment of obligations towards international organisations with regards to data delivering; analytical, professional, and documentary activities relating to the cooperation with Eurostat; prepares, proposes and monitors international cooperation projects. Also, the division establishes contacts and cooperation with other countries and international organisations. This also includes relations with the Delegation of the European Commission to Montenegro (EC Delegation), World Bank, United Nations (UN), Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), EU member states, and third countries. High level of cooperation has been achieved with the Statistical Office of the Republic Slovenia and Statistics Austria.

Republic of Slovenia – There is cooperation within the project of Purchasing Power Parities. Montenegro has been a part of the project in the group of Western Balkan Countries (WBC).together with Serbia, Bosnia and Herzegovina, Albania, and Kosovo. The project leader for

the group is Slovenia as the manager of overall activities under the project of Purchasing Power Parity.

Republic of Austria – There is cooperation in the area of enhancing international cooperation and promotion of the professional Code of Practice.

#### **a) Current situation**

Assistance to MONSTAT has been provided by a number of European organisations through various workshops, missions, trainings, expert visits, and financial assistance.

#### **FAO and TAIEX**

Joint mission of the EU and FAO experts has been organised in MONSTAT under TCP/MNE/3202(D) project, and with the TAIEX assistance (Technical Assistance Information Exchange Office), with the aim to harmonise prepared agriculture census instruments with the EU standards. The official visit has taken place from 27 July to 1 August 2008. Pilot Agriculture Census was completed in October 2008.

#### **UNFPA and UNECE**

Pilot Population Census funded by the EC Delegation has been conducted from 1 to 15 June 2009. The main census has been envisaged for mid-April 2011. The UNECE and UNFPA assistance was educational in nature (methodological training).

#### **IMF**

Short-term missions are organised by the IMF providing recommendations and suggestions for the application of standards.

High level of cooperation is based on a number of meetings to deliver monthly data series, primarily in reference to prices, industrial production, wages and salaries, foreign trade and Household Budget Survey, along with methodology-related recommendations. IMF has provided us with a long-term expert, since August 2009 and for one-year term, and with the office thereof in MONSTAT. This is aimed at improving the quality of the Montenegrin national accounts.

#### **UNICEF**

Cooperation with UNICEF has been performed through the Multiple Indicator Cluster Survey (MICS).

#### **WORLD BANK**

Cooperation with the World Bank office has been performed through their support in the poverty analysis estimate for 2007. Future financial support has also been planned to the implementation of the Agriculture Census.

#### **b) Further measures for harmonisation with EU**

- Professionalism and transparency within further cooperation with EU;
- Harmonisation of the Montenegrin statistical system with the *acquis communautaire*.

#### **c) Main problems**

Lack of qualified staff.

### **Theme 6.10 Statistical research and methodology**

#### **a) Current situation**

The harmonisation of statistical surveys and methodologies with the EU standards is in progress in MONSTAT.

Under SIDA project one component has been in relation with the methodology development for all statistical areas. On that occasion, methodologies representing the basis for further harmonisation and planning of further international assistance have been developed.

- Statistical Business Register (SBR) has been established with the assistance of experts from Statistics Sweden (SCB) and is fully compliant with the EU standards. The methodology has also been developed.
- Household Budget Survey (HBS) has been harmonised with the EU standards with the assistance of experts from SCB. The methodology has also been developed. The main data source for poverty analysis is HBS. The poverty analysis for 2005, 2006 and 2007 was done with the assistance of a World Bank expert. MONSTAT is to conduct independently the poverty analysis for 2008. The poverty analysis is based on a two-phase stratified sampling.
- Labour Force Survey (LFS) harmonised with the EU standards according to the valid quarterly periodicity methodology based on the rotation sampling.
- Structural Business Statistics (SBS) has been developed since 2006.

Preparations have been underway for the agricultural census in April 2010. The questionnaire and methodology have been developed by the recommendations of the EU experts and harmonised with the EU standards. After the agricultural census, a farm register will be created.

#### **b) Further measures for harmonisation with EU**

To raise the level of compliance with the EU, the following has to be done:

- Create unique classifications with appropriate codes (institutional sectors, activities, variables, regions);
- Improve methodology and application of sampling;
- Establish metadata databases.

#### **c) Main problems**

- Insufficient number of development-oriented experts in MONSTAT;
- Lack of a separate division for the development of statistical methods and techniques.

### **Theme 6.11 Data security and statistical confidentiality**

#### **Module 6.11.01 Data security and data protection**

##### **a) Current situation**

Databases for statistical surveys are placed in three central data servers - SQL SERVER 2000, while free and unlimited access through LAN network is allowed for two servers. The third server regulates the data access by SQL authentication with different levels of privileges.

Database backups are regularly done once a week on local disks, and once a month on external media.

Windows domain is used to secure the network access, where each user has his/her own account and password allowing him/her access to certain network parts, data, printers, etc.

No computer of the local network users has direct access to Internet, but they access it through a proxy server, enabling thereby the protection of their data from external users.

Mail and Web servers have direct access to the Internet, and they are protected with firewall.

Different antivirus programme versions have been installed to all the computers, thus partially preventing viruses.

**b) Further measures for harmonisation with EU**

Protection of databases, their archiving and migration are impossible without a person engaged exclusively in this type of work. Therefore, it is necessary to training a person to administer the database.

Access to data must be limited in all servers through several levels of authentication (SQL and Windows authentication) with several levels of privilege.

Servers used for databases are outdated and they should be replaced.

A faster connection is necessary for mail and web server.

Corporate antivirus solution should be procured and installed.

**c) Main problems**

There is no database administrator in MONSTAT.

**Module 6.11.02 Coordination for statistical confidentiality – Statistical confidentiality Committee****a) Current situation**

MONSTAT coordinates the statistics confidentiality in compliance with the Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05). MONSTAT provides the protection of individual data on natural or legal persons which were collected and processed for statistical purposes. The data are stored in a manner which prevents them from destruction, misuse, misappropriation and unauthorised use. MONSTAT takes care that statistical results are not distributed if they contain or reveal confidential data.

According to the Law, upon written request and upon prior approval by the head of the competent body, producers of statistics may provide individual statistical data with no identifiers to scientific and research institutions, for the purpose of carrying out scientific and research activities. The request must contain clearly indicated purpose of the use of those statistical data. Pursuant to this provision of the Law, the Rulebook on the manner of keeping records on individual statistical data users was adopted in 2009 (Official Gazette of Montenegro 03/09).

The statistical data use is regulated by a contract the user thereby committing to use statistical data exclusively for the purpose indicated in the request, not to allow any insight therein and any use thereof by unauthorised persons, and to destroy the data herein upon their processing, the user being held materially and criminally liable therefor.

In fulfilling international obligations, the producers of statistics are obliged to establish cooperation with producers of statistics from other countries and international organisations through entering into contracts on international cooperation and exchange of statistical data, with the obligation to respect and introduce international standards.

The Committee on Statistical Confidentiality has not been established due to the lack of legal grounds.

**b) Further measures for harmonisation with EU**

The need for increasing our role in the coordination of activities with other entities from the region and international bodies.

To inform social entities (institutions, enterprises, NGOs, etc.) on the standards referring to statistics confidentiality.

To establish the Confidentiality Committee.

**c) Main problems**

Insufficient organisation in terms of full compliance with the principle of 'statistical confidentiality', as defined by the EU Code of Practice.

### **Module 6.11.03 Legal aspects of confidentiality**

#### **a) Current situation**

Confidentiality of statistical data has been regulated by the Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05) which provides for the meaning of confidentiality as the protection of data related to individual statistical unit and collected exclusively for statistical purposes or obtained indirectly from administrative or other sources, from any kind of misuse. It implies both the prevention of the data use for purposes other than statistics and unlawful publication thereof.

Beside the confidentiality (Article 48, 49, and 50), the Law also comprises the following principles: use of personal data exclusively for statistical purposes, impartiality, professional independence, timeliness, availability to the public, etc.

By the Law, individual data on natural or legal persons are confidential and represent an official secret. The data are considered confidential where they provide direct or indirect identification of any legal or natural person.

The individual data collected for statistical purposes may be used only for purposes defined by the Law. The access of third parties to individual data collected for statistical purposes is not allowed.

The obligation of confidentiality and protection of statistical data is vested in persons involved in the production of statistics and having access to confidential data only to the extent necessary for the production of statistics. The obligation of these persons stays in place even after they cease to participate in statistics production. For example, if a person does not remove identifiers of the reporting units after having processed the collected data or data obtained from the administrative sources and after having used these data for updating the registers, the person will be subject to disciplinary action, while state administration body but also the head thereof shall be fined. The fines range from 10 to 300 minimum wages in Montenegro, and from  $\frac{1}{2}$  to 20 minimum wages in Montenegro respectively.

Provisions on statistics confidentiality also apply to the international matters. The Council Regulation No. 1588/90 enables the national legislations to transmit confidential data to Eurostat. In regards with this, in our practice and respecting our national legislation, the data which could enable a direct identification of any natural or legal person (name, surname, address) are to be removed from the databases before the data are sent to Eurostat. The application of this international regulation has been a step forward to the EU.

The Rulebook has been adopted this year regulating the manner of keeping register on the users of individual statistical data – scientific-research institutions performing scientific-research activities. These records contain: sequence number, date of submission, name, place, and address of individual statistical data user, name of the responsible person of individual statistical data user, type of individual statistical data, purpose of individual statistical data use, dynamics of giving individual statistical data, date of decision on the request, date of entering into contract on the use of individual statistical data, and note. This rulebook was promulgated in the Official Gazette of Montenegro 03/09.

#### **b) Further measures for harmonisation with EU**

Drafting of secondary legislation on data confidentiality.

The law to provide for a declaration of obligation by individual data users to respect the statistical data confidentiality.

Efficient transmission of confidential data.

Sharing of experiences in regards with the statistical data confidentiality with other producers of statistics in the country and abroad.

Need to set up common rules on confidentiality at the international level (including also the countries in the region).

### **c) Main problems**

Insufficient number of written instructions and guidelines on the protection of data confidentiality.

Insufficient number of trainings (workshops, seminars) on the importance of data confidentiality.

## **DOMAIN 7 ADMINISTRATIVE SUPPORT**

### **Theme 7.01 Management of IT infrastructure**

#### **a) Current situation**

There is the Department of Statistical Coordination and ICT in MONSTAT.

This Department consists of two sections:

- Section for ICT;
- Section for National Coordination, Classifications, Metadata, and Sampling.

Position of assistant director for this sector is vacant, although defined by the job descriptions.

Currently, there is the Head of the Section for ICT. This section consists of 10 programmers, 3 system engineers, and 6 persons who enter the data. The Section for National Coordination, Classifications, Metadata, and Sampling consists of one sampling person and one trainee – sampling person.

Programmers perform the following activities:

- Development of applications for the processing and use of statistical data, support to the implementation of special software for statistical analysis;
- Creating and updating of databases and access thereto;
- Support to dissemination and development of statistical publications, especially electronic forms (website).

System engineers perform the following activities:

- Maintenance of hardware, implementation and updating of basic software;
- Maintenance of network;
- Protection and archiving of data;
- Implementation of Internet technologies.

Data entering is centralised. It is done only within MONSTAT, not in regional offices.

#### **b) Further measures for harmonisation with EU**

A placement to the position of the IT department assistant director has been planned by the end of 2009, which will significantly improve job organisation within the department.

Connection of regional offices with the MONSTAT database in order to enable entering of data in these offices.

Having in mind the pace of the ICT development and the fact that new and modern technologies appear every year, and with a view to keeping up with global standards and trends, we need an

on-going education and professional development. Professional development should be provided through study visits, specialist courses, and individual development by professional literature.

### **c) Main problems**

Poor organisation of work.

Lack of an on-going education in the area of modern information and communication technologies so that the employees could keep up with world standards.

## **Theme 7.02 Management of human resources**

### **a) Current situation**

MONSTAT currently employs 141 civil servants and state employees, out of 203 thereof as defined by the Rulebook on Internal Organisation and Job Descriptions. Ten of them are trainees, and 131 are civil servants and state employees employed under an open-ended contract.

MONSTAT employs 98 women (69.50%) and 43 men (30.50%).

The average age is 43.8.

The total of 141 employees includes 93 i.e. 65.95% with tertiary university education, 21 employees i.e. 14.89% with tertiary associate degree education, 25 i.e. 17.73% with (higher) secondary education and 2 employees i.e. 1.41% with primary education.

Rights and duties of employees are defined by separate acts, laws, rulebooks, and decrees.

Rights and duties of civil servants, titles, salary grades and coefficients have been laid down by the Labour Law, Law on Civil Servants and State Employees, and Law on Salaries of Civil Servants and State Employees.

The Law on Civil Servants and State Employees regulates the entering into employment, titles, rights and duties, responsibility, re-assignment, performance appraisal, advancement, professional development, termination of employment, protection of rights, human resources management and supervision over its implementation.

Each job position has been laid down by the Rulebook on Internal Organisation and Job Descriptions, and includes the sequence number, function, job requirements, job description and numbers of posts. Passed civil service exam is a requirement for each job position (except for the junior state employee with primary education), as well as the knowledge of English and computer skills.

Advancement in service depends on meeting the terms and conditions defined for a higher position, performance appraisal, and the year-end accomplished results, and is instituted by the head of the body, upon a proposal by the direct superior.

Civil servants and state employees performing tasks must respect instructions and orders by the superior.

Rules of conduct, work discipline, and code of ethics for civil servants are public and accessible, and violation of duties arising from the employment are subject to disciplinary measures.

There is the Personnel Information System (PIS) in MONSTAT. PIS provides administration and registration of all legally defined information on the employed persons, as well as record-keeping (Central Personnel Record), management, and analyses of data and information, thus also providing the data used by the Human Resources Administration for drafting the reports at the state administration level.

Education and professional development of employees include their attendance to vocational seminars, symposia, consulting events, workshops, and intensive foreign language courses, and computer courses.

### **b) Further measures for harmonisation with EU**

- Reduction of the brain drain of young tertiary-educated staff (due to small salaries);
- Acquiring specialist knowledge in specific areas of statistics;
- Ensuring internal promotion on merits and according to the needs of MONSTAT.

**c) Main problem**

Lack of sufficient premises.

**Theme 7.03 Management of financial resources**

**a) Current situation**

Funds for the performance of activities under the competences of MONSTAT are planned in the budget of Montenegro. The budget is executed according to the approved monthly dynamics, and on the basis of previously submitted financial plan which MONSTAT is obliged to submit for the entire year, stated by months.

Unexpected circumstances can cause that budget revenues do not arrive by planned dynamics, thus possibly resulting in limitations to the funding from the Budget of Montenegro even after the approval of total needed funds for the activities defined by the programme of statistical surveys. This is particularly typical of the lack of funds for new employments, due to a larger scope of activities and liabilities arising there from.

Beside the general revenues as the main funding source for the activities, during the year MONSTAT makes small-extent revenues from the performance of its activities. This is a very small amount of funds. The revenues of MONSTAT are deposited in the State Treasury bank account, and are used to cover the expenditure from performance of these activities and other current expenditure.

**b) Further measures for harmonisation with EU**

To coordinate necessary annual funds for the activities from the Statistical Surveys Programme from 2009 to 2013, and the Annual Plan of Activities, a review of necessary funds from the budget of Montenegro should be defined for subsequent fiscal years.

Thus prepared Programme and Annual Plan of Activities with precise necessary funds therefor are submitted to the Government of Montenegro which adopts the Programme of Statistical Activities and Annual Plan of Surveys, approving the total necessary funds, before the adoption of the Budget of Montenegro for the fiscal year.

The aim of such work planned for subsequent years is to define the necessary funds and not to decide thereon separately from the real needs of performing the planned statistical activities.

**c) Main problem**

Unexpected circumstances can cause that budget revenues do not arrive by planned dynamics, thus possibly resulting in limitations to the funding from the Budget of Montenegro even after the approval of total needed funds for the activities defined by the programme of statistical surveys.

**Theme 7.04 Audit**

**a) Current situation**

Audit of MONSTAT operations is done in compliance with the Montenegrin audit legislation.

It includes control carried out by the authorized officers of the Ministry of Finance and State Audit Institution.

The controls herein include controls of the execution of the MONSTAT budget expenditures. This implies an assessment of operations performed by MONSTAT relating to implementation of the stipulated rules and procedures, analysis of the use of budget funds from initial approval of procurement of goods and services, to approval of funds and expenditures, to examination of accuracy and comprehensiveness of the accounting records on expenditures and adjustments of the MONSTAT records to the records kept by the State Treasury.

Therefore, the aim of audit is application of legislation to work performance, improvement and enhancement of the activities, protection of funds, as well as the development and maintenance of reliable and genuine financial reports and information.

The audit is performed during a fiscal year, and also for previous periods where necessary.

#### **b) Further measures for harmonisation with EU**

There have been increasing efforts aimed at strengthening the internal control process, where the control would be carried out by authorised MONSTAT employees.

Wider scope of activities and their harmonisation with the EU standards in the area of audit is under competences of the Government of Montenegro.

### **Theme 7.05 General administration**

#### **a) Current situation**

According to the Law on State Administration (Official Gazette of the Republic of Montenegro 38/03 and Official Gazette of Montenegro 22/08) MONSTAT is a state administration body which performs vocational and related administrative affairs using scientific methods and knowledge.

MONSTAT is managed by the director (the head of state administration body). The director is appointed and removed from office by Government of Montenegro upon a proposal of the line minister. The director of MONSTAT is accountable for the performance of the state administration body and the situation in the statistics to the line minister and Government of Montenegro. The line ministry performing supervision over the legality of MONSTAT's operations is the Ministry of Finance.

According to the Rulebook on internal organisation and job descriptions of MONSTAT, adopted by the Government of Montenegro (April 2008), the director has two deputies who manage several sectors and perform the most complex operations. They are accountable to the director and Government of Montenegro, and they are appointed for a five-year term. The Rulebook herein provides for the total of five deputy directors.

Professional MONSTAT board is a professional body. The board comprises the director, deputy directors and senior advisors, i.e. heads of sections, divisions and services. MONSTAT has five departments, office of the director, one division, one service, and regional offices for data collection by municipalities. There is the total of 13 sections within the departments.

#### **b) Further measures for harmonisation with EU**

Internal organisation of MONSTAT is in compliance with contemporary trends in the operations of the EU statistical offices.

### **CY STRATEGY AND COORDINATION**

#### **Theme 8.01 Communication**

##### **a) Current situation**

MONSTAT public relations are performed by the Prisma PR Agency.

Prisma-Corporate Communication performs all PR activities for MONSTAT and the Council of the Statistical System of Montenegro covering:

- Total PR within the MONSTAT and Council of the Statistical System's projects;
- Planning of overall PR activities;
- Coordination of activities with the competent MONSTAT officers;
- Relations with journalists and editors (lobbying);
- Promotion of the MONSTAT publishing activity;
- Promotion of the MONSTAT international activity;
- Promotion of work of the Council of the Statistical System;
- Print-media clipping;
- Electronic-media clipping;
- Qualitative and quantitative analysis of press articles and electronic media feeds;
- Alarm clipping;
- Preparation and presentation of information to the public;
- Preparation, writing of press releases, and organisation of regular monthly news conferences;
- Preparation for media appearances;
- Organisation of interviews;
- Consulting activities;
- Education in the area of PR.

In regards with the organisation of regular press conferences, Prisma performs:

- Communication with the competent MONSTAT officers;
- Preparatory meetings with the MONSTAT management (preparation of speakers for public appearances);
- Drafting of invitations for journalists to attend news conferences of MONSTAT, and coordination thereof;
- Sending of invitations to the media;
- Follow-up calls (calling of journalists and editors in person with the aim to check if they received the invitation);
- Lobbying media editors to send teams to cover the events;
- Preparation of press materials for news conferences;
- Distribution of press materials at the news conference;
- Lobbying the media editors and arranging interviews and statements of the MONSTAT officials after news conferences;
- Registration of journalists who arrive to news conferences;
- Taking photos of news conferences;
- Drafting and adjusting the information from the news conference with MONSTAT officers competent therein;
- Sending of information and photos from the news conference to the media outlets who could not cover the press conference;

- Support to the MONSTAT management and coordination of work with journalists and the media editors;
- Lobbying the media to publish the news, broadcast or replay the TV and radio story thereon.

## **Theme 8.02 Quality management and evaluation**

### **a) Current situation**

By the Law, one of the listed activities of MONSTAT, is monitoring and quality control of statistical results. The quality control is performed from the data collection to entering to processing and dissemination. The quality of statistical data is contributed by the methodologies and questionnaires which are composed so as to be functional and understandable in terms of their contents, terminology and period.

Extensive statistical actions – censuses are organised in such a manner that they cover all the territory of Montenegro by the quality data collection, the report being evaluated thereafter.

In case of a practical use of surveys provided for by the Annual Plan and Five-Year Programme, any suggestions, proposals and opinion that could lead to an improvement of data quality are submitted to the Council of Statistical System competent in considering the statistical system operations. Where there is a signed contract or agreement between the producers of statistics, such cooperation may also be direct. The agreement on cooperation between all producers of statistics adopted by the Council of Statistical System on 16 June 2006 stipulates, *inter alia*, the communication between them aimed at an adequate division of common duties and avoidance of collision in responsibilities.

### **b) Further measures for harmonisation with EU**

Better updated register.

Establishment of the Division for Dissemination, Public Relations, and Databases.

## **Theme 8.03 Management and statistical programmes**

### **a) Current situation**

The Programme of Statistical Surveys ([Annex 152](#)) is an act laying down statistical activities for a five-year period in compliance with the Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05). The Programme of Statistical Surveys (Annex 152) 2009-2013 was adopted by the Government of Montenegro and promulgated in the Official Gazette of Montenegro 17/09. This document is executed by the adoption of the Annual Plan of Statistical Surveys for all producers of statistics. Drafting of these documents is coordinated by MONSTAT. The Council of Statistical System organises development of the Annual Plan and Five-Year Programme for Producers of Statistics, through its working groups. The working groups organise meetings, discussions, giving opinions and proposals. After the positive opinion by the Council on the proposals of these documents, MONSTAT submits the documents through the line ministry to the Government of Montenegro for adoption. It should be noted that the Programme of Statistical Surveys 2009-2013 was adopted this year for the first time (while annual plans had been adopted in each of the previous years).

Acquis communautaire is the basis for the thematic content of the Programme of Statistical Surveys, but also for the Annual Plan, starting from this year. MONSTAT submits to the line ministry the annual and quarterly reports on the execution of Annual Plan of Statistical Surveys.

The Programme of Statistical Surveys 2009-2013 comprises:

- Development objectives;
- Review of main results (dissemination by each area, dissemination periodicity, main review harmonised with international standards);
- Name of the responsible producer of statistics;
- Dissemination level.

#### **b) Further measures for harmonisation with EU**

To adopt the Annual Plan of Statistical Surveys for 2010 in compliance with the adopted Programme of Statistical Surveys 2009-2013.

To organise trainings within current projects by the Annual Plan and the Programme of Statistical Surveys, aimed at harmonisation with the EU requirements.

### **Theme 8.04 Management of legal bases**

#### **a) Current situation**

The Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05) is a *lex specialis*. This systemic law integrates the following regulations:

- Treaty on European Union, the sixth part – general and final provisions, Articles 285 and 286;
- Council Regulation (EC) No 322/97 on Community Statistics, establishing the division of competences between national and Community bodies responsible for application of the law on statistics (No 31997 R 0322);
- Commission Decision of 21 April 1997 on the role of Eurostat as regards the production of Community statistics (97/281/EC);
- Decision No 2367/2002/EC of the European Parliament and of the Council of 16 December 2002 on the Community Statistical Programme 2003-2007;
- Council Decision of 19 June 1989 establishing a Committee on the Statistical Programmes of the European Communities (89/382/EC).

In the area of statistics in Montenegro the following legislation have been adopted:

- Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05) ([Annex 150](#));
- Law on Implementation of the 2009 Agricultural Census (currently in the parliamentary adoption procedure);
- Programme of Statistical Surveys 2009-2013 ([Annex 152](#)) (Official Gazette of Montenegro 17/09), Annual Plan for 2009 (Official Gazette of Montenegro 17/09);
- Statistics Development Strategy 2009-2012 adopted by the Government of Montenegro on 15 January 2009 ([Annex 151](#));
- Rulebook on internal organisation and job descriptions adopted by the Government of Montenegro on 2 April 2008;
- Rulebook on keeping records on individual statistical data users (Official Gazette of Montenegro 03/09).

In its work MONSTAT applies the following legislation, secondary legislation and regulations: Law on State Administration (Official Gazette of the Republic of Montenegro 38/03); Law on Civil Servants and State Employees (Official Gazette of Montenegro 50/08); Law on Salaries of Civil Servants and State Employees (Official Gazette of the Republic of Montenegro 27/04); Budget Law for 2009 (Official Gazette of Montenegro 82/08 and 31/09); Law on Labour (Official Gazette of

Montenegro 49/08); General Collective Agreement (Official Gazette of the Republic of Montenegro 59/05); Law on Activity Classification and on Register of Classification Units (Official Gazette of the Federal Republic of Yugoslavia 31/96, 45/96), Classification of Vocations (Official Gazette of the Federal Republic of Yugoslavia 9/98), Customs Law (Official Gazette of the Republic of Montenegro 7/02, 38/02, 72/02, 21/03, 29/05, 66/06 and 21/08); Criminal Code of Montenegro (Official Gazette of the Republic of Montenegro 70/03); General Law on Education (Official Gazette of the Republic of Montenegro 64/02, 31/05 and 49/07); Law on Primary Education (Official Gazette of the Republic of Montenegro 64/02 and 49/07); Law on Gymnasium (Official Gazette of the Republic of Montenegro 64/02 and 49/07); Law on Vocational Education (Official Gazette of the Republic of Montenegro 64/02 and 49/07); Law on Adults Education (Official Gazette of the Republic of Montenegro 64/02 and 49/07); Law on Higher Education (Official Gazette of the Republic of Montenegro 60/03, 4/08); Rulebook on the format, content, reporting, and filling in of individual and collective customs declarations (Official Gazette of the Republic of Montenegro 03/03 and 08/07); Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community.

Law on Statistics and Statistical System of Montenegro regulates the main principles of the official statistics of Montenegro, organisation of the statistical system and principles on which the programme of statistical surveys, collection, processing, and safeguarding of statistical data, on statistical registers, statistical data dissemination, manner of ensuring confidentiality of statistical data, international statistical cooperation, and other issues of importance for the operating of statistical system.

Implementation of this law contributes to the development and approximation of the Montenegrin statistical system to the EU statistical system.

Results of the law implementation have been referring to:

- Access to administrative data sources for purposes of statistics and establishment of statistical register;
- Approval of access to the data collected for purposes of statistics intended for scientific-research activities;
- Ensuring of confidentiality of the statistical data collected for purposes of statistics;
- provision of information on legal basis, for the purpose of data use, and protection of data to users;
- Higher level of international cooperation;
- Involvement of the Council of Statistical System in the coordination of the statistical system.

#### Preparation of legislation and secondary legislation

On the proposal of the Council of Statistical System, MONSTAT coordinates the Annual Plan drafting in a current year for the following year. During the Annual Plan preparation, MONSTAT cooperates with all producers of statistics. The same procedure of the preparation of secondary legislation is applied to the Programme of Statistical Surveys once in five years. Subsequently, the Annual Plan proposal is submitted to the Ministry of Finance as the line ministry for further processing toward the Government of Montenegro which adopts and promulgates it in the Official Gazette of Montenegro.

MONSTAT may also draft a proposal for a law on certain area within its competences (e.g.. Law on Agriculture Census, Law on Census of Population, Households and Dwellings), submitted to the line ministry. The ministry submits proposal for a law to other ministries and institutions for opinion and suggestions. After that, it is submitted to the Secretary for Legislation (modified text). Further on, this proposal for a law is adopted by the Government of Montenegro, subsequently adopted by the Parliament of Montenegro, and, finally, promulgated in the Official Gazette of Montenegro. The abovementioned documents, prior to their submission to the line ministry, are forwarded to the Council of Statistical System for opinion. All legislation texts submitted to the Government of Montenegro should be accompanied by a filled in form for estimating the fiscal influence and evaluation form on the compliance to the relevant EU regulations.

Within its competences, MONSTAT may also propose the adoption of certain secondary legislation (Rulebook on the manner of keeping records on individual data users, Rulebook on internal organisation and job descriptions).

#### **b) Further measures for harmonisation with EU**

- Amendments to the Law on Statistics and Statistical System of Montenegro (participated by TWINING legal harmonisation project experts. The deadline is 2009);
- Drafting of Law on Census of Population, Households and Dwellings 2011;
- Official confirmation of NUTS classification by Eurostat and its adoption by the Parliament of Montenegro;
- Harmonisation of national classification of activities with NACE Rev. 2.

### **Theme 8.05 Relations with the ESS, inter-institutional and international relations**

#### **a) Cooperation with ESS and international cooperation**

From the Montenegro's declaration of independence in May 2006, cooperation with EUROSTAT, national statistical offices and other statistical bodies has been based on the assistance projects and technical support to MONSTAT. The Delegation of European Commission, with the technical assistance of Eurostat, finances IPA 2007 programme ('national'), which has started in September 2009. Currently, the IPA 2007 Multi-Beneficiary Statistical Cooperation Programme is in the realisation process, and the assistance of World Bank within the Poverty Analysis for 2007 project was finished three months ago. Within the framework of the Regional CARDS Project, MONSTAT staff attended a number of Eurostat meetings on foreign trade, agriculture and business statistics, as well as the meetings on regional statistical cooperation. MONSTAT provides the data for statistical annex of Eurostat, and also for reports to the European Commission. MONSTAT also performs evaluation of statistical system (using SMIS software). Within MONSTAT, EUROTRACE program has been installed for processing of foreign trade data according to the EU standards. The mentioned projects has been realised through the continuous work and missions of foreign experts and through study visits of our employees to other statistical offices (first of all to Statistics Sweden, Italy, Hungary, etc).

With the assistance of Swedish International Development Agency (SIDA), the Partnership in Statistics project comprised management of structural survey, promotion activities in the area of business and agriculture statistics, and energy balance elaboration. Regional SIDA projects have continued to provide assistance for statistical methodology, gender statistics and environment statistics.

ISTAT (Istituto Nazionale di Statistica) - cooperation with ISTAT has started with the project titled Support to the Union and Republic Statistical Offices of Serbia and Montenegro in the period of the state union with Serbia. As this project had started earlier, a part thereof included Montenegro in the period from March to October 2008, upon the independence of Montenegro.

STATISTICS AUSTRIA - bilateral cooperation between MONSTAT and Statistics Austria started in 2004 in the area of strategic management, and has continued in 2008 in the form of exchange of experience in regards with the European Statistics Code of Practice and international cooperation's organisation. It is planned to continue in the first quarter of 2010.

#### **Inter-institutional relations**

Inter-institutional relations are provided for by the Law on Statistics and Statistical System of Montenegro (Articles from 7 to 17), and by the Development Strategy of Statistics 2009 to 2012 (paragraph 5.1.3).

Statistical system of Montenegro and its members consist of: holders of statistical activities, reporting units and statistical data users, while the main coordinator of statistical activities is MONSTAT. Institutions within the Montenegrin statistical system are mentioned under C18002. In

compliance with the Law on Statistics and Statistical System, MONSTAT is also responsible for the development of statistical system, coordination, drafting and execution of the Statistical Surveys Programme, drafting the Development Strategy of Statistics; defining, updating, and monitoring the harmonisation of methodological bases of the system in cooperation with other producers of statistics, giving instructions to other producers of statistics on the use of methodology, communication with international institutions, and other duties provided for by the Law. With a view to improving statistical culture and knowledge as well as meeting the user needs, the Government of Montenegro has established the Council of Statistical System, as an advisory and professional body responsible for the issues related to the statistics and statistical system of Montenegro. The council has seventeen members comprising representatives of the abovementioned statistics producers.

### **Future plans**

- To strengthen the role of MONSTAT as a coordinator and methodological leader in relation with other statistics producers, which will have positive influence on coherency, integrity and implementation of standard classifications and definitions in forming statistical indicators;
- To sign the memorandums of cooperation between the system producers;
- To create the information system which follows the concept of statistical system.

### **b) Further measures for harmonisation with EU**

- Development of an improved website which will enable faster and easier access to information;
- Better media coverage and transparent future plans and activities;
- Better communication with statistical data users;
- Better exchange of data between the producers of statistics.

### **c) Main problem**

Insufficient level of harmonisation of administrative sources or the input necessary for the calculation of macroeconomic statistics by the ESA methodology.

## **II Classifications and registers**

### **Module 6.01.02 Classifications**

#### **a) Current situation**

##### NATIONAL CLASSIFICATION OF ACTIVITIES

The classification of activities is based on the classification of economic activities in the European Community NACE rev1.1, (Nomenclature générale des activités économiques dans la Communauté Européenne), and it has been implemented in the collection, analysis, publishing and dissemination of Montenegrin statistics from 1 January 2001.

This classification has been applied: to business register, national accounts, structural business statistics, short-term indicators in industry, labour force surveys, and other labour statistics.

##### NOMENCLATURE OF INDUSTRIAL PRODUCTS

Nomenclature of industrial products has 4220 positions representing an individual product, a group of products, or an industrial service. It has been harmonised with the NACE rev 1.1 and CPA (Classification of Products by Activity) classifications. It was introduced in 2002 (Official Gazette of the Federal Republic of Yugoslavia 27/02).

It is used in national accounts, balance of payments, foreign trade, industry surveys, and for other purposes of statistics.

### CLASSIFICATION OF TYPES OF CONSTRUCTIONS

Classification of Types of Constructions has been harmonised with the European Classification of Types of Constructions – CC by taking over the structure and contents of all the classification levels, but certain lowest levels (classes) have been additionally broken down for the needs of our statistical surveys and easier harmonisation with the previously used Nomenclature of Structures and Construction Works. To enable international comparability of data with short-term indicators in construction activity, the abovementioned classification was also applied to the three-month statistical report on construction, of 2005.

The Classification of Types of Construction is used in: statistical monitoring of construction activities, census of residential buildings and dwellings, statistical data on prices in construction works and compilation of national accounts.

### INTERNATIONAL CLASSIFICATIONS:

#### *COICOP - Classification of Individual Consumption by Purpose*

Classification of individual consumption - COICOP is used for calculation of household consumption and consumer price index.

#### *COFOG – Classification of Functions of Government*

COFOG classification is used for calculation of government expenditures in the compilation of Gross Domestic Product (GDP) from expenditure side. The data on individual and collective government spending are taken over from the Ministry of Finance, from the functional classification of expenses, and the data are used at the department level.

#### *ISCO 88 – International Standard Classification of Occupations*

International Standard Classification of Occupations is used in the collection, analysis, publishing, and dissemination of Montenegrin official statistics.

According to this classification, persons are classified by occupation through their relation towards past, present, and future job.

#### *ISCED 97 - International Standard Classification of Education*

ISCED 1997 provides for standard concepts, definitions and classifications. This is a framework for combining and presentation of national and international education statistics and indicators.

This classification has been designed to be the instrument suitable for collection, compilation and presentation of statistical data on education both within a country and abroad. Thus an easier comparison has been expected as to the statistical data on the international level.

### Geonomenclature (GEONOM)

This is the nomenclature of countries with three-digit numerical codes, based on GEONOM. Geonomenclature is subject to annual reviews conducted always on 1 January of a current year. MONSTAT has applied this nomenclature since 2005.

### CN – Combined Nomenclature

Combined Nomenclature is a classification of goods within the EU for the purposes of foreign trade statistics.

The Combined Nomenclature is used within the customs procedure (imposing of tariffs on products), statistical processing, and the data publishing. It is promulgated annually in the Official Gazette, and is fully based on the HS (Harmonised Commodity Description and Coding System 2007). HS is revised once in five years (the last one was in 2007).

### SITC rev 4 – Standard International Trade Classification

SITC is the analysis of the international trade in goods by the interested countries and international organisations. It was introduced in 2005.

Goals: Nomenclature of Territorial Units for Statistics – NUTS

In compliance with the Stabilisation and Association Agreement (SAA) Implementation Plan, MONSTAT is responsible on behalf of Montenegro for preparing and defining the names of territorial units (statistical regions) which correspond to the NUTS European statistical standard. Please, refer to the answer in *module 5.04.01*.

**b) Further measures for harmonisation with EU**

- Switch from NACE rev 1.1. to NACE rev 2 classification.
- Harmonisation of other classifications according to the EU requirements.

**c) Main problems**

- Shortage of qualified staff.

**Module 6.01.03 Classifications for trade in goods statistics****a) Current situation**

Two basic nomenclatures are used in the statistics on trade in goods:

- Harmonised system (HS)
- Standard International Trade Classification (SITC).

The Classification of Activities is used which is harmonised with the Classification of Economic Activities in the European Community - NACE rev.1 (Nomenclature générale des activités économiques dans les Communautés Européennes).

*Harmonised system* of code and product name – HS (Harmonised Commodity Description) or extended versions based on HS, such as the Combined Nomenclature. MONSTAT monitors annual modification of the nomenclature, and applies the valid one for that year which is promulgated in the Official Gazette of Montenegro (currently valid is the Customs Tariffs promulgated in the Official Gazette of Montenegro 74/08 of 5 December 2008) and in compliance with the following regulations:

- Council Regulation (EEC) No 2658/87 establishing a goods nomenclature – consolidated version
- Commission Communication: Explanatory notes to the Combined Nomenclature – summary, foreword, general rules
- Commission Regulation (EC) No 1031/2008 (Official Journal of the European Union L 291 of 31 October 2008)

*Standard International Trade Classification (SITC)* classifies products according to the level of production.

**b) Further measures for harmonisation with EU**

Introduction of harmonised Combined Nomenclature into the customs procedure without the last two-digits, implemented in EU, as well as harmonisation of HS with NACE rev.2

**c) Main problems**

NACE rev.2 has not been adopted.

NOMENCLATURE OF COUNTRIES AND TERRITORIES**a) Current situation**

The Geonomenclature (GEONOM) used for the purposes of foreign trade statistics is defined by the *Rulebook on the format, contents, reporting, and filling in of individual and collective customs*

*declarations* (Official Gazette of the Republic of Montenegro 03/03 and 08/07). GEONOM is based on the ISO classification, three-digit numerical codes

#### **b) Further measures for harmonisation with EU**

Harmonisation with GEONOM applied in the EU.

Commission Regulation (EC) No 750/2005 on the nomenclature of countries and territories for the foreign trade statistics.

#### **c) Main problem**

Lack of staff and qualifications thereof.

### **Theme 3.06 Business registers**

#### **Module 3.06.01 Business registers and statistical units**

##### **a) Current situation**

The Statistical Business Register (hereinafter referred to as the "Register") is used as a framework for sampling for all surveys in the business statistics within the national statistical system and makes a basis from which the address information for sending the questionnaires of statistical surveys are obtained, etc. The Register is considered to be a system which converts the administrative source data into the data suitable for statistical use. This is an updated database containing all statistical units on the territory of Montenegro with the active status, regardless of the type of association, size and activity, and which generate profit and possess relevant statistical and administrative attributes.

Changes which occur in the course of the activities of a register unit are recorded on the on-going basis. The entire Register is updated annually based on the data collected from administrative sources, as well as by the questionnaire filled in by register units. Given that the Register is used as a framework for many statistical surveys, this implies reducing the overburden on the reporting units by not asking them the same data for the purposes of different surveys.

Implementation of the Register started by the end of 2006, and its use for statistics purposes started at the beginning of 2007.

Units currently included in the Statistical Business Register are:

- Legal units, and
- Statistical units: enterprise and local unit.

The data for the Register are provided from four external sources, namely: the Administrative Register, Tax Administration, Health Fund, and Commercial Court Central Register, while statistical surveys are used as an internal source. Current work relates to updating of the Register by entering the data from the questionnaire sent to MONSTAT regional offices in each municipality. This is aimed at receiving as accurate data as possible primarily in relation with the address and type of activity performed by an enterprise.

The Register has been harmonised with the requirements provided for by the decree of the European Union on statistical units and necessary variables.

##### **b) Further measures for harmonisation with EU**

- Harmonisation of the Register with the Eurostat recommendations;
- Updating of the Register;
- Profiling of statistical units;
- Introduction of KAU units;

- Analysis of data source on a group of enterprises;
- Introduction of the group of enterprise units;
- Implementation of NACE rev. 2.

**c) Main problems**

- Incompleteness of data on addresses and real activity of enterprises;
- Unpromptness of the reporting units.

**III Sector statistics****a) Demographic and social statistics;****Theme 1.01 Population****Module 1.01.01 Demography, census and projections****a) Current situation**

The data on natural and mechanical movements of population in Montenegro are collected by the vital statistics and migration statistics surveys and by the Population Census.

The source of data on births, deaths, and marriages are vital register bureaus within local governments which make entries according to the place of event which occurred in the territory of Montenegro. Entries to the registers of births, deaths and marriages are made on the basis of the birth/death registration statements provided by health institutions. In addition, entries are also made on the basis of certificates from the register of events which occurred outside Montenegro, upon the request by a person, i.e. Montenegrin citizen, for the purpose of an entry to the register of births, deaths, and marriages. Given that the registration of births and deaths is done by the place of event, the same criterion is followed in the submission of data to MONSTAT. MONSTAT processes the data according to the place of residence (for births - place of residence of the mother, for deaths - the last place of residence of the deceased, for marriages - place of residence of the bridegroom).

Submission of data on divorces marriages is done by basic courts, and the data are processed according to the last common place of residence of the divorced couple.

The data related to the cause of death are collected according to the International Classification of Diseases ICD, X revision of 1996.

The data on vital statistics are collected on a monthly basis and processed annually according to the definition of total population which is compliant to the international recommendations. The data have been processed according to the definition herein since 2005.

The estimates on the number of population is made in the middle of a year for the previous year, at the level of Montenegro and municipalities, by gender, and are based on the 2003 Census results, as well as on natural increase and internal migrations of population.

The latest Census of Population, Households and Dwellings was carried out in 2003 (state on 31 October 2003) based on the Law on Census of Population, Households and Dwellings. The collected data related to demography, geography, migration, economy, and education characteristics of population, as well as to the structure of households and families, but also to their territory distribution down to the level of settlement. The census results have been published in 27 census books and can be downloaded from the official MONSTAT website.

Currently, MONSTAT performs intensive preparations for the 2011 Census on Population, Households and Dwellings. Within the preparations for census, a pilot census has been conducted from 1 to 15 June 2009 with purpose to test the instruments of the final census. Assistance for preparations of population census has been provided under IPA 2007 multi-beneficiary statistical cooperation programme (IPA 2007 MB), as well as IPA 2007 project (national) implemented by the Delegation of European Commission to Montenegro. IPA 2007 MB project provided the expert assistance in drafting the questionnaire, while the IPA 2007 national project provided also financial support and technical assistance by engaging experts to monitor the course of the pilot population census.

The project named "Projections of Population until 2050" has been conducted during 2008. An expert has been involved in the implementation of the project. However, projection of population has not yet been harmonised with international recommendations.

#### **b) Further measures for harmonisation with EU**

The data on vital statistics has been harmonised with international recommendations.

The population census preparatory work continues aimed at full harmonisation thereof with the Regulation (EC) No 763/2008.

Additionally, there are activities on drafting the Law on Implementation of Census of Population, Households and Dwellings in 2009.

According to the Statistical Requirements Compendium, the projections of population are done every three to five years, thus, further development in the period after the census, from 2011 onwards, will relate to making projections in compliance with the EU requirements.

There will be training of human resources with the aim to acquire knowledge and experience on projections of population.

There will be efforts to develop the procedure of data collection and to introduce calculation methods for certain demographic and social indicators.

#### **c) Main problems**

The problems related with reporting units in terms of deadlines and quality of submitted data.

### **Module 1.01.02 Migration and asylum**

#### **a) Current situation**

The surveys on internal and international migrations are conducted on the basis of data collected by the Ministry of Interior and Public Administration. These surveys are conducted according to the Law on Registers of Temporary and Permanent Residence (Official Gazette of Montenegro 13/08).

The statistics on internal and international migrations of population is collected on a monthly basis and processed annually.

Statistics on internal migration covers all citizens of Montenegro who have registered permanent residence with the Ministry of Interior and Public Administration with the intention to live in some other municipality of Montenegro.

The *pilot* survey on international migration flows was carried out in 2008. This survey is to be conducted regularly since 2009. Statistics of international migrations cover Montenegrin citizens, as well as foreign citizens who moved to Montenegro from abroad and who have been approved the permanent or temporary residence. The data are collected for persons with the temporary residence approved to minimum three months.

#### **b) Further measures for harmonisation with EU**

To make efforts to improve the data quality in the next period, aimed at accomplishing full harmonisation with the EU requirements referring to data production on migrations (Regulation

(EC) No 862/2007), especially data on emigrants. Special attention to be paid on the data relating to nationality of migrants which depends on the enforcement of relevant legislation, i.e. Law on Montenegrin Citizenship. To discuss together with the Eurostat possible sources of data on emigrants. To become familiar with the experience of countries from the region and EU. Harmonisation with the above mentioned regulation with a view of asylum issues.

### **c) Main problems**

The coverage of emigrants is incomplete because there is no legal obligation of a person moving abroad for a longer period to register such a leaving with the Ministry of Interior and Public Administration.

Still incomplete implementation of the Law on Citizenship of Montenegro (Official Gazette of Montenegro 13/08), Law on Asylum (Official Gazette of the Republic of Montenegro 45/06), and Law on Foreigners (Official Gazette of Montenegro 82/08 and Official Gazette of Montenegro 72/09).

## **Theme 1.02 Labour market**

### **Module 1.02.01 Employment and unemployment**

#### **a) Current situation**

Labour Force Survey (hereinafter referred to as "LFS") has been conducted since 1994. From 2004 to 2007, processing and publishing of data has been of the annual periodicity. Montenegro has conducted LFS independently since 2004. From 2007, LFS has been conducted on the basis of questionnaire drafted under the CARDS project "Labour Market Reform and Workforce Development" and it has been harmonised with the Eurostat recommendations. In defining the main labour force contingents, international recommendations and definitions have been used, thus the information from this survey represents the most important data source in the area of labour statistics which is comparable to the data of the same type from other countries in terms of contents and methodology. The LFS results have been processed quarterly since 2008.

LFS is a survey focused on households and designed to collect information on the labour market and labour force characteristics. Considering significant costs of running this survey with the full household coverage, it is a sample-based survey covering selected households.

The survey is based on two-phase stratified sampling. Primary sampling units are enumeration areas taken from the 2003 Census of Population, Households and Dwellings. LFS implements internationally comparable classification standards, such as Classification of Activities (classification of activities based on NACE-u Rev1), Classification of Occupations (classification of occupations based on the International Standards Classification of Occupations ISCO-88).

#### **b) Further measures for harmonisation with EU**

The harmonisation of LFS with the Eurostat recommendations will continue. Data is collected by face-to-face interviews, with hard-copy questionnaires; questionnaires are submitted to the supervisors who control the materials. The supervisors submit for further processing the full material having passed the control, accurate and systemised. The data processing comprises entering, coding of occupations and activities, calculation and logical control. The data are published quarterly and annually by releases.

#### **c) Main problems**

Lack of national classification of activities based on NACE Rev.2

The national framework of classification of education based on ISCED 97 should be implemented.

## **Unemployment by administrative sources**

### **a) Current situation**

Employment Office of Montenegro collects a part of labour market statistics (statistics on registered unemployed persons, statistics on vacancies registered by employers with the Employment Office, and with employment programmes implemented by the Employment Office. The data source are the records kept according to the provisions of national legislation, i.e. the Law on Employment of Montenegro (Official Gazette 5/2002, 79/2004, and 21/2008), and Law on Labour and Employment Records (Official Gazette of Montenegro 69/2003).

The record of unemployed persons still uses the Unique Nomenclature of Occupations (UNO) adopted by the Parliament of Socialist Federal Republic of Yugoslavia in 1990, and Code List of Occupations and Educational Attainment based on the UNO. The Code List of Occupations and Educational Attainment has been prepared in compliance with the Decision on unique methodological principles for keeping records in the area of labour, and registration and report forms (Official Gazette of Federal Republic of Yugoslavia 40/97), and based on the federal Law on Labour Records of 1996, and on the Decision on the Unique Code List for Data Entering and Coding in Labour Records (Official Gazette of Federal Republic of Yugoslavia 9/98). The initial draft of National Classification of Occupations has been developed based on the International Standards Classification of Occupations (ISCO/88) standards.

Record-keeping on unemployed persons is launched from the date of their registration with the Employment Office, and stopped when the person enters into employment, withdraws from the unemployment register, or is deleted from the records based on legislation and in case of death. By processing these records' data, the regular statistical reports (from daily to annual reports) on unemployment are received. Statistical reports contain the data on the unemployed according to different personal qualities: age, gender, occupation, education level, place of residence, reasons for termination of employment, unemployment benefits, duration of unemployment, work experience, ability to work, etc.

Statistics on vacancies is based on registered and announced vacant posts. These statistics do not cover the full range of labour demand, only the part registered with the Employment Office by employers. The processing of data from these records provides regular statistical results on vacancies (daily, monthly, three-month, semi-annual, and annual) containing the data on the demand: economic activity, occupation in demand, duration of employment per specific announcement of vacancy, i.e. job advertisement.

The data on employment is processed at the government and municipal level.

Additionally, the Employment Office monitors regularly some other labour market categories: employment of foreigners, vacancies advertised by foreign employers offering temporary jobs abroad for Montenegrin citizens.

### **b) Further measures for harmonisation with EU**

Part of the unemployment statistics has been related to the implementation of national legislation; therefore, harmonisation thereof with the appropriate EU regulation will also lead to the harmonisation of statistical data.

## **Employment by administrative sources**

### **a) Current situation**

The data on the employed in enterprises, institutions and organisations are received by the semi-annual report on employment and compensations of employees, and adjustments to the records kept by the Health Fund and the Pension and Disability Insurance Fund (Law on Labour and Employment Records, Official Gazette of Montenegro 69/03).

The term employee means any person who is employed in an enterprise, institution, or organisation, or with an individual employer, regardless of whether they have entered into employment on a temporary or permanent basis, for the full-time or part-time work.

The Classification of Activities (CA) has been used based on NACE Rev. 1. Subject to observation

are all sectors of the Classification of Activities.

Definition of employee as the main variable is therefore based on the national standards.

The observed variables are:

Monthly (number of employees according to the CA at the level of both Montenegro and municipalities, in total).

#### **b) Further measures for harmonisation with EU**

The overall methodology review should be done by 2012 so that it enables comparability to the EU results. This will imply extended coverage and content of the employment data.

### **Module 1.02.02 Earnings and labour costs**

#### **a) Current situation**

Statistical survey on labour costs (Labour Costs Survey - LCS) was conducted for the first time in June 2009. The collected data refer to 2008. The survey will be conducted at the quarterly basis in the future. It collects the data on the total employer's expenditure on the employees. The collected data, subject to relevant methods, enable observing the level, structure and scope of expenditure in the labour market of Montenegro. The labour costs survey is done in accordance with the Eurostat methodological recommendations (Eurostat - Council Regulation (EC) No 530/1999 of 9 March 1999, Commission Regulation (EC) No 1726/1999 of 27 July 1999, Commission Regulation (EC) No 1737/2005 of 21 October 2005), respecting national specifics. Observation units are enterprises. The basic target population for the survey comprises all the active enterprises from the Statistical Business Register (SBR).

##### *Observed variables*

- Number of employees who received compensations (for full-time and part-time work);
- Total number of hours worked (for full-time and part-time);
- Total number of hours worked and paid (for full-time and part-time);
- The data on the labour costs arising from the employment of staff;
- Subsidies.

#### **b) Further measures for harmonisation with EU**

Labour Costs Survey will continue to be harmonised with the Eurostat recommendations.

#### **c) Main problems**

The survey was conducted for the first time in 2009. Analysis of this survey will identify disadvantages and problems thereof.

### **COMPENSATIONS OF EMPLOYEES**

#### **a) Current situation**

Statistics on compensations of employees cover the following surveys:

*Monthly report on employees and their wages and salaries paid in a month, and semi-annual report on employees and their wages and salaries paid in March, and September.*

The mentioned reports use the classification of activities NACE Rev.1. The areas subject to observation are all the activities under NACE Rev1.

Surveys cover enterprises, institutions, organisations of all types of ownership, as well as their establishments by organisational and territorial principles, starting from the municipality level. The organisation - territory principle is applied in conducting the statistical survey on compensations of employees, with municipality as the basic territory unit. The monthly survey is carried out based on

a non-random selection of reporting units.

Observation variables (monthly periodicity):

Average monthly net and gross salaries per employee at the level of Montenegro and by the activities from the Classification of Activities; average monthly net and gross salaries at the level of municipality.

Definitions are based on national legislation related to labour and compensation of employees: the Law on Labour (Official Gazette of the Republic of Montenegro 49/08), Law on Personal Income Tax (Official Gazette of the Republic of Montenegro 65/01), Instructions on calculation and payment of employer's and employee's taxes and contributions related to employment (Official Gazette of the Republic of Montenegro 29/02), Law on Contributions for Compulsory Social Insurance (Official Gazette of the Republic of Montenegro 13/07), Collective Agreements, etc.

### **Further measures for harmonisation with EU**

The survey of compensations of employees will be further harmonised with the Eurostat recommendations.

## **Module 1.02.03 Database on labour market policy measures**

### **a) Current situation**

MONSTAT has no database on labour market measures; it falls under the competences of the Ministry of Economy (please refer to Chapter 20, answers to the questions 19 and 21) and the Employment Office.

Employment Office

#### 1) Labour market services

*Labour market services* provided by the Employment Office of Montenegro is performed in compliance with the Law on Employment (Official Gazette of the Republic of Montenegro 5/02, 79/04, and 21/08) and Rulebook on mediation in employment (Official Gazette of Montenegro 52/02). Method of work established on the basis of the legislation herein enables:

- Use of new instruments for a higher quality evaluation of knowledge and skills of the unemployed required by the labour market;
- Model of more active relation of the unemployed towards a self-evaluation of work, professional and personal capacities (with the professional help by the Employment Office personnel);
- More active acceptance of responsibility by the unemployed persons for their own employment;
- Higher quality short-listing of unemployed candidates matching the needs of employers;
- Employment plans for each unemployed person;
- Higher quality preparation of hardly employable persons (workshops for unemployed persons, inclusion into the vocational education and training programmes);
- Advertising of needs, i.e. vacancies;
- Mediation in matching the needs of employers and the unemployed;
- Engagement of employers in the process of training and education of the unemployed;
- On-going interviewing of employers in reference to the volume and structure of the human resources needed.

With a view to increasing total employment and improvement in the labour force quality, the Employment Office performs the following types of activity with the unemployed:

- Informative meetings with newly registered unemployed persons aimed at informing them about their rights and duties provided for by the Law and regulations;

- Interviews identifying knowledge and skills, experience, needs, and opportunities, as well as other socio-economic elements of the status of each unemployed person, and drafting of the individual employment plan as a description of counselling strategy that helps unemployed person to enter into employment i.e. to find the job faster with professional guidance by the counsellor;
- Informative and motivation seminars – workshops, motivating unemployed persons to take an active approach in job-seeking, and to acquire skills accordingly;
- Assistance by Information and Professional Counselling Centres as a mediator to the unemployed so that they can more objectively recognise, plan and accomplish a favourable professional career;
- Website of the Employment Office providing to unemployed persons an opportunity to put their own presentation in order to actively seek a job;
- Media coverage, in the form of occasional stories or features (informative and special programmes) to promote the implemented programmes;
- Booklets informing unemployed persons about certain measures of active employment policy;
- Organisation of round tables so that some relevant entities are included in resolving the unemployment problems.

With regard to the fact that there is more than 30% of hardly employable persons in the Employment Office records, a need has arisen for the programmes and activities aiming to include this category of the unemployed in the labour market. Programme for long-term unemployed persons has been performed through informative and motivation seminars (workshops) with the purpose of more active and efficient inclusion thereof in the job-seeking process. Sixty unemployed persons with higher education have been qualified as trainers of the programme.

In the period to come, there should be an early identification of the needs of all job-seekers, as well as defining of services which need to be provided thereto, such as counselling and guidance, assistance in job-seeking and in drafting individual employment plans, etc.

Based on such data and knowledge, the unemployed will be provided with the access to useful and efficient measures to improve their employability. Therein, special attention will be paid to the persons facing the most serious difficulties in the labour market.

It is also expected to have increased number of persons that will be directed by counsellors for registration and mediation to the counsellors for professional orientation. This will require an on-going education of professional counselling staff and improvement of their methods of work.

More intensive cooperation with employers will result in a rise in demand for professional short-listing services.

## 2) Trainings

Training of unemployed persons is performed through the Employment Office under education and training programmes within the active employment policy, as follows: training programmes (vocational qualification, additional training, retraining, specialisation, courses for acquiring of important skills, etc.) based on demands of particular employers, and labour market programmes with the purpose of improving the supply quality in the labour market and to promptly meet present and future market needs.

From 2004 to 2008 there have been 19 625 attendants to the programmes (2 075 attendants in 2004 and 4 834 in 2008), which accounted for 3.1% of the average registered unemployment in 2004 and 16.2% in 2008. There was 3 025 attendants on employer's request accounting for 15.4% of the total number of attendants for the above period, and 16 600 (84.6%) for the labour market-oriented programmes.

The share of the programmes of vocational qualifications, additional training, retraining, and specialisation for certain occupations amounted to 7 363 attendants or 37.5% of the total number thereof from 2004 to 2008, and 33.6% in the area of tourism and catering.

Programmes for acquiring special knowledge (key skills) have been attended by 12 262 i.e. 62.5% of the total number thereof from 2004 to 2008. The computer literacy programme's share amounted to 6 997 i.e. 5.1%, while for the same period, 3 023 i.e. 24.6% of persons attended foreign language courses, etc.

By age, 38.7% of persons up to the age of 25 received the education and training programme, which exceeded the share of this age in the total number of unemployed persons (16.2%), 53.1% of the 25-44 age group, which is also above their share in the total number of the unemployed (37.4%), and 10.0% of the age group over 45 being well below their share in the total number of unemployed persons (46.4%).

The share of women in the programmes from 2004 to 2008 amounted to 55.2%, while the share of women from the age group 25-44 was significantly above the share of men (62.0%), implying that women are more present and more easily enrolled in the training programmes implemented by the Employment Office.

Regional break down shows that the share of participants in the education and training programmes in 2008 in the north sub-region with underdevelopment thereof and higher unemployment rate was 46.5% from the total number of participants (this share for 2006 was 37.5%). This is above the share of this region in the total number of unemployed persons (41.4% at the end of 2008), as well as above the share of the northern region in the total registered employment in Montenegro amounting to 19.5% at the end of 2008.

Steps and procedures that should be followed in the implementation of the mentioned programmes have been defined by the Rulebook on preparation for employment (Official Gazette of Montenegro 52/02, 1/04 and 29/09).

Employment Office of Montenegro has introduced the training of entrepreneurs since the beginning of 2007, as a prerequisite for assisting business ideas of the unemployed. The possibility of submitting the request and taking loans to stimulate the entrepreneurship depends on how successfully an entrepreneur passes the education programme. There were 198 education cycles for entrepreneurs in 2007 and 2008 covering 2 197 persons.

The Employment Office in cooperation with the Directorate for Development of Small and Medium Sized Enterprises implements the programme named "Chance to Young Managers" with the purpose to provide young managers with a high level of education, knowledge and skills that they failed to acquire during their regular education. The training consists of two parts. The first part is delivered through dynamic and contemporary modes of interactive lectures where persons get familiar with the basics of management, project management, marketing and PR, and business communication through joint exercises, simulations, and workshops.

The second part of the programme is practice lasting for two to three months in the premises of an employer aimed at informing the participants on employer's method of work with a certain amount of compensation paid for the period.

#### 5) Supported employment and rehabilitation

Law on Professional Rehabilitation and Employment of Disabled Persons provides for an appropriate legal basis for institutional framework of programme implementation on professional rehabilitation and stimulating faster employment of the disabled. Secondary legislation was adopted in 2009 making operational application of the abovementioned law and providing establishment of a unique and standardised system for professional rehabilitation and employment of persons with disability, the legislation being:

- Rulebook on conditions and criteria for defining of the remained working ability and employability;
- Rulebook on conditions and manner of exercising rights to professional rehabilitation;
- Rulebook on closer conditions, criteria and standards for implementing measures and activities of professional rehabilitation;
- Rulebook on conditions to be fulfilled by a professional rehabilitation institution, work activity centre, protective workshop and protective plant;

- Rulebook on closer conditions and manner of exercising rights on income subsidies for the disabled.

Implementation of the Law on Professional Rehabilitation and Employment of Persons with Disability, and of the abovementioned rulebooks requires appropriate institutional network, education of human resources – experts of different profiles, which will represent one of the primary conditions for functioning of the new system in the field.

Employment Office plans to establish multi-disciplinary expert commission at the central and regional levels (a psychologist, doctor of industrial medicine, pedagogue-andragogist, technologist, etc.), with the responsibility to evaluate ability to work and other abilities of a job-seeker, and to define measures and activities for their professional rehabilitation and employment according to the standards established by a competent body.

The implementation of the professional rehabilitation programme requires the establishment of professional rehabilitation institutions - deliverers of professional rehabilitation that would evaluate opportunities of employment for such persons after having performed certain programmes adjusted to the needs of the attendants. Where the attendants are persons with disability, evaluation will be related to their employability in the open labour market or under special conditions: in the protective workshops, protective plants, work activity centres, if they cannot enter into employment in the open labour market based on their work and general abilities, even with certain benefits and tax relief applied.

The construction of the Centre for work integration of hardly employable persons started at the end of 2008, founded by the Employment Office, thus launching the establishment of a network of institutions for professional rehabilitation and employment of the disabled and other hardly employable persons.

#### 6) Direct employment

Mitigation of open unemployment is performed also through carrying out local and government's public works aimed at implementation of social welfare programmes, and programmes on education, culture, utilities, and environment which are based on community and non-profit work. Public work programmes encourage the opening of new vacancies, improvement of work potentials, level of knowledge and skills of unemployed persons, at the same time fostering the development of local governments.

Thus, 5 143 unemployed persons have been engaged in public works from 2004 to 2008. The Government's public work programmes accounted for 53% of the engaged, the local ones for 47%, while the share of local programmes in the total thereof increased to 71.5% in 2008. Compared to the average registered unemployment, it accounted for 1.17% in 2004, and 4.24% in 2008.

The share of the age group up to 25 accounted for 21% compared to the total number of persons engaged in the public works, which exceeds this age group's share in the total number of unemployed persons (16.2%), the age group from 25 to 44 accounted for 55.4%, which is also above its share in total unemployment (37.4%), while the age group over 45 amounted to 23.6%, what is significantly below its share in total unemployment (46.4%).

The share of women in the public work programmes for 2004-2008 was 28.3% (the age group up to 25 accounts for 11.7%, age group 25-44 for 33.9%, and the age group over 45 for 28.9%).

#### 7) Start-up incentives

The development of small and medium sized enterprises has been financially encouraged by the Employment Office of Montenegro since 1991, through four programmes in the period of 1991-1998, and since 1999 through a programme of the on-going incentives to the employment and entrepreneurship in Montenegro in terms of favourable loans, innovated in the mid-2008.

The entities eligible for the programme loans are as follows:

- Unemployed persons from the Employment Office register, which would be obliged to register themselves as individual agricultural producers, entrepreneurs or legal persons once they receive the loans;

- Small enterprises, and
- Entrepreneurs registered in compliance with the Law on Business Organisations.

There have been 9 782 loans of EUR 50.5 million in value approved since 1999 providing 15 786 new vacancies, and 3 507 loans have been approved for the aggregate amount of EUR 18.3 million in the period of 2006-2008, providing 5 493 jobs.

Of total loan applications approved since 1999, 89.26% relates to persons starting a business who had no business entity when filing the application.

Additionally, during the period of 2006-2008 there have been 3 121 loans granted to persons who wanted to start a business, which makes 88.99% of the total loans approved during this period.

#### 9) Early retirement

Until 2003, there has been the labour and legal institute of 'purchase of added years' providing for an early retirement in case where persons lacked up to five years to become eligible for pension.

### **Module 1.02.04 Time use and reconciliation of work and family life**

Preparations are underway for the Time Use Survey (TUS) planned to be carried out according to the Eurostat methodology by the end of 2012.

## **Theme 1.03 Education and lifelong learning**

### **Module 1.03.01 Education statistics**

#### **a) Current situation**

MONSTAT collects the data on education by the following statistical surveys:

- Annual survey on pre-primary education institutions;
- Annual survey on mainstream primary schools;
- Annual survey on special primary schools;
- Annual survey on primary adult education;
- Annual survey on additional adult education;
- Annual survey on mainstream secondary schools;
- Annual survey on special secondary schools;
- Annual survey on teaching staff and structure of tertiary education organisations;
- Annual survey on students' enrolment;
- Annual survey on tertiary graduates;
- Annual survey on doctorate holders;
- Annual survey on master's degree holders and specialists;
- Annual survey on enrolment to postgraduate studies.

Surveys on primary and secondary education are carried out at the beginning and at the end of a school year.

Education system in Montenegro consists of pre-primary, primary, secondary, and tertiary (higher) education. Primary education in Montenegro is organised in compliance with the traditional eight-

year and the novel nine-year (launched in the school year of 2004/05) primary education programmes.

The reform of higher education in Montenegro started with the signing of the Bologna Declaration in 2003.

International Standard Classification of Education (ISCED 97) by education areas is applied for master's degree and doctorate holders, while the data on the enrolment and graduated students are processed by study programme.

The data on financing of education are not collected by MONSTAT statistical surveys, but they are available in the competent ministries.

#### **b) Further measures for harmonisation with EU**

Cooperation between institutions should be improved, especially within the joint work on drafting, standardisation and implementation of standards.

The Strategy for Establishing of National Qualification Framework in Montenegro for 2008-2010 defines measures and activities that should be implemented in the next period, so that Montenegro is able to establish the National Qualification Framework (NQF) that is to be in compliance with the European Qualification Framework (EQF). The implementation will provide comparison of qualifications acquired in different areas of education at all levels (primary, secondary and higher education). Establishment of NQF is the task implying cooperation between government and all other institutions, thus the overall relations, as well as duties and responsibilities of all participants, should be precisely defined and in this way to ensure involvement of all parties in the process of development, implementation and continuous improvement of NQF.

Efficiently established NQF functioning in unhindered manner implies human resources development in all institutions included in the development and implementation of this framework.

It is necessary to:

- To draft Montenegrin Qualification Framework (MQF) by levels and sub-levels;
- To establish the system and to draft classification of occupations;
- To establish clear and understandable links between national and European framework;
- To define quality assurance system according to the Bologna Declaration principles.

In regards with the fact that accomplishment of harmonisation does not exclusively depend on MONSTAT, other relevant institutions should be included, in this way to accomplish full harmonisation.

Cooperation between the Ministry of Education and Science, Ministry of Finance, University of Montenegro, and MONSTAT should be improved, so that the demands of international organisations for data are met, and with the purpose of data improvement harmonised with the European standards and comparability with the European data.

#### **c) Main problems**

- Insufficient cooperation between institutions in the area of education;
- Until now there was no international cooperation on education, thus communication with international experts should be established. This will contribute to better understanding and implementation of European standards and guidelines.

### **Module 1.03.02 Vocational training statistics**

#### **a) Current situation**

Education statistics do not cover the data on the non-formal education for vocations delivered within business entities which are not constitutive elements of the education system.

#### **b) Further measures for harmonisation with EU**

The Law on National Vocational Qualifications was adopted in December 2008 providing for the opportunities to individuals to acquire nationally recognised vocational qualifications of public importance and of the same value as those acquired through the formal education, where it is based on the same vocational standards. This way, a comprehensive and unique system of vocational qualifications (acquired through formal, non-formal and informal education) will be established. The law should be applied to all areas of work as to acquiring knowledge and skills, i.e. there should be the lifelong learning principle. Qualifications acquired through segments of education programmes, specific training and qualification programmes, and direct testing of previously acquired knowledge, skills and competences, will be validated by a certificate. These qualifications will be acquired after a test thereof by the Examination Centre – the institution competent in external testing of knowledge.

Testing standards will be defined by a catalogue of standards of professional knowledge and skills as a means for qualifications testing by certifying/testing catalogue. The records and central register will be kept by the competent ministry which establishes the manner of keeping and use of data.

The Strategy for Development of National Qualification Framework in Montenegro defines the activity holders vested with ensuring the application of legislation and functioning of this complex sub-system.

Montenegro should find ways to become a part of the relevant surveys carried out by Eurostat, and to develop instruments for statistical monitoring of adults in Montenegro, as provided for by law.

#### **c) Main problems**

There is no register of legal entities which organise different types of adult education outside the mainstream education system.

### **Theme 1.04 Culture**

#### **Module 1.04.01 Culture statistics**

##### **a) Current situation**

The data on culture are collected through regular statistical surveys with different periodicity:

- annual statistical surveys: for theatres (professional, amateur, and children's theatres); television; radio; cinemas; report on books and brochures; report on newspapers and magazines;
- Three-year statistical surveys: on libraries; on archives; report on museums and museum collections.

The data on financing of culture are not collected by MONSTAT's statistical surveys, the data thereon being vested in the competent ministries.

##### **b) Further measures for harmonisation with EU**

Observation and application of the European standards and recommendations with a view to improving the data quality in the next period aimed at full compliance with the EU countries in the area of culture.

More intensive cooperation with the Ministry of Culture, Sports and Media and reporting units in order to obtain as quality data as possible.

To extend the coverage on culture activities by the engagement of legal entities whose main activity is not culture.

**c) Main problems**

- Lack of timeliness and inadequate quality of the reporting units' work;
- Lack of data on institutions engaged in cultural activity as their secondary activity;
- There was no international cooperation therein so far, thus there is a need for communication with international experts in order to apply the knowledge and experience of countries with developed statistical systems.

**Theme 1.05 Health and safety****Module 1.05.01 Public health****a) Current situation**

Activities of design and development of the National Health Accounts in Montenegro have been a part of a broader project for promotion of health system in Montenegro funded by the International Development Association (IDA) and co-funded by the Canadian International Development Association (CIDA). The development of national health accounts provides conditions for the promotion of the Montenegrin health system. The National Health Accounts (NHA) provide reliable information on the sources and use of health resources and have an impact as to the improved health system functioning; provide monitoring of spending in the health broken down by health services and by health service providers; the data on the share thereof in public spending and GDP; and providing an overview as to the efficiency of all health services. NHA have been developed according to the concept of the System of National Accounts methodology (SNA 93), European System of Accounts (ESA 95), and International Classification for Health Accounts (ICHA).

Under the technical assistance project for the design and development of NHA, one foreign consultant and four local experts were engaged in 2007 to design NHA in the period of 2004-2006.

Final workshop was organised in January 2009 representing final reports, NHA project results, and proposal for further organisation of activities on the NHA development.

Currently, the Health Insurance Fund makes preparations for organisation of work and continuation of the Montenegrin NHA development, which requires the provision of financial and human resources.

**b) Further measures for harmonisation with EU**

The current methodology for the NHA development will be harmonised with the revised NHA methodology done together with OECD and WHO, as defined by the key priorities for 2008.

**c) Main problems**

Introduction of integral information system to the health, i.e. connection of all health institutions with the Health Insurance Fund, would provide higher-quality data, which depends on whether there will be sufficient financial resources.

**Module 1.05.02 Health and safety at work****a) Current situation**

The Public Health Institute of Montenegro produces statistical data on health for all the three national health care levels through reports on out-of-hospital and hospital health care.

According to the Law on Health Records (Official Gazette of Montenegro 80/09) and the Programme of Statistical Surveys of Montenegro for 2009, the Public Health Institute is responsible for statistical health data in the area of public health care, through their collection, processing, storage and publishing of the following reports:

- Report on registered cases and epidemics of contagious diseases;
- Report on conducted compulsory immunisations against contagious diseases;
- Report on HIV-tested and HIV-seropositive persons;
- Report on work and identified diseases, conditions and injuries in out-of-hospital health care (children of younger than 15, adults, women, dental care);
- Report on preventive examinations of pre-school, and school children, women and adults;
- Report on childbirths (based on childbirth registrations);
- Report on abortions (based on abortion registrations);
- Report on hospital organisation and activities;
- Report on treated patients in hospital-type services (based on patient's registration forms);
- Report on blood transfusion service and patronage unit;
- Report on the work of laboratories;
- Report on organisational structure and human resources in the health care;
- Report on the safety of food and items of common use;
- Report on safety of drinking water, bottled, mineral, and spring water.

Surveys on safety at work are partially conducted through reports on injuries at work and reports on work of specific health care services at the primary level covering also preventive examinations of workers.

#### **b) Further measures for harmonisation with EU**

Given the new legislation on compulsory health records (December 2008), drafting of secondary legislation is expected to be performed in the next (one-year) period providing for the methodology of establishing registers on diseases of greater socio-medicine importance (tuberculosis, malignant neoplasms, drug addiction, diabetes, psychoses, occupational diseases, ischemic heart disease, etc.), and other system registers relate to health care resources.

Development of the regulation and methodology will be followed by the incremental implementation of the keeping of registers herein within the Public Health Institute, and further promotion of the public-health statistical system.

#### *International Cooperation (current and necessary)*

Surveys of the same type do not exist in the area of morbidity statistics and health care resources statistics, or they are performed as pilot surveys, aimed at harmonisation among the EU member states. The surveys are in part harmonised with certain WHO indicators within the HFA-MDB database.

As for the infectious diseases, all diseases covered by the compulsory registration in the EU are also registered in Montenegro, thus there is compliance thereof with WHO registration system and application of disease definitions for those diseases under individual WHO registration (HIV/AIDS, tuberculosis, and diseases subject to immunisation – EPI). Montenegro has been in the monitoring system for indicators related to the WHO immunisations (EPI). Monitoring of diseases has been harmonised with the WHO Communicable Disease Annual Reporting.

International Classification of Diseases - 10<sup>th</sup> revision (ICD-10) has been applied in Montenegro since 1996.

#### **c) Main problems**

In regards with the needs for further harmonisation, some of the problems are:

- Insufficient introduction of information technology to the health care sector but also to the others necessary to cooperate with;
- Insufficiently developed methodology for implementation of certain health-statistics survey;
- Insufficiently standardised data, definitions, harmonisation of terminology;
- Insufficiently quality/qualified human resources for monitoring of all developments, circumstances, and public-health indicators;
- Insufficient data quality.

## **Theme 1.06 Distribution of incomes and living conditions**

### **Module 1.06.01 Household budget surveys (HBS)**

#### **a) Current situation**

Household Budget Survey (HBS) 2005 has been harmonised with the international standards and Eurostat recommendations, thus providing international data comparability. The data on household consumption by purpose has been produced on the basis of the Classification of Individual Consumption by Purpose (COICOP). The data has been collected by visits to households with interviewers entering data to hard-copy questionnaires. The data processing comprises: entering, calculation and logical control, publishing of data through releases – processing thereof is annual on a monthly basis. HBS data has been used in price statistics for calculation of weight for Consumer Price Index (CPI), as well as for calculation of individual consumption balance within the system of national accounts.

HBS has used a two-stage stratified sample with enumeration areas as primary selection units, and with households as the secondary ones. Sample consisted of 1 560 households (representative for Montenegro) at the annual level, with 26 enumeration areas, i.e. 130 households selected each month.

#### **b) Further measures for harmonisation with EU**

HBS will continue to be harmonised with the Eurostat recommendations.

#### **c) Main problems**

Main problems that should be solved are:

- To updating the framework for household selection;
- To establish permanent interviewer network;
- Professional development of staff.

### **Module 1.06.02 Income, social inclusion and living conditions**

#### **a) Current situation**

The main data source for calculation of poverty line is Household Budget Survey (HBS). The poverty data is processed by expenditure approach according to the World Bank methodology, which differs from the income approach used in poverty calculations by Eurostat.

#### **b) Further measures for harmonisation with EU**

Due to different methodologies of World Bank and Eurostat, methodological knowledge should be improved for the purposes of the poverty rate and poverty line calculations. Introduction of the SILC survey according to the Eurostat methodology by the time of the EU accession.

## **Theme 1.07 Social protection**

### **a) Current situation**

MONSTAT collects the data on social protection through the following surveys:

- Annual survey on pupils and students' dormitories;
- Annual survey on beneficiaries of child's allowance;
- Annual survey on beneficiaries and types of social protection;
- Biannual survey on social welfare institutions and on social work centres (institutions for children and youth without parental care, institutions for physically and mentally challenged children and youth, institutions for children and youth with behavioural disorders; adult care institutions; social work centres).

The data on social welfare institutions for children, youth and adults, and on social work centres are collected with the two-year periodicity. The data on pupils and students' dormitories, majors and minors as users thereof, and provided forms, measures and services of social protection are collected annually.

The survey is of full coverage - the data are collected from all reporting units in the territory of Montenegro.

The processed data are presented at the level of the country, and a part of data at the level of municipality.

The data on the social protection funding are not collected by MONSTAT statistical surveys, but are vested with competent ministries.

Statistical records within the Ministry of Labour and Social Welfare are kept in compliance with the Law on Social and Child Welfare (Official Gazette of Montenegro 78/05), rulebooks and secondary legislation, and the Law on Protection of War Veterans and Service-Disabled War Veterans (Official Gazette of Montenegro 69/03 and 21/08).

Statistical reports cover the following rights in the area of social and children welfare:

- 1) Family cash benefits (income maintenance);
- 2) Child allowance;
- 3) Personal disability benefits;
- 4) Allowance for home care and assistance;
- 5) Placement in an institution;
- 6) Placement in a foster family;
- 7) Coverage of funeral expenses for beneficiary of family cash benefit (death benefits);
- 8) Newborn allowance (family and child benefits)

In the area of protection of war veterans and service-disabled war veterans:

- 1) War veteran cash benefit;
- 2) Personal and survivor's war-service-disability benefit.

The basic rights in the area of social and child protection have already been automated in the early 1990s (family cash benefit and child allowance) and protection of war veterans and service-disabled war veterans (war veteran cash benefit to beneficiaries of personal and survivor's war-

service-disability benefit). Other rights (3-8) are still processed manually at the level of social work centres and social and child welfare institutions.

The data on social and child welfare are collected through social work centres and social and child welfare institutions. The data on the automated rights are collected by the report method, through the established registration forms on all the changes on beneficiaries of social welfare rights. The entering of data for the automated rights is done within the social work centres, and the main monthly data processing is done within the IT Department of the Ministry of Labour and Social Welfare.

The collection of data on protection of war veterans and service-disabled war veterans is done through municipal secretariats but the entering of changes, as well as the data processing is done within the Ministry.

There is full data coverage - the data is collected from all statistical units at the country level (social work centres with regional units).

Currently, the following reports can be obtained:

- Monthly statistics on the number of beneficiaries of all rights related to the social and child protection and the protection of war veterans and service-disabled war veterans (at the country level, as well as at the municipal level);
- Data on total expenditure on all the rights at monthly and annual level;
- Data on the number of inmates of the social and child welfare institutions.

#### **b) Further measures for harmonisation with EU**

One of the future tasks is getting familiar with the concept of ESSPROS and its methodology.

Application of the European statistical standards, classifications, and instruments, in order to provide international data comparability.

Given that reaching compliance does not depend on MONSTAT, it is necessary to establish cooperation with the competent ministry with a view to becoming familiar with the harmonisation of the national legislation with international conventions and EU standards, and to adjust the methodology accordingly.

A new information system has been establishing in the Ministry of Labour and Social Welfare which will modernise the process of entering the data on basic rights arising from social and child protection and protection of veterans and service-disabled veterans. The new information system will provide statistical data in line with the valid legislation from the field, with a tendency to also automate other rights that have not been covered so far by the old information system.

The relevant regulation will be harmonised with the EU needs and requirements which will surely affect the changes in the information system.

#### **c) Main problems**

Lack of timeliness and insufficient work quality of the reporting units.

There has been no international cooperation in this area so far, and communication with international experts is necessary to be established so that the statisticians could build their knowledge and skills according to the internationally accepted methodological basis, practice and experiences of the countries with developed statistical system.

One of the main objectives in establishing the new information system within the Ministry of Labour and Social Welfare is automation of data processing on all the rights within our competences, as well as networking of all regional units with the social work headquarter centres, i.e. networking of social work centres with the competent ministry. The centralisation of all the data related to beneficiaries and resources broken down by all rights requires engagement of new qualified technical staff and new technical conditions and resources.

## Theme 1.08 Consumer protection

### Module 1.08.01 Consumer protection

#### a) Current situation

The Statistical Office of Montenegro - MONSTAT does not currently conduct any survey on consumer protection.

## Theme 1.09 Food safety

### Module 1.09.01 Food safety statistics: cross-cutting issues

#### a) Current situation

MONSTAT carries out neither the statistical survey on food safety, nor reports on this issue.

Competent bodies for food safety and main institutions included in the production of certain data on food safety: Ministry of Health, Veterinary Administration, Phytosanitary Administration.

Detailed description of food safety system is presented in Chapter 12 Food Safety, Veterinary and Phytosanitary policy.

Accessible data	Competent institution	Legal basis
register of establishments for food or animal food production and trade (certified and registered)	Ministry of Health Veterinary Administration Phytosanitary Administration	Law on Food Safety (Official Gazette of Montenegro 14/07)
records on imported food consignments subject to the sanitary control	Ministry of Health Customs Administration	Law on Food Safety (Official Gazette of Montenegro 14/07)
records on imported, exported, and transit consignments subject to the veterinary control	Veterinary Administration Customs Administration	Law on Food Safety (Official Gazette of Montenegro 14/07) Veterinary Law (Official Gazette of Montenegro 11/04 and 27/07)
records on imported, exported, and transit consignments subject to the phytosanitary control	Phytosanitary Administration Customs Administration	Law on Food Safety (Official Gazette of Montenegro 14/07) Law on Plant Health Protection (Official Gazette of Montenegro 28/06)
central register of agricultural holdings breeding cattle	Veterinary Administration	Law on Identification and Registration of Animals (Official Gazette of Montenegro 48/07)
on identified and registered livestock (electronic databases for cattle)	Veterinary Administration	Law on Identification and Registration of Animals (Official Gazette of Montenegro 48/07)
register of plant protection products	Phytosanitary Administration	Law on Plant Protection Products (Official Gazette of Montenegro 48/07)

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register of trade of plant protection products - retail and wholesale trade establishments,	Phytosanitary Administration	Law on Plant Protection Products (Official Gazette of Montenegro 48/07)
register of importers of plant protection products	Phytosanitary Administration	Law on Plant Protection Products (Official Gazette of Montenegro 48/07)
register of plant producers putting their products in the trade	Phytosanitary Administration Local government bodies	Law on Plant Protection Products (Official Gazette of Montenegro 48/07)
records on imported, exported, and transit consignments of plant protection products	Phytosanitary Administration Customs Administration	Law on Plant Protection Products (Official Gazette of Montenegro 48/07)

### b) Further measures for harmonisation with EU

Observation of Eurostat methodology in the area of food safety. To develop methodology adapted to the conditions in Montenegro and harmonized with the EU methodology. Introduction of survey on the basis of this methodology. The deadlines are not defined and they will depend on the dynamics of Montenegrin accession to the EU, and obligation i.e. survey priority.

### c) Main problems

Indicators and procedures for data delivering.

## Module 1.09.02 Statistics on control and monitoring activities

### a) Current situation

The Statistical Office of Montenegro neither carries out any statistical survey on food safety nor reports on the matter.

The bodies competent in food safety and main institutions engaged in the production of relevant food safety data are the Ministry of Health-Health and sanitary inspection, Veterinary Administration- Veterinary inspection and Phytosanitary Administration-Phytosanitary inspection.

Accessible data	Competent institution	Legal grounds
on sampling and laboratory analysis (border and internal inspection)	Ministry of Health (health and sanitary inspection) Veterinary Administration (veterinary inspection) Phytosanitary Administration (phytosanitary inspection)	Law on Food Safety (Official Gazette of Montenegro 14/07)
on the number of veterinary inspection controls (imports, exports, domestic trade)	Veterinary Administration (veterinary inspection)	Law on Food Safety (Official Gazette of Montenegro 14/07) Veterinary Law (Official Gazette of Montenegro 11/04 and 27/07)
on the number of sanitary inspection controls (import, export, domestic trade)	Ministry of Health (health and sanitary inspection)	Law on Food Safety (Official Gazette of Montenegro 14/07)
on the number of phytosanitary inspection controls (import, export, domestic trade)	Phytosanitary Administration (phytosanitary inspection)	Law on Food Safety (Official Gazette of Montenegro 14/07) Law on Plant Health Protection (Official Gazette of the Republic of Montenegro)

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		28/06) Law on Plant Protection Products (Official Gazette of Montenegro 48/07)
number of inspection controls in the facilities for production and trade of food or feed (approved and registered)	Ministry of Health (health and sanitary inspection) Veterinary Administration (veterinary inspection) Phytosanitary Administration (phytosanitary inspection)	Law on Food Safety (Official Gazette of Montenegro 14/07)
number of inspection controls in the facilities for farming and breeding of animals	Veterinary Administration (veterinary inspection)	Veterinary Law (Official Gazette of Montenegro 11/04 and 27/07) Law on Food Safety (Official Gazette of Montenegro 14/07) Law on Identification and Registration of Animals (Official Gazette of Montenegro 48/07)
number of samples and analysis within the monitoring programme on veterinary drugs and toxic substances residue  number of samples and analysis from the zoonoses monitoring programme (listeria and salmonella)	Veterinary Administration	Veterinary Law (Official Gazette of Montenegro 11/04 and 27/07) Law on Food Safety (Official Gazette of Montenegro 14/07)
number of samples and analysis within the monitoring plans for pesticide residue from food of plant origin	Phytosanitary Administration	Law on Plant Protection Products (Official Gazette of Montenegro 48/07) Law on Food Safety (Official Gazette of Montenegro 14/07)
number of issued export certificates	Veterinary Administration (veterinary inspection) Phytosanitary Administration (phytosanitary inspection)	Veterinary Law (Official Gazette of Montenegro 11/04 and 27/07) Law on Food Safety (Official Gazette of Montenegro 14/07) Law on Plant Health Protection (Official Gazette of the Republic of Montenegro 28/06)

### b) Further measures for harmonisation with EU

Observing the Eurostat methodology in the area of food safety. To develop methodology adapted to the situation in Montenegro and harmonised with the EU methodology. To introduce surveys on the basis of such methodology. The timetables are not defined and will depend on dynamics of the Montenegrin accession to the EU, and on the compulsory nature, i.e. priorities of survey.

It is necessary to adopt secondary legislation for this area according to the NPI.

### c) Main problem to be solved prior to reaching the full compliance

Indicators and data submission procedure.

## Module 1.09.03 Food consumption statistics

### a) Current situation

MONSTAT does no separate statistical survey on food consumption. Consumption indicators are obtained from the Households Budget Survey (please refer to the Module 1.06.01)

### b) Further measures for harmonisation with EU

Observation of the Eurostat methodology development in the area of food consumption. Development of a methodology adapted to Montenegrin conditions and harmonised with the EU methodology. Introduction of survey on the basis of that methodology. The timetables have not been defined and will depend on the dynamics of Montenegrin accession to the EU, and compulsory nature, i.e. survey priorities.

It is necessary to adopt secondary legislation in this area in line with the National Programme of Integration (NPI).

### **c) Main problems**

Getting familiar with the main indicators and data submission procedure.

## **Module 1.09.04 Statistics on products with distinctive marks (including organic production and farming)**

### **a) Current situation**

There is no GMO production in Montenegro.

Ministry of Agriculture, Forestry and Water Management maintains the Register of Organic Agriculture Producers. The register contains the data on producers, holding size (hectare/number of head), type of product.

Legal grounds:

- Law on Organic Agriculture (Official Gazette of the Republic of Montenegro 49/04);
- Rulebook on more detailed requirements to be met by persons performing control of organic agriculture (Official Gazette of the Republic Montenegro 36/05);
- Rulebook on the methods of organic crop production and collection of medicinal plants and forest fruit (Official Gazette of the Republic Montenegro 38/05);
- Rulebook on methods of organic livestock production (Official Gazette of the Republic Montenegro 38/05)
- Rulebook on processing, transport and storage of organic agriculture products (Official Gazette of the Republic Montenegro 38/05);
- Rulebook on the form and contents of the application form for introducing producers to organic agriculture and the entry thereon into the Register of organic agriculture producers (Official Gazette of the Republic Montenegro 52/2005);
- Rulebook on the contents of the records on implementation of organic production methods (Official Gazette of the Republic Montenegro 52/05);
- Rulebook on the contents and method of keeping the register of organic agriculture producers (Official Gazette of the Republic Montenegro 52/05);
- Rulebook on the form and contents of the sign, labelling and form of trademarks (logos) for organic agriculture products (Official Gazette of the Republic Montenegro 31/07);
- Rulebook on the form and contents of the certificate form for products of organic agriculture (Official Gazette of the Republic Montenegro 31/07);
- Instructions on the authorisation procedure for hiring a foreign legal person for the control and certification of organic agriculture products (Official Gazette of the Republic Montenegro 82/05 and 26/07).

*The data for 2008*

Total number of registered organic agriculture producers amounted to 26:

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- 21 producers in primary agricultural production;
- 4 producers in primary agricultural production and processing;
- 1 producer in processing.

### Crop production (areas and quantity of products)

Type of crop production	Areas (ha)		
	Transition period	Organic agriculture	Total
Growing of crops and cultivated plants	34.1	-	34.1
Vegetable-growing	24.52	3.37	27.89
fruit- and vine-growing	8.82	3.9	12.72
Meadows and pastures	-	1 800.8	1 800.8
Medicinal plants and forest fruit collection	-	101 800	101 800
<b>Total (ha):</b>	<b>67.44</b>	<b>103 608.07</b>	<b>103 675.51</b>

Type of crop production	Quantity of product (t/l)	
	Transition period	Organic agriculture
Growing of crops and cultivated plants	6.25 t buckwheat flour, 1.8 t barley, 0.05 t mono tea	-
Vegetable-growing	59 t potatoes, 30 t cabbage, 0.3 t carrot	84 t potatoes
Fruit- and vine-growing	3 t apples, 3 t plums, 0.8 t raspberry	3.1 t apples, 1.05 t pears, 0.5 t plums, 0.35 t quince
Meadows and pastures	-	-
Medicinal plants and forest fruit collection	-	2.305 t mono- tea, 3.155 t mixed tea, 400 l apple vinegar, 113.2 l essential oils
<b>Total (t/l):</b>	<b>104.2 t</b>	<b>94.46 t; 513.2 l</b>

### Livestock production (number of heads)

Type of livestock production	In conversion	Organic agriculture	Total
Sheep farming	140		140
Goat farming		450	450
Beekeeping (number of beehives)	40		40
<b>Total:</b>	<b>140 + 40</b>	<b>450</b>	<b>590 + 40</b>

**Production of livestock products**

Type of product	Quality of product (t/l)
Milk products	
Cheese (t)	0.5 t
<b>Total:</b>	<b>0.5 t</b>

**Processing**

Economic activity	Number of organic processors
Medicinal plants processing – tea and essential oils production	2
Milk processing - processing into diary products	2
Fruit and cereals processing	1
<b>Total:</b>	<b>5</b>

**b) Further measures for harmonisation with EU**

Existing national regulations are planned to be harmonised with the EU regulations on organic agriculture, in line with the NPI.

**Theme 1.10 Crime and criminal justice****Module 1.10.01 Administrative data on crime and criminal justice****a) Current situation**

According to the Statistical Surveys Programme, the following surveys are done by means of reports:

- annual survey on persons of legal age the proceedings by criminal petition and pre-trial proceedings there against completed;
- annual survey on persons of legal age subject to final court decisions in criminal proceedings there against ;
- annual survey on minors the proceedings by criminal petition and pre-trial proceedings there against completed;
- annual survey on minors subject to final court decisions there against in criminal proceedings before a panel
- annual surveys on executives who are subject to final court decisions in proceedings on economic torts there against;
- annual survey on legal persons who are subject to final court decisions in proceedings on economic torts.

Purpose of the data is monitoring of registered, charged and convicted adult and minor perpetrators of criminal acts, of legal persons and executives charged with economic torts with a view to researching the volume and distribution of crime in the territory of Montenegro.

Prosecutor's offices and courts are sources of the data, which refer to the adult and minor

perpetrators of criminal acts broken down by the classification of criminal acts, type of court decisions, imposed penalties, custody, victims, etc.

Periodicity of data collection is three-months while the data processing is annual, based on full coverage of reporting units.

Relevant national standard is the Criminal Code of Montenegro.

The classification of criminal acts is used, the classification being harmonised with legislation developments on an on-going basis.

#### **b) Further measures of harmonization with EU**

Compliance with the EU regulations depends on the internal compliance of national legislation.

Since full harmonisation does not depend on the Statistical Office it is necessary to establish cooperation with the Ministry of Justice in order for the Office to get familiar with harmonisation of national legislation with international conventions and EU standards and to adjust the methodology accordingly.

#### **c) Main problems**

- Lack of timeliness and insufficient quality of work of the reporting units;
- Lack of information on the level of compliance of national legislation with the international law principles;
- There was no international cooperation so far in this area. It is thus needed to establish communication with international experts, so that statisticians can improve their knowledge and skills, according to internationally accepted methodological basis, practices and experiences of the countries with developed statistical system.

### **Module 1.10.02 EU victimisation survey module**

#### **a) Current situation**

The Statistical Office of Montenegro neither conducts survey on victimisation nor reports on the issue.

The international survey on crime and security is aimed at comparing results obtained from the EU with those which already exist in the national statistical agencies. Therefore, the aim is to discover a number of crimes which are not reported to the official statistics.

#### **b) Measures of further harmonisation with EU**

Study of Eurostat methodology related to victimisation. Development of methodology which will be adjusted to the conditions in Montenegro and harmonised with the EU methodology.

Introducing of a survey on victimization based on the methodology here above.

Accurate contents of this module survey and other details (periodicity, etc.), will be determined after pilot surveys in other members states.

### **Theme 1.11 Discrimination**

#### **Module 1.11.01 .01 Discrimination statistics**

#### **a) Current situation**

The Statistical Office of Montenegro neither surveys discrimination nor reports on the issue.

**b) Further measures of harmonisation with EU**

Getting familiar with the Eurostat's methodology related to discrimination. Developing a methodology adapted to the conditions in Montenegro, harmonized with the EU methodology. Introducing a survey on discrimination based on the methodology here above. Timetables have not been set and will depend on the dynamics of Montenegro's accession to the EU and on compulsoriness i.e. survey priorities.

**Theme 1.12 Other work in the field of demographic and social statistics****Module 1.12.01 Social reporting****a) Current situation**

The Statistical Office of Montenegro calculates a large number of social indicators.

In the area of labour and living standard: activity rate, employment rate, unemployment rate, poverty rate (poverty gap index and poverty severity), inflation rate, and others.

In the area of demography: population growth rate, average age of population, natural increase rate, birth rate, mortality rate, rate of marriages and divorces, total and specific fertility rate, life expectancy, average age of mothers at childbirth, mortality rate of newborns, mortality rate of children under the age of five, average age at marriage, gender indicators.

**b) Further measures for harmonisation with EU**

There is a need for a list of national social indicators to be developed in cooperation with competent institutions (Ministry of Labour and Social Welfare), which will be harmonised with the EU requirements.

**c) Main problems**

Lack of a national list of social indicators.

**Module 1.12.02 Gender statistics****a) Current situation**

According to Article 14 of the Law on Gender Equality (Official Gazette of the Republic of Montenegro 46/07), all data and information must be broken down by gender wherever possible.

Gender statistics is not subject to a separate survey by the Statistical Office but there is a working group established to collect data broken down by gender from all the regular statistical surveys which contain the "gender" variable. The operations of the working group have resulted in the biannual publication titled, "Women and Men in Montenegro". The publication also contains data from other institutions which have data records broken down by gender. Two books have been published so far - the first one in 2006, and the second one in 2008. Both were published in cooperation with the Government Office for Gender Equality (now the Division within the Ministry).

**b) Further measures for harmonisation with EU**

Publications will continue to be published biannually, and there will be efforts to increase the number of indicators from all the fields already covered by the publication, and also the number of new fields.

**c) Main problems**

The gender-related records of all state bodies should be improved so that the statistics could process and publish data.

The lack of a Time Use survey as the main source of data related to gender statistics.

### **Module 1.12.04 EHS (European system of social statistical survey modules)**

#### **a) Current situation**

MONSTAT does no survey by the modules from the Compendium.

#### **b) Macroeconomic statistics;**

### **Theme 2.01 Annual economic accounts**

#### **Module 2.01.01 European system of accounts**

##### **a) Current situation**

In 2003, MONSTAT launched the application of the System of National Accounts – SNA93 and European System of accounts – ESA95.

Calculation of Gross Domestic Product (GDP) is done by the application of output and expenditure approach for total economy. Time series of the data on the Gross Domestic Product (GDP) is available for the period of 2000-2007. Calculation of GDP based on the two approaches is done independently. Income approach has not been introduced yet, due to a lack of necessary data for the calculation thereof.

Output, intermediate consumption and gross added value are basic components for the GDP calculation by output approach. Basic sources of the GDP calculation data by output approach have so far been financial reports of enterprises and entrepreneurs as well as regular statistical surveys. Level for calculation of mentioned components is sector level of National Classification of Activities (Classification of Activities-CA). The classification has been harmonised with the NACE Rev.1.

Calculation of GDP by expenditure approach is done for main consumption categories:

- individual consumption;
- general government consumption;
- gross fixed capital formation;
- imports and exports of goods and services;
- changes in inventories.

Changes in inventories is obtained as a residue in calculating the GDP by output approach.

Data on individual consumption are available at the level of main groups of products by the COICOP classification.

General government consumption is disaggregated on individual and collective according to COFOG classification.

Data on gross fixed capital formation are disaggregated according to technical structure of fixed assets.

Classification applied to the imports and exports of goods is the Combined Nomenclature (CN), while the data on imports and exports of services are taken from Balance of Payments of the Central Bank.

Calculation of Gross Domestic Product by output approach is done at current and constant prices, while calculation of Gross Domestic Product using expenditure approach is done at current prices only.

Calculation at constant prices is done by applying the method of single extrapolation, where gross value added is extrapolated based on the appropriate indices of quantity. Gross Domestic Product at constant prices is stated at the previous year prices.

Estimates of the unobserved economy is partially included in the GDP calculation, from the output side. The methodology used for calculation is the OECD manual for measuring of unobserved economy. Depending on the data sources available different methods have been used for estimates of unobserved economy. Labour input method has been used for certain activities; for the activities of agriculture and tourism MONSTAT has done an *ad hoc* survey; and multisource data comparison method has been used for some other activities.

Calculation of imputed rent is done by application of user-cost method. Time series is available for the period of 2000-2007, the data being included in the official GDP data, on the output and expenditure side .

Taxes and subsidies on products are calculated at the level of total economy.

FISIM are calculated at the level of total economy and is included in the GDP calculation on the output side and not on the expenditure side.

#### **b) Further measures of harmonisation with EU**

- Using the results of the Structural Business Statistics Survey for calculation of GDP;
- Improvement of calculation methodology on own-use production;
- Improvement of calculation of output and expenditure of the general government;
- Introducing the method of flows of goods for the estimates on the consumption of households;
- Allocation of taxes and subsidiaries on products by institutional sectors;
- Calculation of gross added value at constant prices by applying the double deflation method;
- Calculation of GDP using expenditure approach at constant prices;
- Introducing the complete set of accounts by institutional sectors.

#### **c) Main problems**

- Definition of data sources for calculation of changes in inventories, the expenditure category of GDP;
- Detailed data for calculation of FISIM;
- Introducing price indices needed for the double deflation method application as a recommended method for calculation of GDP at constant prices;
- Definition of data sources and methods of calculation of unobserved economy;
- Revision of data series of the calculated GDP.

### **Module 2.01.02 National accounts: aggregates**

#### **a) Current situation**

Aggregates in National Accounts are divided into two groups:

- Aggregates as balance items in the accounts: Gross Domestic Product, Gross National Income, Disposable Income, Savings, etc.
- Aggregates related directly to transactions in the system: production of goods and services,

actual final consumption, gross fixed capital formation, changes in inventories, imports and exports of goods and services, etc.

GDP is the only aggregate as balance item currently produced by MONSTAT. As to the group of aggregates related directly to transactions in the system, MONSTAT calculates the following thereof:

- Gross added value at basic prices at the level of A17;
- Intermediate consumption at purchaser's prices at the level of A17;
- Final consumption of households;
- General government consumption: individual and collective;
- Gross fixed capital formation;
- changes in inventories (residue item);
- Imports and exports of goods.

#### **b) Further measures for harmonisation with EU**

Apart from the already introduced production account, there will be efforts aimed at introducing all other accounts at the total economy level:

- Capital formation account, distribution and use of income accounts
- Accumulation accounts, and
- Balance sheet

#### **c) Main problems**

- Definition of data sources and their application in accordance with the ESA95 methodology;
- Training of staff in the Section of National Accounts.

### **Module 2.01.03 Accounts of institutional sectors**

#### **a) Current situation**

The first experimental calculation of GDP by institutional sectors (non-financial, financial, general government, households, and non-profit institutions serving the households) was done in 2009 for the year of 2007. Following the recommendations of ESA95, we have applied criteria (kind-of-property, predominant activity, income compared to production costs, etc.), for classification of institutional units by institutional sectors. The aim of this working version of calculation is to show contributions of certain sectors within the total economy, to reveal the number of institutional units by sector, share of certain activities in separate sectors, ratio of output and intermediate consumption by sectors, etc.

The calculation of GDP by institutional sectors is planned to be published in the form of publication, which will be done when other accounts are made in addition to the only one existing so far (production account).

#### **b) Further measures for harmonisation with EU**

Introducing of capital formation, distribution, re-distribution and use of income accounts, as well as accumulation accounts by institutional sectors and for the total economy.

#### **c) Main problems**

- Identifying the data sources, their disaggregating and application in accordance with the ESA95 recommendations;
- Distribution of taxes and subsidies by institutional sectors;

- Small number of disaggregated data needed from the financial statements from enterprises.

#### **Module 2.01.04 Supply/use and input/output tables**

##### **a) Current situation**

MONSTAT has been producing neither supply/usage nor input/output tables, but the introduction thereof has been laid down by the Five-Year Statistical Survey Programme and by the Development Strategy.

##### **b) Further measures for harmonization with EU**

Applying for technical support within IPA 2010 multi-beneficiary programme.

##### **c) Main problems**

- Lack of qualified staff;
- Lack of data sources.

#### **Module 2.01.06 Regional accounts**

Please find the answer to this module in **Module 5.04.01 Regional indicators**

#### **Theme 2.02 Quarterly accounts**

##### **Module 2.02.01 Quarterly national accounts**

##### **a) Current situation**

MONSTAT has not made calculations of quarterly national accounts so far. The Development Strategy and Five-Year Statistical Survey Programme have laid down the future introduction of quarterly calculations of Gross Domestic Product.

##### **b) Further measures for harmonisation with EU**

Within the IPA 2007 – national programme, a questionnaire and sampling for quarterly survey will have been done by the end of 2009. The quarterly survey will be conducted for all four quarters of 2010 in order to get the data needed for introducing the direct calculation method for a quarterly Gross Domestic Product.

##### **c) Main problems**

Lack of staff and qualifications thereof.

##### **Module 2.02.02 Quarterly sector accounts**

##### **a) Current situation**

MONSTAT has done no calculation of quarterly sector accounts so far. The Development Strategy and Five-Year Statistical Survey Programme have laid down future introduction of quarterly calculation of Gross Domestic Product by institutional sectors.

##### **c) Main problems**

The lack of staff and qualifications thereof.

## **Theme 2.03 Monetary and financial statistics**

### **Module 2.03.01 Financial accounts – methodology**

#### **a) Current situation**

MONSTAT has not yet produced financial accounts for the total economy and by institutional sectors. Only the calculations of output, intermediate consumption, and gross added value of the NACE J activity – Financial intermediation - have been done so far, with the technical support by the Hungarian Statistical Office. The calculation has been done by following recommendations of the ESA95 methodology.

#### **b) Further measures for harmonisation with EU**

The Central Bank of Montenegro and Ministry of Finance are vested with running the monetary and financial policy of Montenegro. Thus, it has been planned to establish a working group which would consist of representatives of these three institutions, in order to define future work.

Introduction of financial accounts has been planned by the Five-Year Statistical Survey Programme 2009 – 2013.

Additionally, through the IPA and IMF project, we expect assistance on the matters of national accounts, including financial accounts.

#### **c) Main problems to be resolved prior to further harmonisation**

Main problem is the lack of staff competent herein.

### **Module 2.03.02 Financial accounts – data production**

#### **a) Current situation**

MONSTAT still does not produce financial accounts.

#### **b) Further measures for harmonization with EU**

Introducing of these accounts has been planned by the Five-Year Statistical Survey Programme 2009 – 2013.

#### **c) Main problems to be resolved prior to full harmonisation**

Main problem has been recognized in the lack of staff competent herein.

### **Module 2.03.03 Money and finance**

#### **a) Current situation**

The Central Bank of Montenegro is the only institution responsible for collecting, processing and delivering of data referring to the monetary statistics.

Data sources for the monetary statistics production are banks and micro-credit financial institutions. The data are collected monthly.

Monetary statistics has been prepared in accordance with the IMF Monetary and Financial Statistics Manual.

**b) Further measures for harmonization with EU**

In order to successfully report to the ECB, there are two possible measures – either to amend the reporting forms which are submitted to the Central Bank by banks and micro-credit institutions or to amend chart of accounts for banks and micro-credit financial institutions so to divide certain balance sheet positions.

**c) Main problems**

There are no serious problems.

**Theme 2.04 Government finance statistics****Module 2.04.01 Government finance statistics - Methodology****a) Current situation**

The Ministry of Finance of Montenegro applies the GFS M2001 methodology of IMF – cash principle, in accordance with the Government Financial Statistics Manual of the International Monetary Fund of 2001 (GFS M2001), which has been harmonised with the System of National Accounts (1993 SNA).

This methodology is applied in calculation of budget cash deficit/surplus, records on public debt and classification.

**Module 2.04.02 Government finance statistics – Data production**

Governmental financial statistics (GFS) is used in both the phase of planning and executing the budget and also in reporting, and covers production of financial data related to public revenues, expenditures and financing, and to public debt. These data are published quarterly and annually on the website of the Ministry of Finance of Montenegro and are expressed in EUR.

The Ministry of Finance of Montenegro is responsible for preparation of report on revenues and expenditures of the budget of budget funds and consolidated public spending of the general government of Montenegro, as well as on public debt.

Execution of the current, capital and programme budget of Montenegro is done through the SAP system, which records all the transactions (receivables and payables) by means of the Treasury Consolidated Account.

**Module 2.04.03 Statistics on public deficit and debt****a) Current situation**

Statistics of public deficit and debt is produced by the Ministry of Finance through the SAP system which records all the transactions (receivables and payables) using Treasury Consolidated Account.

Data on public deficit and debt are produced according to the GFS M2001 methodology of IMF– cash principle, and are published quarterly and annually on the website of the Ministry of Finance of Montenegro (cash deficit/surplus calculated as the difference between receipts and expenses, where: receipts less borrowings, received transfers, donations, and revenues from selling of property; and expenditures less payment of principal and net liabilities from previous years).

Statistics of public debt records public debt by structure: foreign debt, internal debt; by currency of payment thereof; by type of debtor (state debt, municipal debt, public enterprise debt), by maturity, etc.

## **Theme 2.05 Monitoring own resources**

### **Module 2.05.01 Monitoring own resources GNI**

#### **a) Current situation**

We have experimentally launched defining of data sources for calculation of Gross National Income. Basis for calculation of the Gross National Income is the Gross Domestic Product at market prices produced by MONSTAT, while the Balance of Payment of the Central Bank of Montenegro is data source for calculation of net primary income from abroad.

#### **b) Further measures for harmonization with EU**

Calculation of Gross National Income for 2007 and 2008 in the second half of 2010.

#### **c) Main problems**

- Establish cooperation with the Central Bank;
- Form working group of representatives of MONSTAT and Central Bank which will deal with the analysis of methodology and method of calculation of Balance of Payments, in order to evaluate the Balance of Payments data quality;
- Where the Balance of Payment data are of good quality they will serve for the calculation of the Gross National Income.

### **Module 2.05.02 Monitoring own resources value added tax (VAT)**

#### **a) Current situation**

MONSTAT does not assess the VAT base.

#### **b) Further measures for harmonization with EU**

Apart from development of economic accounts of agriculture and further development of main business statistics, it is necessary to launch calculations of supply/demand tables within the National Accounts in order to create prerequisites for calculation of VAT base.

#### **c) Main problems**

The lack of staff and competence therein.

## **Theme 2.06 Prices**

### **a) Current situation**

In January 2009, the Statistical Office of Montenegro (MONSTAT) ceased to publish the retail price index (which was used for measuring the inflation in Montenegro) and cost-of-living. Afterwards, the consumer price index (CPI) has been used as the official measure of inflation

In the section of prices, MONSTAT currently calculates the following indices:

*Consumer Price Index* (CPI) – in June 2008 MONSTAT started with publishing the Consumer Price Index, having also published the indices for the first five months of 2008 therein. CPI was introduced with support of the SIDA project (the first phase of project was finished on 31 December 2005; the second phase of the project was finished on 4 December 2008).

For the needs of CPI, prices are recorded in four towns: Podgorica, Nikšić, Pljevlja, and Kotor. The population thereof accounts for 49.3% of the total population of Montenegro.

Main differences between Consumer Price Index and Retail Price Index:

*Coverage* – the List of products and services for the Consumer Price Index significantly exceeds the retail price index list. At the moment, the list includes 490 products and services for the CPI calculations.

COICOP Division	Division	Number of product
1	Food and beverages	135
2	Alcohol and tobacco	13
3	Clothes and footwear	83
4	Housing	27
5	Furniture and appliances	76
6	Health	19
7	Transport	40
8	Communication	21
9	Culture and leisure	46
10	Education	2
11	Hotels and restaurants	2
12	Other goods and services	26

The list contains 94 services (13.05% weight for services) and 396 products (86.95% weight for products).

List of Products and Services is reviewed every year; outdated products are excluded, the new ones added where having a total consumption share exceeding 0.1%.

From 2010, the list is going to include 32 new products and services, mainly in divisions which were up to now poorly covered, such as 06. Health, and 11. Hotels and Restaurants .

*Weights* – the weights in CPI are calculated on the basis of Household Budget Survey (HBS), while in Retail Price Index it was calculated based on retail trade.

Temporary structure of weights in CPI:

COICOP Division	Division	Weights (%)
1	Food and beverages	42.5
2	Alcohol and tobacco	4.8
3	Clothes and footwear	8.2
4	Housing	12.8
5	Furniture and appliances	5.4
6	Health	2.3
7	Transport	10
8	Communication	6.6
9	Culture and leisure	2.9
10	Education	0.2
11	Hotels and restaurants	0.1
12	Other goods and services	4.3

*Classification* – The calculation of the Consumer Price Index is subject to the Classification of individual consumption by purpose adjusted to the needs of Harmonised Index of Consumer Prices calculation, (COICOP HICP).

Average monthly prices at town level are calculated based on simple geometric mean, while average monthly prices at state level are calculated as weighted geometric mean.

Average annual prices are calculated as a simple arithmetic mean of average monthly prices.

Laspyres type of formula is used for calculation of the index.

Data on Consumer Price Index are published on 15<sup>th</sup> of each month for the previous month; the data may be downloaded from our website [www.monstat.org](http://www.monstat.org).

*Production Price Index* – during the SIDA project, there was the support aimed at improving the quality of the Production Prices Index (PPI). This index is not available on our site. It is disseminated in the yearbook, monthly bulletin, and as a monthly release.

Index is calculated based on Laspeyres' formula. Prices are collected for three sectors:

- C. Mining and quarrying;
- D. Manufacturing;
- E. Generation of electricity, gas and water.

*Exports Price Index* – it was launched in 2007 as a pilot survey and became regular in 2009. Export prices are collected for two sectors:

- C. Mining and quarrying;
- D Manufacturing

Weights for calculation of this index are based on foreign trade data base. There is correction of weights each year based on price growth. This index is published in the form of monthly releases and is not yet available on our website.

#### **b) Further measures for harmonisation with EU**

Introducing the *Harmonised Index of Consumer Prices (HICP)* using the methodology prescribed by EUROSTAT.

Introducing the *Imports Price Index*– In January 2008, we launched collecting of prices of producers of industrial products for imports. It is currently a pilot survey and will switch to regular survey in 2010.

## Main problems

- Cooperation with reporting units;
- Small number of the employed in the division for prices.

## Module 2.06.01 Harmonised consumer price indices

### a) Current situation

The process of introducing the index started by the end of 2008 by the beginning of *the IPA 2007 – multi-beneficiary* project. The process is underway in line with the Eurostat regulations. In 2009, the Statistical Office of Montenegro will complete the plan for building the Harmonised Index of Consumer Prices (HICP) which will include all detailed and elaborated phases needed for its implementation. In 2010, MONSTAT will launch collecting of prices needed for calculation of the ICP. The first results of this index are expected in 2011. Consumer Price Index, calculated since 2008, will serve as a basis for the HICP building .

So far, there were several workshops on the HICP, under the IPA 2007 project, as well as two visits of the experts on prices to MONSTAT. Workshops and visits of experts on prices have provided the employed of MONSTAT with new knowledge, experience and getting familiar with the regulation needed for the HICP building.

### b) Further measures for harmonisation with EU

The planned introduction of the HICP will take place by applying the methodology prescribed by the Eurostat. This methodology has been given in the “Compendium of HICP Reference Document (2/2001/B/5)”.

Dynamics of implementation of the planned objective will depend on availability of resources such as finance, staff and software.

International cooperation with foreign experts and participation in international meetings are crucial factors which will determine the quality of future HICP.

### c) Main problems

- Lack of certain data necessary for the HICP, e.g. data on the structure of foreign tourist consumption are needed for the production of weights;
- Poor software support.

## Module 2.06.02 Spatial price comparisons

### a) Current situation

*PPP (Purchasing Power Parities)* – Statistical Office of Montenegro has been actively involved in project of Purchasing Power Parities since 2003. Project of Purchasing Power Parities is performed for consumer and capital goods. For consumer goods, PPP have been performed since 2003, prices collected in three-year cycles with six surveys (two per year) in the meantime:

- 1) Food, beverages, and tobacco;
- 2) Personal appearance;
- 3) House and garden products;
- 4) Transport, restaurants and hotels;
- 5) Services;
- 6) Health-oriented products and furniture.

There is an ongoing implementation of the third cycle of the Purchasing Power Parities Project and currently there is also the survey of *Food, beverages and tobacco*.

For capital goods, PPP has been conducted since 2007, the prices collected every second year for two surveys: "Equipment and Construction". Both price-data collecting surveys were conducted in May 2009.

Apart from the data referring to prices of goods and services, which are collected within mentioned surveys, it is necessary to provide data on: actual and imputed rent, consumer price indices, wages and salaries, final consumption as a part of GDP, and mid-year population. MONSTAT is obliged to fulfil and send to Eurostat the tables with required data within a timetable set .

Prices for PPP project are exclusively collected in the Capital - Podgorica. The collected data are sent to the Eurostat via software package eDAMIS. Up to now, the Statistical Office of Montenegro has published no results of this survey; it has been done by the Eurostat exclusively.

MONSTAT belongs to the Western Balkans group which is a sub-group of the Central Group. The group leader for the Western Balkans countries is Slovenia. From 2010, MONSTAT will do the PPP project within the Central Group led by Austria.

#### **b) Further measures for harmonisation with EU**

Organisation of work, methodology and documentation of the survey within project of Purchasing Power Parities has so far been done under the sponsorship of OECD, Eurostat and Statistical Office of Slovenia. MONSTAT will continue to perform all activities within this survey according to the plan and programme of the institution herein.

#### **c) Main problems**

Currently, there are no serious problems.

### **Module 2.06.03 Remuneration and contribution to the pension scheme of EC officials**

#### **a) Current situation**

The Statistical Office of Montenegro does no survey on the matter.

### **Theme 2.07 Trade in goods**

#### **Module 2.07.01 Methodology**

##### **a) Current situation**

Statistical Office of Montenegro – MONSTAT has processed the foreign trade data since 2005. Statistics of foreign exchange in goods is covered by the section for foreign trade, which belongs to the Department for Macroeconomic Statistics, National Accounts, and Prices.

Foreign trade statistics is based on the Rulebook on the form, contents, and manner of submitting and filling in the individual and collective customs declaration (Official Gazette of the Republic of Montenegro 03/2003 and 08/2007) and the Law on Customs (Official Gazette of the Republic of Montenegro 7/2002, 38/2002, 72/2002, 21/2003, 29/2005, 66/2006 and 21/2008).

New Single Customs Declaration (Jedinstvena carinska deklaracija - JCD) has been applied with the new Law on Customs; the declaration is identical by form and contents to the Single Administrative Document which is in use in the EU countries for monitoring of exchange in goods with third countries.

In customs procedure at establishing tariffs on products, the EU Combined Nomenclature has been used since 2002; the nomenclature has been harmonised with the EU Combined Nomenclature. It is promulgated annually in the Official Gazette of Montenegro.

In addition to national regulations, there are directly applied international recommendations and provisions:

- „*International Merchandise Trade Statistics: Concept and Definitions of Foreign Trade Statistics*“(Series M, No 52, Rev .2) publication by the United Nations Statistics Division.
- *Statistics on the Trading of Goods – User Guide*- methodology of foreign trade which is based on recommendations by the European Union Statistics Division.

Foreign trade statistics has been methodologically harmonised with regulations from the Community Legislation applicable to the Statistics related to the trade of goods, related to EXTRASTAT.

- Council Regulation (EC) No 1172/95
- Commission Regulation (EC) No 1917/2000
- Amended by Commission Regulation (EC) 179/2005

#### 1) *System of trade (Coverage) :*

Special (relax) system of trade has been used until 2007. From 2007, the foreign trade data are processed using special and general trade system.

#### 2) *Time of observation*

Time of observation is the moment when goods enter or leave economic territory of a country, this being the date of submitting the declaration i.e. date when customs bodies accept declaration for consideration.

#### 3) *Classifications of goods*

Structure of goods of foreign trade flows is analysed by using different internationally accepted classifications of goods, which have various levels of details and are based on different classifying criteria:

- a) Harmonised System of codes and names of products (HS) or a wider version based on the HS, as it is the Combined Nomenclature (CN);
  - Council Regulation (EEC) No 2658/87 establishing a goods nomenclature – consolidated version
  - Commission Communication: Explanatory notes to the Combined Nomenclature – summary, foreword, general rules
  - Regulation (EC) no 1031/2008 (Official Journal of the European Communities (PBEG) L 291 of 31 October 2008
- b) Standard International Trade Classification;
- c) Classification of Economic Activities of European Community (NACE rev.1).

#### 4) *Classification of countries*

Nomenclature of countries which is used in foreign trade statistics has been defined by the Rulebook on the form, contents, and manner of submitting and filling in the individual and collective customs declaration (Official Gazette of the Republic of Montenegro 03/2003 and 08/2007) “.

Nomenclature of countries is based on the classification of ISO numeric-3.

#### 5) *Partner country*

Country of consignment is the country used in statement of imports.

Country of destination is country used in statement of exports.

6) *Exchange rate*

Daily exchange rate list is published on the website of the Central Bank Montenegro.

7) *Time of observation*

Time of observation is the moment when goods enter or leave economic territory of a country, this being the date of submitting the declaration, i.e. date when customs bodies accept the declaration for consideration.

8) *Value*

Customs value is used for the values of transactions, expressed in official national currency.

9) *Statistical value*

Statistical value is not used because of a poor data quality; the Customs Administration fills in customs value in the field for statistical value.

**b) Further measures for harmonisation with EU**

- Harmonisation with the EU regulations;
- Development of methodology instructions, updated with current methodological situation and further harmonisation with the EU standards;
- Improvement of knowledge related to foreign trade through trainings and technical assistance.

**c) Main problems**

- The field 46 - Statistical value is not filled in by the Customs Administration of Montenegro;
- Statistical value is not used for the valuation of exports and imports;
- Improvement of cooperation with the Customs Administration of Montenegro in order to improve quality of data;
- Improvement of data quality of invoice value in exports (it is not always according to the FOB parity).

**Module 2.07.04 Trade in goods: Data production**

**a) Current situation**

Source of data

Source of data for statistics on foreign trade of goods is the Single Customs Declaration (JCD). Customs Declaration is the document submitted in customs procedure. It contains data important for customs procedure itself, but also for the needs of statistical and other users of data.

The Customs Administration of Montenegro is responsible for the collection and control of the accuracy of customs declarations; it prescribes the contents, form, manner of filling in, and of submitting of customs declarations in the customs procedure.

MONSTAT takes over from the Customs Administration of Montenegro all declarations related to the last cumulative, starting from the beginning of the year (on the fifth day in a month). It contains new declarations related to the observed month, but also all declarations received after the previous cumulative which are related to the previous period.

Controlled customs declarations are divided in five forms of syllables, grouped into five different tables.

MONSTAT statistically processes and disseminates the received data.

- Table *Headings* which contains information common to a number of different products which are subject to foreign trade transactions;
- Table *Title*, which contains information on each individual product which is subject of foreign trade transaction;
- Table *Previous document*, which contains important information related to previous documents and customs procedures connected to individual products which are subject of foreign trade transaction;
- Table *Addendum*, which contains information on all documents which need to be attached to the Single Customs Declaration related to individual products which are subject to foreign trade transaction;
- Table *Charges*, which contains information on all unpaid charges related to each individual product which is subject to foreign trade transaction;

Copies of customs declarations in the form of syllables taken over from the Customs Administration of Montenegro are not appropriate for further processing directly after receipt thereof, but a special syllable in statistics has to be created which is called *SLOGMES* and which represents basic syllable for all data processing. Mentioned syllable is made by coupling of syllables received from the Custom Administration of Montenegro.

Prior to the creation of SLOGAMES there is a process of control, with several steps:

- Control of data entered into table *Heading*
- Control of data entered into table *Appointments*
- Control of data entered into table *Previous document*
- Control of data entered into table *Addendum*
- Control of data entered into table *Charges*

#### Coverage

According to the UN and EUROSTAT recommendations and methodological bases, the processing of the statistics of foreign trade in goods covers all the goods added to inventories of the wealth of the country at entering their economic territory (exports). Goods in transit are not included in the results of foreign trade statistics.

#### Observation units

In the foreign exchange of goods' statistics, subject to observations is each delivery of goods which is done through exports and imports of goods. Unit of observation is each delivery which is the same regarding the type of goods, country of destination/origin, the way of payment and the time of crossing the border. Goods must be classified according to the Nomenclature of Customs Tariff with the stated value and quantity in a unit of measure subscribed by the Law on Customs Tariff.

Statistical survey of foreign exchange in goods includes all goods exported from Montenegro, imported to Montenegro, and allowed into free internal circulation.

#### Statistical area

The area of observation is the customs territory of Montenegro. Customs territory includes territory, territorial waters and air space of Montenegro; it is limited with customs line which corresponds to the state border of Montenegro. Customs territory defined in this way fully corresponds to the concept applied in the EU states, resulting in the conclusion that the statistical territory of Montenegro corresponds to its customs territory.

#### Time of observation

In the foreign trade of goods statistics, the observation period is a calendar month in which goods are exported or imported.

The exports or imports are considered as done in the moment of fulfilling the customs duties i.e. when tariff of goods has been made and when the crossing of the customs frontier for the goods is free.

#### Data processing program

- EUROTRACE DBMS

EUROTRACE programme has been donated by the Eurostat. The programme has been adjusted to the foreign trade data processing needs. Program is used for processing, control and dissemination of data.

- Programme in Microsoft Visual Basic via Microsoft SQL server

Programme for processing of foreign trade data was purchased from the Statistical Office of Serbia and is used for control and adjustments of customs data for processing since they have to be given in the form of a separate syllable for further statistical processing.

Currently, both are used as parallel programmes.

#### Register of Importers and Exporters

Register of Importers and Exporters of Montenegro was introduced in June 2009. The source of data is the customs register of importers and exporters. The Customs Administration of Montenegro monthly provides MONSTAT with the data on economic entities which perform foreign trade turnover in Montenegro.

The Register of Importers and Exporters provides an overview of all economic entities dealing with exports and imports on the territory of Montenegro, having in mind the structure of imports and exports by products.

#### **b) Further measures for harmonisation with EU**

- Continuation of development and harmonisation of foreign trade methodology with the EU legislation. This implies additional keeping of records on goods by the *Country of origin* and better valuation of goods;
- Preparation for INTRASTAT. INTRASTAT is a system for collecting data on the trade in goods between the EU member states where there are no borders nor customs declarations which makes the EU market a single one;
- For quality data records on the trade in goods it is necessary to first prepare a quality Register of Importers and Exporter, which has already been accomplished by MONSTAT;
- The next step is to establish good cooperation with the Tax Administration of Montenegro;
- Producing of unit value index of exports and imports.

#### **c) Main problems**

- Lack of records on goods on the imports side by *Country of origin* (field 16 in the Customs Declaration) due to frequent not filling in of that field in the customs declaration. Therefore, it is impossible to make accurate and quality data comparison with other countries.
- Lack of the filling in of *Statistical value* (field 46 in the Customs Declaration) because the basis for the statistical value is *Price of goods* (field 42 of the Customs Declaration) – i.e. value based on prices at entering into contract of a buyer and seller. Price of goods differs depending on obligations of the parties in splitting the costs of transport, insurance and transportation. Statistics also has to calculate the value by a unique parity for each transaction so that they are comparable in mutual relation and in time, and that they serve as a single measure for all analyses.
- Records on imports by the *VARIOUS* country code signed by '999' and by the *EU* countries, signed by '000', that makes impossible to compare data with other countries and have a comprehensive review of foreign trade turnover of Montenegro.

**Module 2.07.05 Trade in goods: Electronic data dissemination****a) Current situation**

Data are disseminated monthly by means of *Releases on the trade of Montenegro* and *Monthly Statistical Review*.

Monthly data for a current year are considered preliminary (on the 25<sup>th</sup> day of a month), since they are updated and corrected during the year.

Dissemination of data is also done annually by means of *Releases on the trade of Montenegro* and *Statistical Yearbook*.

Monthly data are final after the dissemination of the final annual data. Annual data are disseminated twice, first as preliminary (25 January) and then as final (31 March).

All the mentioned publications are downloadable on the website of MONSTAT, [www.MONSTAT.org](http://www.MONSTAT.org).

Data base is in COMEXT. Data are disseminated by value (in EUR); by country and territory; by product; by general and special trade system.

**b) Further measures for harmonisation with EU**

Developing a dynamic approach to foreign trade data of Montenegro on the website of MONSTAT, including the web application and access to available data base on foreign trade.

Deadline for developing such approach to the foreign trade data is 2012.

**c) Main problems**

Manual development of all publications. Lack of automated development of publications.

**Module 2.07.06 Trade in goods: Publication of aggregated data****a) Current situation**

*Outline of trade in goods of Montenegro in 2007 and 2008* was published in May 2009 on the MONSTAT website, [www.MONSTAT.org](http://www.MONSTAT.org). Publications have been issued by general and special trade system and contain data by country, territory, and group of countries, product, group of products, selected countries, and main trade partners.

**b) Further measures for harmonisation with EU**

Development of series outlines of foreign trade turnover of Montenegro.

**c) Main problems**

Manual development of all publications. Lack of automated publication development.

**Module 2.07.07 Trade in goods: Analysis and quality****a) Current situation**

Improvement of quality of foreign trade statistics has been achieved through regular control of data sources. Analyses of customs declarations are done monthly, through the established logical control in the programmes for foreign trade data processing.

Data analyses and controls are done through the analyses of mirror statistics and their

methodological harmonisation. Comparisons have been made with Serbia, Russia, and European Union data, and the COMEXT data base.

#### **b) Further measures for harmonisation with EU**

- Estimation and enhancement of quality of foreign trade statistics through mirror statistics analyses and harmonisation thereof;
- Promotion of internal administrative cooperation with the Western Balkans countries.

#### **c) Main problems**

Harmonisation of methodology between the institutions involved.

### **Theme 2.08 Trade in services and balance of payments**

#### **Module 2.08.01 Balance of payments: Methodology, Meetings**

##### **a) Current situation**

Pursuant to law, the Central Bank of Montenegro compiles the Balance of Payments of Montenegro. Statistics of the Balance of Payments has been methodologically harmonised with the international statistical standards according to the International Monetary Fund's Fifth Balance of Payments Manual, 1993.

The Central Bank of Montenegro disseminates quarterly data on the Balance of Payments in EUR, in the period of t+90 days. The Central Bank of Montenegro disseminates monthly, quarterly and annual data on the flows of foreign direct investments. Data on re-invested earnings have not yet been included in the data on foreign direct investments. The introduction of direct reporting by companies has been planned, which would enable compilation of data on re-invested earnings. Data on foreign affiliate (FATS) have not been compiled. The Balance of Payments statistics is regularly submitted to international institutions such as the International Monetary Fund, World Bank, Eurostat, etc.

##### **b) Further measures for harmonisation with EU**

Promotion of methodology and system of data collecting and quality, as well as introduction of new data sources. Compilation of data on international investment positions (IIP).

##### **c) Main problems**

Currently, there are no serious problems that should be resolved prior to achieving the full compliance.

#### **Module 2.08.02 Quarterly balance of payments**

Please find the answer to this module in **Module 2.08.01 Balance of Payments: Methodology, Meetings**.

#### **Module 2.08.03 Foreign direct investment**

Please find the answer to this module in **Module 2.08.01 Balance of Payments: Methodology, Meetings**.

#### **Module 2.08.04 International trade in services**

Please find the answer to this module in **Module 2.08.01 Balance of Payments: Methodology, Meetings.**

#### **Module 2.08.05 Balance of payments of the Community institutions**

Please find the answer to this module in **Module 2.08.01 Balance of Payments: Methodology, Meetings.**

#### **Module 2.08.06 Foreign affiliates statistics (outward)**

Please find the answer to this module in **Module 2.08.01 Balance of Payments: Methodology, Meetings.**

#### **c) Business statistics;**

#### **Theme 3.01 Annual business statistics**

#### **Module 3.01.01 Production of structural business statistics**

##### **a) Current situation**

SBS-Structural Business Statistics is a survey which calculates indicators needed for the analysis of structure of enterprise activities, structure of input and output in the production process, business performance and competitiveness of economic entities at certain level of activity.

Work on the implementation of Structural Business Statistics began in 2006. The collection of data for 2008 is underway.

Data are collected by means of questionnaires sent to enterprises which are selected by the stratified sample method. There are eight different questionnaires, classified by activities. Questionnaires have been completely harmonised with the Eurostat standards. The list of enterprises is taken from the business register, the stratified sample method being applied in sampling i.e. listing of enterprises which will be actual reporting units. Classes of enterprises are made by the number of employees. There are four classes, which are in accordance with accounting standards.

Internationally comparable classification standards are applied in surveys such as the National Classification of Activities based on NACE-u Rev1.1.

Subject to survey are all the enterprises which have been registered within the sectors hereunder, according to the classification of activities which has been harmonised with the European NACE classification of economic activities:

- Mining and quarrying;
- Manufacturing;

- Construction;
- Wholesale and retail trade; repairs of motor vehicles, motorcycles and items for personal and household use;
- Hotels and restaurants;
- Transport, storage, and communication;
- Real estate, renting and business activities;
- Education;
- Health and social protection;
- Other community, social and personal services.

b) Further measures for harmonisation with EU

- Survey on the operations of enterprises will be further harmonised with the Eurostat recommendations;
- Introduction of the NACE rev 2 classification;
- Introduction of new techniques to the programme in order to improve promptness of control and data production;
- Introduction of a new survey - SBS at the quarterly level. By the end of the year, a pilot project will have been launched while the new survey will start in 2010. New questionnaires will be developed in accordance with the National Accounts requirements since the data obtained from the survey will serve for calculation of GDP on the quarterly basis (IPA 2007).

c) Main problems

- Lack of national classification of activities based on NACE REV 2;
- Lack of human resources needed;
- Lack of the programme techniques needed for enhancing the data entry and control quality;
- Lack of timeliness and insufficient work quality of reporting units.

### **Module 3.01.02 Development of structural business statistics**

#### **a) Current situation**

Further development of the Structural Business Statistics Survey will be based on harmonisation with the EU regulations.

Improvements as to the timeliness and comprehensiveness of data are two key priorities in the survey.

#### **b) Further measures for harmonisation with EU**

- Preparation for introducing NACE Rev 2;
- Introduction of new activities which have not yet been covered with SBS - survey (financial sector);
- Development of methodology which will be updated to current methodological situation;
- Trainings will be used for enhancement of the staff competence therein.

#### **c) Main problems**

The lack of human resources.

### Module 3.01.03 Prodcom

#### a) Current situation

PRODCOM is a survey on industrial production (IND-21/PRODCOM) with annual dynamics. The Statistical Office of Montenegro collects, processes and disseminates data on industrial products produced in Montenegro. Nomenclature of Industrial Products which is used in the implementation of this survey is in accordance with PRODCOM list 1998-EC Regulation no.3924/91, and has been used since 2001.

Coverage: sections C–E according to the Classification of Activities (in accordance with NACE Rev. 1.1).

Statistical units of observation are enterprises and local units.

#### b) Further measures for harmonisation with EU

- Current updating of the PRODCOM survey in line with changes in the PRODCOM EU survey;
- Regular annual updating of the Nomenclature of Industrial Products according to changes in the PRODCOM list.

Harmonisation has been planned to take place by 2011.

#### c) Main problems

Main problems are related to adopting and introduction of the valid PRODCOM list, application of product codes, changes in the programme of control and processing, since there is a lack of code links between the PRODCOM list and currently valid Nomenclature of Industrial Products.

## Theme 3.02 Short-term business statistics

### Module 3.02.01 Short-term business statistics

The Statistical Office of Montenegro collects, processes and disseminates short-term data in accordance with the Council Regulation for Short Term Statistics no. 1165/98.

These surveys include main indicators such as: physical volume index of industrial production, construction, trade, and hospitality (hotels, restaurants, etc.) industries.

#### Short-terms statistics of industry (sectors C, D and E)

##### a) Current situation

The Statistical Office of Montenegro carries out monthly surveys on industrial production. The survey includes the sectors of: mining and quarrying; manufacturing; electricity, gas and water. It covers all the enterprises which are active and dealing with the industrial production, with 5 or more employees, as well as parts of non-industrial enterprises engaged in an industrial activity.

Coverage: sections C–E according to the Classification of Activities (in accordance with NACE Rev.1.1)

Base year is the previous year.

##### b) Further measures for harmonisation with EU

Full implementation of the EU decree on short-term indicators of industry

- Variable 110 Production;
- Revision of survey IND-1 - calculation of industrial production index based on turnover, as well

as new orders index and other financial indicators;

- Development of a new programme of processing and publishing;
- Deseasoning series according to the Thramo-seat method;
- Extending the coverage of small sized enterprises and entrepreneurs by sampling method.

#### c) Main problems

Main problems in producing short-term statistics of industry are:

- Application of the new NACE Rev. 2 classification to the survey;
- Code linking between new and old classifications;
- Small number of the employed unfavourable for regular operations and monitoring thereof;
- Calculation of weights at the product level.

### **Short-term statistics of constructing (sector F)**

#### a) Current situation

Short-term construction indicators are monitored by the following surveys:

*On quarterly basis (since 2007):*

- Construction Activity in Montenegro (GRAĐ-31);
- Building permits issued (GRAĐ 10).

*On half-yearly basis:*

- Prices of 1m<sup>2</sup> of dwelling area in new buildings (GRAĐ-41).

Coverage of construction activity in the section F construction is in line with the Classification of Activities (the Republic Statistical Office 2003 1), and classification of structures and construction works have been done according to the Classification of Types of Structures (Official Gazette of the Federal Republic of Yugoslavia 31/96, 12/98, 59/98, 74/99). Both classifications herein have been harmonised with NACE Rev.1.

Coverage: F fields according to the Classification of Activities (in accordance with NACE Rev.1.1), construction companies and parts thereof, with 5 or more employees, as well as the parts of non-construction companies which deal with construction. Only business organisations have been covered (entrepreneurs excluded).

#### b) Further measures for harmonisation with EU

- Continuation of implementation of the EU decree on short-term construction indicators;
- Inclusion of entrepreneurs into the coverage;
- Calculation of component costs index of construction costs index (material costs, labour costs).

#### c) Main problems

- Incomplete data from reporting units in the Building Permit Survey.
- Inaccurate and incomplete data on business organisations from the Statistical Business Register
- Insufficient number of the employed.

### **Short-term statistics of hospitality (hotels and restaurants)**

#### a) Current situation

Short-Term Indicators in the hospitality statistics are obtained by a quarterly hospitality report on enterprises (UG 11).

The National Classification of Activities is used for this report based on the NACE Rev.1 classification. Area of observation comprises all the activities from H field of the Classification of

Activities: Hotels and restaurants.

This field has also been harmonised with national regulations on hospitality, types and categories of hospitality facilities.

#### b) Further measures for harmonisation with EU

- Modifications of the definition of turnover i.e. recording of turnover without VAT;
- Adjustments to the number of working days;
- Further harmonisation of types and categories of accommodation facilities with national regulations.

#### c) Main problem

- Lack of register of entrepreneurs.

### **Short-term trade statistics**

#### a) Current situation

We record indicators related to the Distributive Trade statistics (trade in domestic market) with survey of the retail trade monthly report (TRG 10).

The survey uses the Classification of Activities based on the NACE Rev. 1.1 classification. Subject to observation are wholesale and retail trade.

Subject to survey are large business entities, while the small ones are recorded based on the stratified sample. Stratification is done based on predominant activity.

#### b) Further measures for harmonisation with EU

- Adjustments to the number of working days and deseasoning of all the turnover variables;
- Deflation by indices of lower-level prices.

#### c) Main problems

- Inaccurate and incomplete data on enterprises from the Statistical Business Register;
- Insufficient number of the employed for implementation of survey and monitoring of changes on the matter;
- Poor response by reporting units.

## **Theme 3.03 Energy**

### **Module 3.03.01 Structural statistics of energy**

#### **a) Current situation**

The Statistical Office of Montenegro published in 2006 its first Annual balance sheet of generation and consumption of electricity, harmonised with the needs and requirements of the Eurostat and International Energy Agency (IEA), while it also produced the harmonised Annual balance of coal in 2007.

These surveys have been conducted within the SIDA Project (Swedish Agency for International Development), with the support by the Statistics of Sweden experts. In addition, this project included a pilot survey on liquid energy generating products and its dissemination is expected in 2010.

The balance was produced by the NACE Rev.1 classification, and the data on each energy-generating product were stated at natural units of measurement and at the energetic value in TJ.

For the needs of producing energy balances of electricity and coal we use:

- Annual Industry Surveys (for getting data on annual generation and consumption of electricity and on exports and imports of electricity; as well as data on generation, sale and inventories of final product, procurements and consumption of energy-generating products in the process of generation), and
- Annual Report on the Electric Power Company of Montenegro.

Data for electricity balance sheet are collected in direct cooperation with the Electric Power Company of Montenegro, while the data for balance sheet on coal are collected through the annual industry report. Having in mind that this is an annual survey, questionnaires are sent once a year.

The production of the above balances used the Eurostat methodology - *Energy Statistics Manual*, prepared jointly by the International Energy Agency/OECD and Eurostat/European Commission, Edition 2004. The Statistical Office of Montenegro in its surveys covers all large, medium and small sized enterprises. The data are not collected by sample but as a full coverage.

The main user of the data is the Ministry of Economy with whom we have an on-going coordination in all actions in energy statistics.

#### **b) Further measures for harmonisation with EU**

Increase in the quality of annual balance sheets of electricity and coal as well and disaggregation of data on the final use of energy-generating products by sectors (until July 2010), and development of new annual energy balance sheets for:

- Liquid energy-generating products,
- Solid fuels,
- Renewable sources of energy.

Also, it is needed to write methodology of new surveys which will be in accordance with methodology prescribed by the Eurostat.

#### **c) Main problems**

The main problem which should be resolved is communication with reporting units in order to improve response.

### **Module 3.03.02 Short-term statistics of energy**

#### **a) Current situation**

Currently, the Statistical Office of Montenegro does not produce short-term statistics of energy-generating products.

#### **b) Further measures for harmonisation with EU**

Adoption of methodology for collecting and compiling the short-term energy statistics for certain energy-generating products on monthly and half-yearly basis.

#### **c) Main problems**

- Insufficiently developed of the annual statistics of energy.
- Lack of qualified staff.

### **Module 3.03.03 Energy prices**

#### **a) Current situation**

The Statistical Office of Montenegro has not been collecting data on prices of energy-generating products.

**b) Further measures for harmonisation with EU**

Adopt methodology for collecting data on prices of energy-generating products.

**c) Main problems**

Lack of qualified staff.

**Module 3.03.04 Special actions in support of the new Community energy policies**

**a) Current situation**

Statistical Office of Montenegro does not have special actions in support of the new Community Energy Policies.

**Theme 3.04 Transport**

**Module 3.04.01 Information system on transport statistics, indicators and voluntary data collections**

**a) Current situation**

The aim is to provide information for each regime of transport in each of the main categories: infrastructure, transport enterprises, measurement of passenger and freight transport.

Transport Statistics cover nine monthly and ten annual surveys on transport; and informational statistics includes two monthly and two annual survey related to communication and telecommunications.

Monthly surveys collect data on transport of goods and passengers, passenger and ton kilometres in road, rail, sea and air transport; data on transport of passengers in city transport; re-loading of cargo and warehousing and storage of goods.

Annual survey collects data on infrastructure, situation of transport means, operation of transport means, transport by type of goods, fuel consumption, employed workers, revenues; there is also the collection of data on the number and length of roads and bridges in municipalities.

**b) Further measures for harmonisation with EU**

- New surveys will be introduced which will be harmonised with international methodology;
- Application for technical support within IPA 2010 multi-year programme of support.

**c) Main problems**

- Lack of human and financial resources and insufficient forms of technical support ;
- Identifying sources of data.

**Module 3.04.02 Passenger mobility and road traffic data**

**a) Current situation**

The Statistical Office of Montenegro does not have data on the mobility of passengers.

**b) Further measures for harmonisation with EU**

- Introduction of new surveys which will be related to the mobility of passengers and in compliance with international methodology;
- Application for technical support within IPA 2010 multi-year programme of support.

**c) Main problems**

- Identifying of data sources;
- Lack of staff and qualifications thereof.

**Module 3.04.03 Road freight transport statistics****a) Current situation**

MONSTAT conducts monthly and annual Survey on the Road Transport of Goods and Passengers. All the enterprises registered in the road transport activity are surveyed thereby.

Mentioned survey provides data on:

- Inventory stocks of transport means;
- Kilometres driven;
- Number of passengers;
- Quantity of transported goods.

**b) Further measures for harmonisation with EU**

- Harmonisation with international methodology;
- Application for technical support within IPA 2010 multi-year programme of support.

**c) Main problems**

- Poor qualifications of vocational staff.

**Module 3.04.04 Rail transport statistics****a) Current situation**

MONSTAT conducts monthly and annual Survey on Rail Transport. This survey collects data on:

- Transport of passengers and goods (both domestic and international transport);
- Kilometres driven (domestic and international transport).

Obtained data are disseminated in the monthly statistical Bulletin and in the Statistical Yearbook.

**b) Further measures for harmonisation with EU**

- New surveys will be launched in the future which will be harmonised with international methodologies;
- Application for technical support within IPA 2010 multi-year programme of support.

**c) Main problems**

The lack of human and financial resources.

### Module 3.04.05 Maritime and inland waterways transport statistics

#### a) Current situation

Collection of data on the maritime transport includes the following (as defined by the Statistical Surveys Programme ([Annex 152](#) )):

- Monthly report of maritime transport;
- Monthly report of re-loading;
- Monthly report on departures of ships from ports;
- Monthly report on arrivals of ships at ports;
- Annual report of maritime transport;
- Annual re-loading;
- Annual report on merchant navy and turnover of containers in ports.

Maritime transport is performed in the Montenegrin ports specially built for boarding/disembarking of passengers and loading/unloading of freight. Transport of goods is stated in internal transport, exports and transit and re-loading between foreign ports.

Exports include all transports of domestic goods by sea which have been loaded in our port.

Imports include all goods loaded in a foreign port and unloaded in our port.

In maritime transport, we cover total revenues, the employed, foreign currency revenues and expenditure, procurement and consumption of fuel and lubricants, etc.

#### b) Further measures for harmonisation with EU

Further harmonisation with international methodologies is necessary in order to obtain data of better quality.

#### c) Main problems

Lack of human and financial resources.

### Module 3.04.06 Aviation transport statistics

#### a) Current situation

MONSTAT conducts monthly and annual surveys on air transport. This survey provides data on:

- Number of passengers (internal and international transport);
- Transported freight - in kg (internal and international transport);

The survey does not collect data on individual flights (departure/destination points) but total data.

Received data are published in a monthly statistical Bulletin and in the Statistical Yearbook.

#### b) Further measures for harmonisation with EU

In the future, new surveys will be developed which will be harmonized with international methodologies in order to provide a better quality data.

#### c) Main problems

Lack of human and financial resources.

**Module 3.04.08 Transport safety statistics****a) Current situation**

MONSTAT does not have data on safety of transport.

**b) Further measures for harmonisation with EU**

Introduction of a survey which would be related to transport safety.

**c) Main problems**

- The lack of human and financial resources.
- Identifying of data sources.

**Theme 3.05 Tourism****Module 3.05.01 Tourism statistics****a) Current situation**

There are three surveys in the statistics of tourism which record turnover of tourists in Montenegro.

The most important part of the statistics of tourism is statistics of accommodation which is recorded through monthly report on domestic and foreign arrivals and overnights in the accommodation facilities.

The survey records data on both legal persons and private accommodation.

Definitions and variables of the monthly survey have been harmonised with methodological recommendations of WTO and Eurostat (Council Directive 95/57/EC of 23 November 1995 on the collection of statistical information in the field of tourism; Commission Decision on the procedures for implementing Council Directive 95/57/EC on the collection of statistical information in the field of Tourism).

Variables monitored by the survey:

- Number of arrivals and overnights by type and category of accommodation and by country;
- Accommodation facilities: number of rooms and beds;
- Gross utilisation of facilities by type of accommodation.

Classification of accommodation facilities has been continuously revised, accorded to modifications of national regulations on types and categories of accommodation facilities.

Apart from the abovementioned survey, in statistics of tourism there are also:

- Monthly report on foreign vessels for sports and leisure (TU-17);
- Report on arrivals of foreign ships in round trips (TU-19), which records turnover of nautical tourism in the country (this survey was introduced in 2006).

Main variables recorded by these surveys are:

- Number of vessels (by flag, type, and length of vessels, by type of arrival);
- Number of persons in arrived vessels by country of origin;
- Number of issued authorizations for vessel safeguarding;
- Number of days of the stay in the territorial water of Montenegro.

**b) Further measures for harmonisation with EU**

In the next period, a survey on consumption by domestic and foreign tourists is planned to be introduced in order to have a better quality data which would be of help in calculation of share of tourism in GDP.

It has also been planned to introduce a survey which would record same-day visitors as a significant part of tourist turnover, as well as a survey on travel agencies which would record movements of domestic population across the border. Statistics of tourism is in the IPA project 2007 as an important component thereof, and the abovementioned activities will be conducted through this project.

**c) Main problems**

Main problem in statistics of tourism is coverage of private accommodation i.e. unregistered tourist turnover and lack of staff.

**d) Statistics on agriculture, forestry and fisheries;****Theme 4.01 Agricultural production****Module 4.01.01 Crop products statistics****a) Current situation**

Following surveys are done within statistics of crop production:

- Annual report on areas sown in autumn sowing, 15 December;
- Annual report on areas and plantations at the end of spring sowing, 31 May;
- Annual report on areas by cadastre municipalities;
- Annual report on expected yield of early-season crops and fruits, 20 June;
- Annual report on actual yield of early-season crops and fruit and expected yield of late-season crops, 15 August;
- Annual report on expected yield of late-season crops and fruits , 10 September;
- Annual report on actual yield of late-season crops, fruits and grape, 10 November;
- Annual report on production and processing of citrus fruit, 15 January;
- Annual report on production of vegetables and flowers in greenhouses, 10 July.

Surveys on legal persons and segments of legal persons are conducted using the report method.

Data on individual agricultural holdings are collected with estimation method according to estimation areas, the entire Montenegro being covered. The territory of Montenegro is zoned into 195 estimation areas. Base for estimation are cadastre data. Estimation is done by statistical estimators based on observing the events and assisted by some already known facts (cadastre data by categories of land use, statistical documents on areas and yields from previous years, and data on the number of agricultural holdings and households in an estimation area). Agriculture experts or persons well familiar therewith are being engaged as statistical estimators.

The mentioned surveys provide data on: size of land fund according to criteria of land use, number of fruit trees and grapevines, areas sown with individual crops, quantity of expected and actual yields, and processing of agriculture products.

**b) Further measures for harmonisation with EU**

Improvement of crop production statistics is possible only after conducting the Agriculture Census (April 2010).

After the Agriculture Census and establishing of the Register of Agricultural Holdings in 2011, it is planned to modify the method of collecting data on individual agricultural holdings (it is going to be the sample method instead of present estimation method).

### c) Main problems

- Lack of a Register of Individual Agricultural Holdings, as well as of administrative registers for updating of statistical register of individual agricultural holdings;
- Balance sheets of agricultural products have not been produced by MONSTAT but occasionally by the Ministry of Agriculture, Forestry and Water Management, for their own needs.

## Module 4.01.02 Livestock, meat and eggs statistics

### a) Current situation

Statistics of livestock farming covers five surveys:

- Annual Report on Livestock Farming for legal persons (number of livestock by species and categories, number of beehives, balance sheet of livestock and poultry, as well as data on production of milk, eggs, wool, and honey). Reporting units are business organizations which perform activities from the area of agriculture, agricultural cooperatives, and organization units dealing with agricultural production. The manner of collecting the data is the report method.
- Survey on number of livestock related to individual agricultural holdings (number of livestock by species and categories, new stock cattle, beehives, production of milk, wool, eggs, and honey. Reporting units are selected agricultural holding (about 5000 - framework population census 2003). The way of collecting the data is based on inquiry (annual).
- Quarterly Report on slaughtered livestock in private slaughterhouses (number of slaughtered head, by species and categories, weight of alive and slaughtered cattle, ratio between net slaughtered and gross alive cattle. Reporting units are business organisations operating as slaughterhouses. The way of data collection is the report method.
- Annual report on slaughtered livestock in private slaughterhouses (number of slaughtered livestock heads, by species). Reporting units are entrepreneurs and the Veterinary Administration. The way of data collection is the report method
- Annual Survey on veterinary service (veterinary staff, veterinary facilities, institutes and labs, veterinary surgeries, veterinarians and technicians). Reporting units are the Veterinary Administration and Agency for Pharmaceuticals (veterinary pharmacies and wholesale veterinary drug distributors). The way of collecting the data is the report method.
- The Survey on the number of livestock and Annual report on livestock farming for legal persons, enable the collection of data on the number of eggs produced.

Abovementioned surveys have been harmonized with Regulation (EC) number 1165/2008 of European Parliament and Council from 19 November 2008 related to statistics of livestock and meat which has repealed Directives of Council 93/23/EEC, 93/24/EEC and 93/25/EEC.

### b) Further measures for harmonisation with EU

- Production of balance sheet of agricultural products;
- Timely production and dissemination of the results of the surveys;
- Modification of sample for the survey on livestock farming (instead of previously used sample which was done on sample of population census; the future sample will be made based on the Register of Agricultural Holdings).

**c) Main problems**

Balance sheet of agricultural products (balance sheet of meat: beef, veal, pork, lamb, goat, poultry) is not done by MONSTAT, but occasionally by the Ministry of Agriculture, Forestry and Water Management for their own needs. The competences with regard to the balance sheets of agricultural products will be established by the Memorandum of Understanding with the Ministry of Agriculture, Forestry and Water Management.

**Module 4.01.03 Milk and dairy products statistics****a) Current situation**

Data on milk are collected from the following sources:

- Survey on the number of livestock for individual agricultural holdings;
- Annual report on livestock farming for legal persons.

Production of milk refers to net quantities of fresh milk excluding quantities spent on feeding of calves. Number of dairy cows, sheep and goats is obtained by the survey on livestock farming described in Module 4.01.02.

**b) Further measures for harmonisation with EU**

- Further harmonisation after the agricultural census.

**Theme 4.02 Agricultural structures****Module 4.02.01 Agricultural structures****a) Current situation**

Statistics of agricultural structure is recorded by following surveys:

- The last agricultural census was conducted in 1960 and it contained 111 questions on agriculture.
- Data on structure of agriculture have been collected from 1971 to 2003 every 10 years within censuses of population, dwellings and households; within the last population census of 2003, there were 15 questions on the structure of agriculture.

Data have been collected on livestock, labour force – and partially on agricultural areas. Data on crops in arable areas have not been collected so far.

- Annual report on agricultural enterprises and agricultural cooperatives collects data on labour force, agriculture machines and equipment, consumption of electricity, lubricants and pesticides.

Main characteristic of the Montenegrin agriculture are small agricultural holdings with different crops and different species of livestock and poultry.

In October 2008, a pilot agriculture census was conducted in order to check the instruments used for main agriculture census planned to take place in April 2010.

**b) Further measures for harmonisation with EU**

- Preparation, organisation and conducting of agriculture census in April 2010 in accordance with Regulation (EC) No 1166/2008 of the European Parliament and of the Council of 19 November 2008 on farm structure surveys and the survey on agricultural production methods and repealing Council Regulation (EEC) No 571/88;

- Forming of register of agricultural holdings (deadline 2011). Developing typologies of agricultural holdings;
- Conducting of a sample-based Farm-Structure Survey FSS 2012.

### c) Main problems

Lack of an updated register of private individual holdings

## Theme 4.03 Land use and land cover

### Module 4.03.01 Land use and remote sensing

#### a) Current situation

Collecting of data on the use of land is done by the following statistical surveys:

- Report on areas and plantations at the end of spring sowing, 31 May
- Report on areas sown in autumn sowing, 15 December.

Data collected within these surveys refer to: total area of land, areas of land by category of use, areas of seeded crops and areas of plantations. These data are collected from agricultural organisations and individual agricultural holdings.

Data from agricultural organisation (agricultural enterprises and agricultural cooperative) are collected by the report method based on book-keeping and other records while the data on individual agricultural holding are collected with estimation method based on the comprehensive cadastre .

#### b) Further measures for harmonisation with EU

Development of methodology adjusted to conditions in Montenegro and harmonised with the EU methodology. Introduction of survey based on that methodology. Timetables have not been determined and they will depend on dynamics of the accession of Montenegro to the EU, and compulsoriness and survey priorities.

#### c) Main problems

MONSTAT does not conduct survey on the use of land by application of remote recording (LUCAS survey) and it does not plan its introduction for the period of 2009-2012.

## Theme 4.04 Agricultural accounts and prices

### Module 4.04.01 Agricultural accounts and prices

#### a) Current situation

The statistics of agriculture has not yet launched the production of agricultural accounts. At the moment, there are only natural indicators of agricultural production.

Statistics of agriculture referring to prices include two monthly surveys:

- *Monthly survey on the purchase of agricultural products from individual producers*, which collects data on the purchase of agricultural products from individual producers and quantities of such products which were produced based on an agreement between individual producers and enterprises on joint work, work equipment and land. This report is filled in by enterprises and agricultural cooperatives dealing with purchase of agricultural products directly from individual

products in order to sell or process the purchased products. The report is also submitted by business units – purchasing stations which are parts of trade, industrial and other enterprises, if the purchase is done outside the area of the municipality the enterprise seat being therein.

– *Monthly survey on sale of own-production agricultural products of agricultural enterprises and agricultural cooperatives*, which collects data on sales of agricultural products from own production of agricultural enterprises and agricultural cooperatives. Report is also submitted by the units dealing with agricultural production and sale, which are parts of non-agricultural enterprises and cooperatives.

Enterprises, cooperatives and units which perform production and selling in the area of several municipalities fill in the report for each municipality.

Surveys provide data on quantities of sold and actually purchased products in the reporting month, value of products and average value by unit of purchased and sold agricultural product.

Bonuses and other financial incentives that producers receive as compensation for delivered products are included neither in the value of purchase and sale nor in VAT.

Used classification of the activities is the NACE Rev.1 classification.

Observed variables:

- Sale and purchase of products of agriculture, forestry and fishing.
- Data are collected by groups of agricultural products.

#### **b) Further measures for harmonisation with EU**

1) Introducing of Agricultural Price Index by the end of 2010. Phases of development of this survey will be:

- Developing questionnaires for price recording;
- Creating of lists of products (country-relevant products);
- Creating weights – it is going to be calculated value of product in the retrospective three-year list (data will be taken from already existing survey, purchase and sale of agricultural products) and we will get average values. Average value will be obtained for each type of product, total of average values is the basis for calculation of weights for each product and group of products from the list (group weight).
- Calculation of monthly product index and monthly product group index.

2) Introducing of agriculture accounts by 2012

Introduction of agriculture accounts will be done after the Agricultural Census. Planned phases of development of the accounts are:

- Forming of a list according to the CPA classification;
- Collecting data from the Central Register, agency for support to agriculture (FADN), Ministry of Agriculture, Forestry and Water Management (which forms the administrative register) and Statistical Office;
- Analyses of production process;
- Analyses of revenues (agriculture revenues and farm holdings revenues).

Further measures for harmonisation with EU:

- Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003, on the economic accounts for agriculture in the Community OJ L 33, 5.2.2004;
- Commission Regulation (EC) No 306/2005 of 24 February 2005, amending Annex I to Regulation (EC) No 138/2004 of the European Parliament and of the Council on the economic accounts for agriculture in the Community OJ L 52, 25.2.2005;

- Commission Regulation (EC) No 909/2006 of 20 June 2006, amending Annexes I and II to Regulation (EC) No 138/2004 of the European Parliament and of the Council on the economic accounts for agriculture in the Community OJL 168, 21.6.2006.

### **c) Main problem**

There is no book-keeping system for individual agricultural holdings (FADN).

## **Theme 4.05 Forestry statistics**

### **Module 4.05.01 Forestry statistics**

#### **a) Current situation**

Statistics of forestry is recorded in following surveys:

Monthly periodicity:

- Monthly report on production of forest products

Annual periodicity:

- Annual report on the use of state-owned forests;
- Annual report on the use of privately-owned forests;
- Annual report on cultivating state-owned forests;
- Annual report on the damage in state-owned forests;
- Annual report on fire-caused damage in privately-owned forests;
- Annual report on structures, roads and machinery.

Multi-annual periodicity:

- Report on hunting;
- Report on changes in forest-covered areas (state-owned forests and privately-owned forests).

Data are collected monthly on the produced and transported forest products from state-owned forests and the production physical volume index is calculated. For the purposes of this survey, the Classification of Activities NACE Rev.1 is used.

Data are collected by the report method based on book-keeping and other records in natural indicators.

The source of data for all mentioned surveys is the Forests Administration, apart from the survey on hunting, which is submitted by hunting association.

#### Exploitation of forests

At the annual level (the use of state-owned and privately-owned forests), the data are collected on the gross average wood mass in and outside forests by breeds of trees, method of tree-cutting and manner of cultivating, and on the produced forest products (enterprises, citizens-retail trade, and the owners of forests).

#### Cultivation of forests

At the annual level the data are collected on the state-owned forests on the care and melioration of high, sprouting and other categories of forests, artificial forestation (types and quantity of seedlings and the way of foresting).

#### Protection of forest

At the annual level, data are collected on the state-owned forests referring to the damage incurred by type of forest and cause of damage (fire, plant diseases, natural disasters, and other causes), area quantities and damaged wood mass by cause of damage, cause of fire, and assets spent on the protection of forest.

In the case of private forest, there is annual collection of data on fire-swept areas and damaged wood mass by type of forest.

Data on roads, structures and machinery are also annually collected.

Data are collected in multi-annual survey on the number of game, hunting spots and hunters, hunter's buildings and facilities, and survey on changes in the forest-covered areas (by category of ownership) provides data on reduced and increased areas by category of forest.

### **b) Further measures for harmonization with EU**

Introduction of Forest Accounts.

The National Inventory of Forests developed by the Forest Administration in cooperation with the Ministry of Agriculture, Forestry and Water Management, a data base will be created which will serve for conducting the related surveys.

### **c) Main problems**

- The lack of updated data base on forest areas, wood mass, number of trees;
- The lack of qualified staff for monitoring of changes in this area.

## **Theme 4.06 Fisheries statistics**

### **Module 4.06.01 Fisheries statistics**

#### **a) Current situation**

Statistics of fishery covers the catch of fresh water and marine fish. In addition, the statistics of fishery cover data on: employed staff, fishing facilities, vessels, fishing equipment, breeding and catch of fish, production of spawn and juvenile fish and consumption of feed by fish in fishponds.

Recording units in statistics of fisheries are: enterprises for breeding, catch and turnover of fish; fishing cooperatives; other business organizations dealing with fish breeding; Institute for Biology of the Sea; national parks; individual fishermen dealing with fishing for their own consumption or sale, and sports fishing associations (no matter where fishing is done). Data are collected by report method and estimation method.

In statistics of fisheries, the data are calculated separately for enterprises and separately for individual fishermen.

Data on enterprises dealing with fishing as main or supplementary activity are received from their book-keeping records while the missing data are obtained by estimation. Estimation is made by professionals, taking into account the existing elements on the basis of which it is possible to indirectly obtain the data. In order to have better estimation, the following sources of information are used:

- Records of enterprises on the turnover and processing of fish which they buy from private fishermen;
- Records on the number of registered fishermen and their equipment (fishing nets, tools, etc);
- Contacts and counselling with certain number of fishermen and fishing associations.

Based on these data and the information on the fish capture methods, time of fish appearance, fishing areas, capacities of fishing nets, the quantities of caught fish may be estimated.

The statistics of agriculture include the following surveys on fisheries:

- Annual survey on the fishing on rivers and lakes, which is conducted for legal persons and sports fishing associations (reporting method);
- Annual report on fish breeding in fishponds (reporting method);
- Monthly survey on catch of marine fish, done for individual (private) fishermen and enterprises. Estimation method is applied to private fishermen and reporting method to enterprises. The data have not been processed.
- Annual report on fishermen and fishing equipment in marine fishing. Data are obtained from the Ministry of Agriculture, Forestry and Water Management and from the register of fishing permits and the database of the Institute for Marine Biology in Kotor. As to the fresh water fish – the cooperation so far has been related to the SIDA project.

#### **b) Further measures for harmonization with EU**

- Taking the data from the Ministry of Agriculture, Forestry and Water Management is related to catch of marine fish;
- Continued development of fisheries statistics has been planned for the future, especially in marine fishing, in accordance with the new Law on Marine Fishing and Mariculture (Official Gazette of Montenegro 56/09);
- The Ministry of Agriculture, Forestry and Water Management has developed the fishing information system as part of the CARDS project of *Support to Fisheries Sector of Montenegro*. The system will keep records on all fishing vessels on the Montenegrin sea and logbooks of their catches, thus improving significantly the statistics thereof. The Ministry of Agriculture has compiled fishing logbooks which are in accordance with EU regulations EU 31994R0109 and 32001R1638, as well as 32006R0788, the data processing being underway;
- Reaching the full harmonisation with EU regulation 31996R0788 in the area of fresh water fishing by the end of 2010.

#### **c) Main problems**

Insufficient application of law in terms of supplying appropriate data by fishermen.

### **Theme 4.07 Agri-environmental statistics**

#### **Module 4.07.01 Agri-environmental statistics**

The main goal of agri-environmental statistics is to develop and support system of agri-environmental indicators in the best interest of integrated management of the environment in CAP.

Production of agri-environmental statistics and indicators provides the data on:

- Agricultural fertiliser;
- Balance sheet of nourishing substances (azotes and phosphor);
- Products for protection of crops;
- Landscape indicators.

#### **a) Current situation**

Within the statistical Report on areas sown in autumn sowing there are collected data on consumption and inventories of fertilisers in agricultural organisations. The Survey on agricultural enterprises and agricultural cooperatives collects data on the quantities of pesticides used.

#### **b) Further measures for harmonisation with EU**

After the Agricultural Census in 2010, the Register of Agricultural Holdings will be established in accordance with the international standards.

**c) Main problems**

- There is no register of agricultural holdings;
- There are no data on consumption and inventories of fertilisers in private sector.

**Theme 4.08 Rural development and maritime policy statistics**

**Module 4.08.01 Rural Development statistics**

**a) Current situation**

MONSTAT does not conduct rural development statistics. At the moment, we have indicators related to characteristics, collected by the Population Census, such as demographic, migration and economic activity characteristics.

**b) Further measures for harmonisation with EU**

Introduction of a set of questions in Agriculture Census according to Regulation (EC) No 1166/2008 of the European Parliament and of the Council of 19 November 2008 on farm structure surveys and the survey on agricultural production methods and repealing Council Regulation (EEC) No 571/ related to support to rural development. Questions will refer to the measures for rural development retrospectively, for the last 3 years of the use thereof by holdings.

**c) Main problems**

Non-identified less favourable areas in Montenegro.

**e) Multi-domain statistics**

**Theme 5.01 Statistics for business cycle analysis**

**Module 5.01.01 Euroindicators**

**a) Current situation**

The Statistical Office of Montenegro has a large number of indicators of different periodicity (mostly monthly and quarterly), used as a basis for doing analysis of economic activities in Montenegro.

Indicators available to the Statistical Office of Montenegro are: indicators of demand, income, prices, labour market, foreign transactions, monetary and financial market, etc.

Certain indicators can be obtained for certain areas from specialised surveys within the Statistical Office and from administrative sources. Here are some of them:

- Balance of Payments which is vested with the Central Bank of Montenegro;
- Business and consumption surveys conducted by the Union of Employers of Montenegro, Chamber of Commerce and other institutions;
- Consumer prices observed in the statistics of prices;

- In foreign trade statistics there is a number of indicators related to imports and exports of goods and services;
- Industry Statistics calculates short-term indicators based on physical volume of production, and does not cover seasonal adjustment;
- Survey on Labour Market falls under the statistics of labour market, living conditions, social services and households budget;
- The statistics of National Accounts covers indicators such as gross domestic product.

**b) Further measures for harmonisation with EU**

- Submit necessary indicators to the Eurostat.

**c) Main problems**

Lack of qualified staff who would make all kinds of short-term projections: reconstructions, interpolation, approximations, seasonal adjustment, and flash-estimation indicators.

**Module 5.01.02 Eurotrend – Improvement of PEEIs**

**a) Current situation**

Eurotrend monitors changes in indicators, such as: GDP (Gross Domestic Product), employment/unemployment, labour costs, inflation, investments, and foreign trade.

**b) Further measures for harmonisation with EU**

After Montenegro acquires the status of a member or candidate country, MONSTAT will transmit mentioned indicators to the Eurostat.

**c) Main problems**

Lack of trained staff.

**Theme 5.02 Lisbon strategy and sustainable development**

**Module 5.02.01 Structural indicators: production and dissemination**

**a) Current situation**

This area monitors a country's prosperity - general economic conditions which provide a basis for structural reform.

Some indicators are:

*Gross Domestic Product (GDP)*

GDP measures overall economic activity in all sectors of the economy. To compensate for price differences between countries, GDP is measured in certain standards (Purchasing Power Standards - PPS).

*Labour productivity*

Labour productivity represents the ratio between GDP at constant prices and total employment, and it is a basis for long-term economic welfare, as well as for economic growth.

*Inflation rate*

This is a performance indicator, reflecting the background of economic conditions against which progress towards the aims of the EU growth and job strategy can be evaluated.

*Public balance*

Public balance and general government debt indicate the country's financial position in the context of the "excessive deficit procedure".

**b) Further measures for harmonisation with EU**

After Montenegro acquires the status of a member or candidate state, MONSTAT will transmit the abovementioned indicators to the Eurostat.

**c) Main problems**

Lack of trained staff.

**Module 5.02.02 Sustainable development indicators: production and dissemination****a) Current situation**

The Government of Montenegro adopted the National Strategy for Sustainable Development (NSSD) in April 2007 together with the five-year Action Plan (AP) for the period 2007-2012 containing a large number of indicators, especially process indicators related to certain measures and/or tasks defined within one of the general NSSD aims, namely to:

- 1) Accelerate economic growth and development and reduce regional development disparities;
- 2) Reduce poverty; ensure equal access to services and resources;
- 3) Ensure efficient pollution control and reduction, and sustainable management of natural resources;
- 4) Improve governance system and public participation; mobilise all stakeholders, and build capacities at all levels;
- 5) Preserve cultural diversity and cultural identity.

NSSD points out that several elements were taken into account during definition of NSSD indicators: efforts were made to introduce different types of indicators, such as indicators of process, influence and outcome (or stocks), as well as to monitor proposed indicators in Montenegro, or that they are possible to perform with little efforts and within a shorter period. Indicators which require long-term changes in the national monitoring and statistical system mainly are not taken into account. In some sectors, goals and measures are not defined as quantitative and precisely measurable; therefore some indicators are more qualitative than quantitative by their nature.

Beside specific measure or task indicators, NSSD also contains a list of key indicators for monitoring and evaluation of implementation of NSSD general aims that may be taken as general sustainable development indicators in Montenegro. These indicators are shown in the Table 8.3-1 of NSSD (page from 65 to 66):

**Table 0-1 Key NSSD indicators and link with general goals**

NSSD goal	Indicator
Accelerate economic growth and development and reduce regional development disparities	GDP per capita
	GDP by region
	Unemployment rate
	Contribution of SME to GDP
	Trade deficit

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	Foreign Direct Investments and ODA
	Annual investments in infrastructure
	International revenues from tourism
	Share of beds not located in the coastal region in the total number of tourist beds
	Public and private expenditures for research and development
	Energy consumption per capita
	Energy consumption per GDP unit (total and by sectors)
	Share of energy generation from renewable sources in the total energy generation
Reduce poverty; ensure equal access to services and resources	Poverty rate and inequality indicators (Gini coefficient, decile ratio), total and by regions and vulnerable groups
	Enrolment rate in primary school
	Literacy for the 15 – 24 age group
	Infant mortality rate
	Children under 5 mortality rate
	Female unemployment rate
Ensure efficient pollution control and reduction, and sustainable management of natural resources	Percentage of territory protected to preserve biodiversity
	Area of marine protected area and coastal zone
	Water consumption per capita
	Share of wastewater being treated
	Territory under forests
	Tourism density on the coast
	CO <sub>2</sub> emissions per capita
	Consumption of substances damaging for the ozone layer
Improve governance system and public participation; mobilise all stakeholders, and build capacities at all levels	Share of tax revenues of local government expressed as a share of the total tax revenues

Office for Sustainable Development (OSD) in the Government of Montenegro has responsibility to monitor the implementation process of NSSD, as well as to work on the improvement of monitoring system for NSSD implementation, and defining of sustainable development indicators in cooperation with other relevant government line ministries.

In that capacity, OSD has prepared the first Annual Report on the NSSD implementation during the previous year, dealing with, beside the actual overview on the implementation progress of NSSD measures, the analysis and recommendations in relation with the further monitoring process of sustainable development in Montenegro.

The Annual Report provides values for general sustainable development indicators for 2006 and 2007 where they were accessible, but one of the key conclusions of this report (which was adopted by the Government in October 2008) was that it is necessary to work further on standardisation of methodologies, as well as on revising of sustainability indicators' list. It has been mentioned in the

report that it is not possible to measure some of the indicators defined by NSSD, but also that measurements of some new parameters and indicators, not accessible at the time of NSSD adoption, are now possible.

On the basis of the conclusions thereabove, the Government of Montenegro has, in cooperation with the UN Department of Economic and Social Affairs (UN DESA), started the project for improvement of methodology of NSSD monitoring, and revision of sustainable development indicators. A UN DESA expert was in the expert mission in Montenegro in July 2009, and in cooperation with the OSD and Ministry of Environmental Protection and Spatial Planning held consultations with a broad range of relevant national stakeholders, on the basis of which changes in the existing list of sustainable indicators should be proposed. One of the key stakeholders within this process is MONSTAT with whom the cooperation on this project started. The cooperation process with [UN DESA is now in the final stage, and it is expected that a revised list of general sustainable development indicators \(which will monitor more comprehensively and reliably the Montenegrin progress in the area of sustainable development\), will be submitted to the National Council for Sustainable Development, and afterwards to the Government, for adoption by the end of this year.](#)

Further work on the improvement of sustainability indicators will continue, and within this process, statistical system reform, harmonisation with international and EU standards in all areas, especially harmonisation of monitoring system in the area of environment by the EEA system, are of considerable importance.

### **Theme 5.03 Environment statistics and accounts**

#### **Module 5.03.02 Statistics on waste and hazardous substances – Data Centre "Waste"**

##### **a) Current situation**

In the area of waste, two statistical surveys are conducted:

1) *OT KOM-03 Questionnaire on waste collection by municipalities - annual survey*

Reporting units are public utilities enterprises engaged in the street cleaning as their main activity. This survey aims to develop and establish official, periodical reporting and data collection system on waste.

This survey collects data on quantity and composition of waste, coverage of collected waste, waste procedures, equipment and mechanisation.

2) *OT IND Survey on industrial waste - is a regular statistical survey in 2009.*

The data on generated waste quantities were received from enterprises in the area of industry, sections C, D and E, with more than fifty employees, within the pilot project which has been implemented until 2009.

The same project covered the data collection on industrial waste i.e. waste resulting from the workplace production; data on waste treatment in enterprise (disposal in/on the soil, incineration with/without generating energy, prepared for recycling and discharge into the water); data on waste sent outside the workplace.

The survey in the area of industrial waste has not been fully harmonised with Council Regulation on Waste Management Statistics, Draft Version of August 98, EUROSTAT – F3, The European Waste Catalogue (EWC) established by Commission Decision 94/3/EC (OJ L of 7.1.1994., p,15) and with the NACE Rev.1 classification.

Waste statistics is based on the following legal grounds:

- Law on Statistics and Statistical System of Montenegro (Official Gazette of the Republic of Montenegro 69/05) ([Annex 150](#));

- Law on Waste Management (Official Gazette of the Republic of Montenegro 80/05 and 73/08, and amendments adopted in December 2008 the implementation hereof expected on 1 January 2010.

A large number of secondary legislation from the National Programme of Integration 2008-2012 have been in preparation and adoption procedures, while some of them have been repealed (e.g. the Rulebook on conditions related to equipment and staff for treatment i.e. disposal of waste; Rulebook on conditions to be fulfilled as to the resources and equipment for generation, i.e. transport of hazardous waste; Rulebook on waste list possible to grant to natural and legal persons for reuse and recycling). Rulebook on types of waste and conditions to accept waste in landfill is integrated in the Rulebook on landfill.

Within the Ministry of Tourism and Environmental Protection the draft version of the Register of Pollutants has been developed on the basis of E-PRTR (European Pollutant Release and Transfer Register).

Implementation of new legislation in the form of national legal framework will impose new obligations and performance of more complex and more demanding tasks with the purpose of meeting national and international demands in the area of environment. To that regard, the establishment of intensive cooperation is expected with the newly established Environmental Protection Agency and new Ministry of Spatial Planning and Environmental Protection.

#### **b) Further measures for harmonisation with EU**

- Statistics of waste and waste substances;
- Drafting of a single questionnaire for collection of data on industrial waste, methodology, and software for data processing and analysing;
- Development of professional Transposing of European Waste Catalogue (EWC) and Waste Statistical Nomenclature (EWC-Stat) into the national legislation;
- Development of professional knowledge through full-scale survey, as well as improvement and development of methodology and data collection and processing;
- Participation in the assistance projects, as well as in the study visits to some of the Western Balkans countries which made significant progress in the harmonisation of waste statistical data with the EU requirements and Directives.

#### **c) Main problems**

- Lack of intensive cooperation with relevant institutions of Montenegro dealing with environment issues, having in mind the fact that activities related to environment are very complex;
- Insufficient number of staff working on environment statistics.

### **Module 5.03.03 Statistics on water, air and climate change (Kyoto protocol)**

#### **a) Current situation**

In the statistics of water management the following annual surveys are conducted:

Annual report on use of water and protection of water from pollution from industry and mining (VOD-1)

This survey includes the data on: exploitation and use of water, stated by sources of supply and the way of use; waste water; filtration of waste water; re-using of re-circulating water; equipment for filtration of waste water and cooling, property, value, costs of maintenance and use of equipment, number of penalties for the violation of regulations on water protection, etc.

Annual report on irrigation systems (VOD-4)

This survey covers the data on: taking of water and types of water sources and systems; number of system users; facilities and irrigation equipment; irrigation method, etc.

In statistics of water management there are three-year surveys:

Annual report on public water supply system (VOD-2V)

This survey covers: amounts of fetched and taken water from all water intake; quality of water determined by class of water; quantities of water delivered to households, economic enterprises, non-economic organisations and other water supply system operations; quantities of waste water, number and capacity of equipment - plants for preparation of drinking water; number of water tankers, water supply connections, street hydrants; the length of the main water supply and distributive network and the year of launching the exploitation of the system .

Annual report on public sewage system (VOD-2K)

This research includes data on: the quantity of waste water discharged into the appropriate water recipient as unrefined (untreated) and purified (mechanical, chemical, biological, or mixed), the quantity of discharged harmful substances, the quantity of waste water collected from households, business organisations and non-economic organisations; sewage water pumping stations, length and type of sewage network, the number of sewage connections and street drains and the year of launching the sewage system into operation.

There are relevant national standards applied, namely:

- National classification of the activities (Official Gazette of Socialist Federative Republic of Yugoslavia 34/76, 62/77, 72/80, 88/82, 71/73, 68/94, 76/85 and 72/88);
- Classes of affected water in accordance with (CES/668 standard ECE environmental Classification on Water Quality of 15 March 1990 adopted by the UN European Economic Commission;
- Methodological material for survey, *Annual report on water use and water protection from pollution from industry and mining VOD-1"*
- Methodological material for survey, *Annual report on public water supply system VOD-2V"*
- Methodological material for survey, *Annual report on public sewage VOD-2K*

As for the air quality, MONSTAT produces tables on consumption of fuel and raw materials in plants and technological needs in different areas which may serve as a basis for calculation of emission factors of sulphur dioxide and azote oxide.

Montenegro ratified the accession to Convention on Climate Change on 23 October 2006, and Kyoto Protocol on 4 June 2007. Montenegro has the status of a country which is not in Annex I implying that it should be submitted to the Conference of Countries National inventory of anthropogenic emission (key element of National Communication), classified by type of source, and removal through the sinkholes, of all greenhouse gases which are not covered by the Montreal Protocol.

Ministry of Tourism of Montenegro and Ministry of Environment, Land and Sea of the Republic of Italy, under the Memorandum of Understanding of 11 November 2004, implement the project of *Technical support to Montenegro related to activities of quality air management*. Project is implemented in Montenegro with the Atmosphere Pollution Institute of the Italian National Research Council (IIA - CNR) and Italian *Techno Consulting* company.

The following has been done so far:

- GHG inventory of emissions, in accordance with UNFCCC, for 1990 and 2003 (complete for up to 2005);
- National emission inventory in accordance with Convention LRTAP, for 2006 (completed in September 2008);
- Inventory on the local level for 2006 (completed in September 2008);

**b) Further measures for harmonisation with EU**

- Statistics of water, air and climate change (Kyoto protocol);
- Revision of survey from the area of water management has been planned for 2010 in accordance with national and international requirements and instructions.

#### c) Main problems

- Insufficient number of producers in the area of environmental statistics;
- Lack of expert support in the area of statistics of water management.

### **Module 5.03.04 Environmental accounts and environmental expenditure statistics – Data centres: "Natural Resources" and "Products"**

#### a) Current situation

There are currently no Environmental Accounts and environmental expenditure statistics in MONSTAT.

#### b) Further measures for harmonisation with EU

- Introduction of environmental accounts and environmental expenditure statistics as independent statistical surveys in 2012 in accordance with requirements of international organizations and application of Regulation (EC) 2056/2002.

#### c) Main problems

- Insufficient number of performers in environmental statistics;
- Need for expert support in order to conduct mentioned surveys.

### **Module 5.03.05 Integrated environmental reporting and management of databases, regional environment statistics, Medstat**

#### a) Current situation

There are currently no surveys on the subject issue in MONSTAT.

## **Theme 5.04 Regional and urban statistics**

### **Module 5.04.01 Regional indicators**

Government of Montenegro on its session of 16 April 2009 adopted proposal of the Statistical Office on statistical regions in Montenegro, which correspond to the NUTS regions under the Regulation EC 1059/2003.

Proposal of zoning of Montenegro on statistical regions is shown in Table 1:

Table 1. Proposal of zoning on statistical regions of Montenegro

Statistical region which corresponds to NUTS 1 level	- Montenegro
Statistical region which corresponds to NUTS 2 level	- Montenegro
Statistical region which corresponds to NUTS 3 level	- Montenegro

**Module 5.04.02 Development of regional indicators**

Having in mind the proposal of statistical regions according to the NUTS regulation, all activities have been directed to development and harmonisation of indicators related to national level.

**Module 5.04.03 Urban statistics****a) Current situation**

According to the valid legislation, local self-government (municipalities) determines border lines and type of settlement, which actually means that the administrative zoning of settlements onto urban and rural has been used. In the division of Montenegrin territory, all the results of population censuses are available, including the urban statistics data from all areas covered by census. These are the areas of:

- Demography;
- Education;
- Economic activity;
- Structure of households and family;
- Dwellings and living conditions.

From other statistical surveys conducted according to the Annual Plan of Surveys for urban area, there are available data for the following areas/surveys:

- Vital statistics - births, deaths, marriages and divorces;
- Migration statistics – internal migration and international migrations;
- Statistics of poverty.

**b) Further measures for harmonisation with EU**

Introduction of the EU standards from the subject field and beginning of work. Attendance of the UNECE and EUROSTAT meetings.

**c) Main problems**

Standards, as well as a manner of reporting towards EU, are not well known.

**Module 5.04.04 Infra-regional information system (SIRE)****a) Current situation**

Having in mind the proposal of zoning of Montenegro onto statistical regions which correspond to the NUTS classification, municipalities are on the LAU 2 level. Reporting on this level by the population census data has been suggested for all the variables proposed by proposal breakdowns / annex to the population census regulation.

**b) Further measures for harmonisation with EU**

Within current preparation for the census, all requirements of Eurostat will be followed.

**c) Main problems**

Standards are not well known. The same applies to the manner of reporting towards EU.

## Module 5.04.05 Management of the NUTS classification

### a) Current situation

The Government of Montenegro on the 16th session of April 2009 adopted the proposal of the Statistical Office on the statistical regions of Montenegro which correspond to the NUTS regions of the regulation EC 1059/2003. Such a proposal is submitted to Eurostat within informal consultations. After receiving comments and possible corrections of proposal, we are going to submit to the Eurostat the official proposal of the zoning of Montenegro into regions, for the adoption.

The proposal of division of Montenegro into statistical regions has been made having in mind that there is no legal zoning of Montenegro into regions or areas (the Law on Territorial Organization of Montenegro of 1960 is effective, with amendments of 1965, 1970 and 1990 (Official Gazette 10/60, 6/65, 6/70 and 45/90), and in the drafting of proposal the criteria of the Regulation EC 1059/2003 of the NUTS classification has been followed.

The proposal of the zoning of Montenegro into statistical regions is shown in Table 1:

Table 1. Proposal of division on statistical regions for Montenegro

Statistical region which corresponds to NUTS 1 level	- Montenegro
Statistical region which corresponds to NUTS 2 level	- Montenegro
Statistical region which corresponds to NUTS 3 level	- Montenegro

### b) Further measures for harmonisation with EU

In the next period, we are going to submit to the Eurostat the abovementioned proposal of zoning of Montenegro into statistical regions which correspond to the NUTS classification, for official adoption.

### c) Main problems

Dilemma related to determining the level of territory for LAU 1 and LAU 2.

## Theme 5.05 Geographical and local information

### Module 5.05.01 Geographical information system (GISCO)

#### a) Current situation

Within preparations for the Agriculture Census in 2010 and Population Census in 2011, the Real Estate Administration, as the public administration body competent in the affairs of producing the maps, has launched the maps of registers of spatial units using ArcGis software.

#### b) Further measures for harmonisation with EU

Presentation of the results of the Agricultural Census 2010 and Population Census 2011 as a combination of geographic and statistical data, i.e. geographical maps and alphanumeric data.

Training of staff from the Statistical Office on the use of ArcGis software.

#### c) Main problems

Lack of knowledge on the ArcGis software.

## **Theme 5.06 Science, technology and innovation**

### **Module 5.06.01 Statistics on science and technology**

#### **a) Current situation**

Data on research and development are recorded in annual survey - Annual report of scientific researching and research and development organisations.

Statistics records properly registered scientific and research organisation (institutes, research and development units and faculties – academies), registered according to the Law on Scientific and Research Activities.

This survey is based on and harmonised with SNA (UN, CEC. 1994).

Data are collected, processed and published separately for four sectors: business and entrepreneurship sector, general government, high education, and private sector.

#### **b) Further measures for harmonisation with EU**

Implementing reforms of statistics and development, namely to:

- change of the name of survey (report on research and development);
- conduct methodology of the Frascati Manual and Law on Research;
- develop a new version of questionnaire and methodology manual for the questionnaire;
- cover all units by survey in accordance with methodology of Frascati manual and European Union recommendation;
- include all units with R&D capacities into survey (one person-one year).
- develop programmes for processing of collected data;
- For extending the existing and introducing new surveys, it is necessary to ensure assistance and advice by experts of the Eurostat or some country which has already developed the surveys.

Ensuring active participation of the Ministry of Finance and Ministry of Education and Science and other institutions; defining roles and tasks for conducting this survey using experiences of and support by the countries from region.

With a view to extending the coverage, a functional Register of Business Entities needs to be established.

#### **c) Main problems**

The lack of data, in a Register of Business Entities, on the enterprises and institutions where research and development are not the principal activity.

### **Module 5.06.02 Statistics on innovation**

#### **a) Current situation**

MONSTAT performs no surveys related to statistics of innovation.

#### **b) Further measures for harmonisation with EU**

The survey of innovation statistics will be introduced in the future.

Survey on innovations in Montenegro is going to be harmonised with the Oslo Manual methodology, with the common CIS questionnaire for EU states developed by Eurostat in cooperation with the EU member states.

### c) Main problems

First we have to introduce surveys from Module 5.06.01. Statistics of research and development. After that we will start to introduce the abovementioned survey.

In order to introduce this survey into the Statistical Office programme, and due to its complexity, we need technical assistance and support by one of the European member states (or countries from the region) which conducts the survey.

## Theme 5.07 Information society

### Module 5.07.01 Statistics on information and communication technologies

Producers of statistics have not implemented any survey on information and communication technologies which is in accordance with some of internationally recognized methodologies. The Ministry for Information Society, which was established in January 2009, determined within their competences, the activities necessary in the area herein.

The Ministry has the Department for promotion of information society, vested with statistical surveys as follows:

- monitoring of indicators of information society development;
- defining the set of indicators and estimating thereon aimed at projections of informational society development situation;
- defining and adjusting of the methodology of indicator measuring;
- collecting, organisation and processing of all relevant statistical data;
- collecting and analysing the data in order to cover indicators of information society development and providing information needed for affairs falling under the competences of the Departments.

In this Department the job descriptions provide for a job specifically related to monitoring of informational society development indicators and organisation of needed surveys. This and possibly several other employees will attend an organised training for the work in relevant institutions. Training will be harmonised with the corresponding one of the EU, in order to have indicators comparable with the EU indicators and to reach harmonisation of this area in Montenegro with the corresponding of the EU states.

Aimed at connecting of more reliable data to the Europe benchmark indicators, the Ministry for Information Society has initiated the annual statistical survey titled, *ICT survey*, applying the Eurostat's methodology<sup>1</sup>.

By the *Action plan for development and implementation of information technology projects in Montenegro by the end of 2009*, the Ministry for Information Society has planned to implement the project titled *Estimation of situation of public administration in Montenegro based on evaluation of implementation of twenty common basic public services*. The European directives prescribe

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<sup>1</sup> It will consist of four questionnaires: (i) for companies; (ii) for companies from the finance sector; (iii) for households and (iv) for the government and governmental organisations, public sector and agencies. Data will be collected on: hardware equipment, networking, Intranet, web usage presentation and connectivity, operating systems, databases, software, searching engines used, human resources related to ICT, trainings and investments in ICT.

implementation of a portal containing 20 basic e-governmental services for the citizens and for the Public Administration and economy. The European Commission made the methodology in 2007 which has been used for the survey on sophistication, accessibility, and openness of the Public Administration portal and similar portals. In accordance therewith, and within timetables planned by the abovementioned action plan, this Estimation - Project will be implemented.

### **Module 5.07.02 Postal Statistics**

#### **a) Current situation**

MONSTAT conducts monthly and annual Survey on Postal Traffic. Report forms are filled in by enterprises performing post and telecommunication services.

This survey collects data on:

- Letters;
- Parcels;
- Postal orders;
- Telegrams;

#### Telephone services

- Landline telephone services;
- Mobile telephone services.

The collected data are published in the monthly statistical Bulletin and in the Statistical Yearbook.

#### **b) Further measures for harmonisation with EU**

- Harmonisation with international methodologies;
- Application for technical support within IPA 2010 multi-annual programme of support.

#### **c) Main problems**

Lack of human and financial resources.

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