

Support to the State Statistical Committee and the State Tax Service under the Ministry of Economy to strengthen collection, harmonization, analysis, publishing and dissemination of business statistics

Issue No.4, June 2021

Topics in this Issue

- ✓ Business process according to Generic Statistical Business Process Model (GSBPM)
- Statistical Enterprise; profiling and consolidating
- ✓ Compilation of BD statistics
- ✓ Assessing new candidates for SME indicators
- Developing imputation for SBS
- ✓ <u>Utilizing administrative data in SBS, part 2</u>
- BC training needs and training preparations: Reviewing and assessing the sampling designs used for Business Surveys

Looking Forward

- ✓ Compilation of BD statistics, part 2
- Renewal and expansion of the SRSU software
- ✓ Planning the renewed SME report
- Supporting the production of the renewed SME report

Project Overview

The EU funded Twinning Project (AZ/16/ENI/ST/01/19 (AZ/53)) is implemented **by a consortium** led by Statistics Finland with Statistics Lithuania (SL) and Statistics Netherlands (SN) acting as Junior Partners. Additional expertise will be given by Statistics Denmark and The Finnish Institute of Public Management Ltd (HAUS).

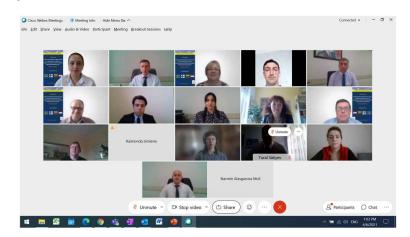
The main beneficiaries are the State Statistical Committee of the Republic of Azerbaijan, the State Tax Service under the Ministry of Economy, and the Small and Medium-Sized Enterprises Development Agency. The overall objective of the Twinning project is to increase capacity among local operators to collect, process, harmonize, analyze, publish and disseminate business statistics measuring the performance of the private sector/SMEs in Azerbaijan.

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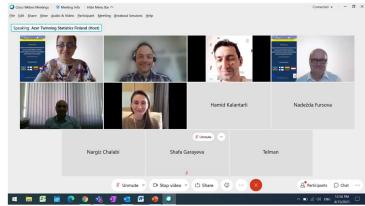
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Project News

At 6th of April, the Steering Committee of the Twinning project met for the third time to discuss the Project Status report, update on C&V plan, presentation and discussion on activities planned for the next period of the project, project schedule and extension of project implementation period, activities feedback summary and risk analysis review. At the end of Project **Steering Committee Meeting No.3**, the members shared their views about the third quarter of the project, appreciated attained results and discussed the experienced challenges.



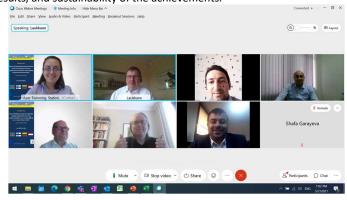
Experts Mr. Antti Santaharju (Statistics Finland) and Ms. Nadezda Fursova (Statistics Lithuania) delivered the first **Activity (3.1.A)** of Result 3 (A logical design for the renewal and expansion of the software functions for proper maintenance and updating SRSU is provided) which covered STS data transmission business process modelling according to the Generic Statistical Business Process Model (GSBPM). The purposes of the Activity conducted 8-29 April 2021 were the description of the STS data transmission according to GSBPM and the analysis of emerging new Administrative Data and GSBPM. The STE's discussed new data sources and GSBPM, user requirements to be fulfilled with the sources and sustainability of new data for this role during 4 remote sessions. Experts and BC counterparts reviewed and finalized the business process report developed by the officials of the State Statistical Committee of the Republic of Azerbaijan. As a result of the activity, experts prepared and presented recommendations (short-term and long term) to assist the State Statistical Committee of the Republic of Azerbaijan in further continuing to model their business processes in line with GSBPM.



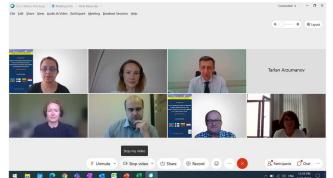
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Activity 2.1.C was carried out by Mr. Timo Laukkanen (Component 1 Leader, Statistics Finland), and Mr. Soren Kristensen (Statistics Denmark). The purpose of the activity was capacity building in Statistical Enterprise; profiling and consolidating. During four remote sessions, the experts and BC counterparts focused on analyzing the situation in the State Tax Service under the Ministry of Economy (STS) and the State Statistical Committee of the Republic of Azerbaijan (SSC) and presenting best practices of European Union Member States. Enterprise Group Registers (EGR) database structures were formulated and several test case EG's were drawn to identify key issues in EG creation. These practical exercises should be very helpful for BC experts to begin to implement the EGR in Azerbaijan. A Mission report was prepared by experts as an output of the activity which contains recommendations given for the future, mission results, and sustainability of the achievements.



Activity 5.3.A was the third mission of Component 2, Result 5 which was delivered by Ms. Ulla Virtanen (Statistics Finland), Ms. Merja Myllymäki (Statistics Finland) and Saara Roine (C2 Leader Statistics Finland). The purpose of the mission was to confirm the list of indicators to be included into the next SME report together with the SSC, the STS and the SME Development Agency. During four remote sessions several statistical SME publications from member state countries were presented, the status of source data was checked, indicators to be included in the new/renewed SME report were listed and the next SME report was outlined. The differences between National Accounts and Business Statistics were also reviewed. The quality reporting topic was launched with a short reference to the European Statistical System guidelines on guality and metadata reports. As a result of the activity, experts prepared a mission report which included both short-term and Mid-term/long-term recommendations for the renewed SME report. SSC will start preparing the descriptive text and metadata for the new SME report and drafting a preliminary plan of the report during this summer. It is looking very promising that SSC will have around 20 new indicators included in the new/updated publication, which is very comprehensive. The plan to publish the report by mid-December is also excellent.



Activities 6.1.A, 6.2.A and 6.3.A of Component 3 Result 6 took place in April 2021. The activities covered BC training needs and training preparations. During 2 remote sessions, (for each) questionnaires were submitted to the participants of on-site training courses in Azerbaijan survey data was collected and analyzed to align the training level optimally for the participants. Preliminary content of training courses was drafted by Component Leaders- Dr. Jukka Hoffren, Mr. Timo Laukkanen and Ms. Saara Roine from Statistics Finland, and by Mr. Timo Kuntsi from HAUS Finnish Institute of Public Management.

Activity 2.2.B was conducted by the experts of Statistics Finland, Mr. Timo Laukkanen and Ms. Sini Liukkonen together with Mr. Maksim Lata from Statistics Lithuania during June 2021. The purpose of the activity was capacity building in Business Demography (BD) Statistics. STEs and BC counterparts focused on analyzing the situation in the STS and the SSC and experts presented BD best practices in EU Member States. Observations made during the sessions translated into proposals for improvement of the process. An excel file filled with pseudo data compiled from the Finnish Business Register was used to present the matching process, formulas for calculating active enterprises, active employer enterprises, suggested (employer) birth, suggested (employer) death, true births and deaths of companies, and survival variables. The different BD series covered were the common BD series, Employer enterprise series and the High-growth series. As an output of the activity, a mission report was prepared by the experts and approved by the BC officials



The fourth project steering committee meeting of the twinning project was held via teleconference with participation of senior and junior PLs, EUD and Project Administration Office representatives, component leaders, RTA and BC stakeholders on 23rd of June 2021. The following topics were discussed and approved during the meeting:

- Update on Visibility and Communication Plan
- Activities planned for next period of the project
- Recommendations and confirmation of Rolling Work Plan
- Budget and Reallocation of Funds
 - Human Resources, Side Letter(s) and Addendums

Ms. Ulviyya Abdullayeva, project manager from the EUD informed that Addendum No.2 has been approved in the EUD system and the project's implementation period has been extended from 24/11/2021 to 24/04/2022.



Activity 4.2.B was delivered by Ms. Antanina Valiuliene and Mr. Andrius Ciginas from Statistics Lithuania and Ms. Saara Roine from Statistics Finland. The purpose of the activity was to compare current survey data and Administrative Data at micro and aggregate levels, to identify differences and their reasons as well as data quality issues, to prepare a report on the findings, to assess suitability of the AD for statistical production, and to identify long term needs in AD exchange. The SBS and STS variables at micro and aggregate levels were compared through regression analysis and scatter plot graphs. Experts and BC counterparts discussed the reasons behind differences identified while comparing SBS and STS data and STEs presented recommendations to eliminate the identified differences. A Mission report was prepared as an output of the activity.

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