TWINNING CONTRACT

2023/447-234

EU for Further Development of Statistics System in BiH

STUDY VISIT REPORT

On

Component 1 - Business Statistics

Subcomponent 1.3.1 – Wholesale Trade Deflators and Service Producer Price Indices

Activity 1.3.1S: Study Visit to Statistics Finland

20 - 22 May 2025

Version: Final

Table of contents

List of Abbreviations

BC	Beneficiary Country (Bosnia and Herzegovina)
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EU	European Union
EUD	European Union Delegation to Bosnia and Herzegovina
FIS	Institute for Statistics of the Federation of Bosnia and Herzegovina
LA	Language Assistant
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Advisor
RTAA	Resident Twinning Advisor Assistant
SURS	Statistical office of the Republic of Slovenia
ToR	Terms of Reference

EU FOR FURTHER DEVELOPMENT OF STATISTICS SYSTEM IN BIH

1. General comments

This study visit report was prepared within the EU Twinning Project "EU for Further Development of Statistics System in BiH" and organised under Component 1 - Business Statistics, Subcomponent 1.3.1 – Wholesale Trade Deflators and Service Producer Price Indices, Activity 1.3.1S: Study Visit to Statistics Finland.

The purpose of the study visit was to gain insight into Statistics Finland's way of:

- Identification of the most appropriate price indices to be used for construction of trade deflators (deflators for G45 Wholesale and retail trade; repair of motor vehicles and motorcycles and G46 Wholesale trade, except of motor vehicles and motorcycles)
- IT solution used for deflator compilation

The staff of BHAS, FIS and RSIS would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Finland.

The views and observations stated in this report are those of the participants and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Finland, Statistical Office of the Republic of Slovenia or The Italian National Institute of Statistics.

2. Lessons Learned

On the first day of the study visit, the participants got a general introduction to Statistics Finland presented by the department of international consulting. Finland's statistician presented organisation of Statistics Finland, interesting figures on Finland such as that 95% of the data are from registers and 5% from inquiries, and 95,5% of inquiries could be answered online.

Data and statistics are produced in cooperation between expert organisations in public administration. The quality criteria of the Official Statistics of Finland are compatible with the quality criteria of the European Statistical System. The data of official statistics are standardised, comparable and comprehensive in terms of time series.

History, current scope and organisation, data sources and principles and future developments and key priorities on Short-term business statistics at Statistics Finland were presented. Evolvement of the European legislation from 1972 to 2021 (regulation for the European Business Statistics) was shown. 1995 Finland joined EU and publication began due to Eurostat requirements around 2000. Current STS indicators produced and organisation within responsible units for production of them in Statistics Finland was presented also. Collaboration platform that is open to everyone for sharing and co-working with documents, information exchange and discussions was created and is used daily. Data sources for STS are administrative data sources, own data collection (surveys, web scraping etc.) and combination of both. All admin datasets related to business activities are accessible to business statistics compilers. Key objectives are keeping the response burden low and effective use of admin data.

Deflation at Statistics Finland: methods, technology and cooperation were presented to us as well. Methods of national accounts used for volume index of industrial output and volume index of service industries are presented. Deflation is done at product level. Deflation and choose of appropriate deflator for 51 Air Transport is shown. Voltti software for volume production was developed and Deflator application which is a subsection of Voltti. In Deflator application product baskets is imported from NA every time supply and use tables are changed. Deflator group was formed which is responsible for common deflators in STS volume and NA. Members of the Deflator group are sharing information, maintaining and developing deflators together.

The Real-Time Economy programme aimed to create conditions for the emergence of a digital economy in Finland. Digital economy or real-time economy refers to a system where all business transactions are based on machine-readable data and its processing. That implies, that, in theory statistics can be compiled electronically the day after the end of the reference period. The project's term was from 2021 to 2024. The project's goals have been achieved, and the work forms the basis for further development. The work continues 2025–2030.

On the second day, introduction and practical demonstration of turnover and volume of sales and wholesale trade deflators, were done. The volume of sales figures are also used by national accounting in calculating the Finnish quarterly GDP figures and by Eurostat for the Europe-wide volume of sales in trade aggregate. National accounting also makes use of the deflators of trade and wholesale trade. Data sources for turnover information are survey data and VAT data. Survey data is used for its shorter delay, KAU breakdown and more precise definition of turnover. Turnover of trade is compiled monthly using Statistics Finland's own, mostly SAS and .net based softwares called "Suti" and "Voltti". The prices for the wholesale trade deflators come mainly from producer price indices with a few prices coming from consumer price index. Application Voltti, has access to Producer price index and Consumer price index databases and can update the latest prices automatically. Practical demonstration on creating a deflator for wholesale trade division 463 Wholesale of food, beverages and tobacco is done.

Automation of validating and editing data in SPPI is presented and discussed. Due to decreasing resources, improving efficiency in data processing is essential. Automating data processing could significantly enhance efficiency, consistency and transparency. Previous process included three steps of data validation manly done manually. Process of automated data editing and validation (TEDA) was presented. The process was implemented in production in 11/2024 in order to improve efficiency and coherence. The process was preliminary tested by comparing indices with manually and automatically edited data.

3. Conclusions and recommendations

Statistics Finland relies heavily on administrative registers (95% of data), which reduces the need for surveys, cuts response burden, and improves data availability and quality. Use of administrative data reduce survey burden and increase data timeliness and quality, in general improves efficiency. Automated tools/applications in Statistics Finland have replaced manual validation processes, saving time, increasing efficiency, and ensuring consistency across STS and national accounts.

Collaboration, close cooperation and transparency are crucial. The use of open collaboration platforms and shared systems (e.g. Voltti and the Deflator group) allows better utilisation of administrative data and enables use of transparent and harmonised methodologies across units. Working groups promote harmonisation, knowledge sharing and better decision making. Encourage shared learning across units within institutions.

Using the same deflators across STS and national accounts improves consistency in output indicators and GDP estimates.

In our country it is necessary to expand access to administrative datasets to reduce the need for surveys and enhance data quality. One of the priorities of our institutions is to invest in IT tools/applications and development and implementation of such tools to improve efficiency, quality of the data and reduce manual tasks.

Actions needed for moving forward

Action	Deadline	Responsible institution / person
Test weights calculations for all NACE 4-digit level activities have to be made	Until the next mission.	BHAS, FIS, RSI
Identification of most important companies within selected NACE 4-digit level activities	Until the next mission.	BHAS, FIS, RSIS
Update of draft version of corresponding table between G45 and G46 and suitable price indices	Until the next mission.	BHAS, FIS, RSIS
Preparation of draft requirements for the IT solution for deflator compilation	Until the next mission.	BHAS, FIS, RSIS

Annex 1. Programme

	Tuesday, 20 May 2025	**Venue: meeting room Regressio**
09.30 - 09.45	Welcome and introduction	Marika Pohjola
09.45 - 10.00	General presentation - Statistics Finland	Marika Pohjola
10.00 - 10.45	Short-term business statistics at Statistics Finland	Ulla Virtanen
10.45 - 12.00	Deflation at Statistics Finland: Methods, Technology, Cooperation	Ville Lindroos
12.00 – 13.00	*Lunch break*	
13.00 - 13.45	The Finnish Real-Time Economy Project	Mika Lassander
13.45 - 15.00	Wrap-up	Marika Pohjola, Ulla Virtanen
	Wednesday, 21 May 2025	**Venue: meeting room Hajonta**
09:30 – 10:30	Wholesale Trade Deflators: Framework, Data Sources, Compilation and Uses	Lauri Pullinen
10.30 - 12:00	Wholesale Trade Deflators: Practical Demonstration and Tools	Lauri Pullinen
12.00 - 13.30	*Lunch break*	
13.30 – 15.00	Wrap-up	Lauri Pullinen
	Thursday, 22 May 2025	**Venue: meeting room Hajonta**
09:30 – 10:30	Automation of validating and editing data in SPPI	Anna-Riikka Pitkänen
10.30 - 12:00	Demo, Automation of validating and editing data in SPPI	Anna-Riikka Pitkänen
12.00 - 13.30	*Lunch break*	
13.30 – 15.00	Wrap up and concluding remarks	Anna-Riikka Pitkänen

Annex 2. Persons met

<u>**Statistics Finland:**</u>

- Mika Lassander, Senior Adviser
- Ville Lindroos, Senior Statistician
- Anna-Riikka Pitkänen, Senior Statistician
- Marika Pohjola, Planning Officer (JPL Statistics Finland)
- Lauri Pullinen, Senior Statistician
- Ulla Virtanen, Senior Adviser

<u>**Agency for Statistics of BiH (BHAS)**</u>

- Mr. Alen Bajramovic, Head of the Department for Services Statistics and Component Coordinator
- Ms. Maja Hadzi-Stojanov, Senior Officer in Services Statistics Department

<u>**Institute for Statistics of the Federation of BiH (FIS)**</u>

- Ms. Aida Halilovic, Consultant for Structural Business Statistics
- Mr. Adnan Lusija, Associate Expert in Business Statistics
- Mr. Muhidin Hadziahmetovic, Assistant Director for Sector for Business Statistics

<u>**Institute for Statistics of Republika Srpska (RSIS)**</u>

- Ms. Sanela Borojevic, Senior Statistician for Trade Statistics
- Ms. Jelena Glamocika, Head of the Service Statistics Department
- Ms. Aleksandra Donlaga, Senior Statistician for Service Price Statistics

<u>**Project representatives**</u>

- Niels Madsen, RTA
- Larisa Muslimovic, RTAA