

## Editorial

This fourth issue of the newsletter presents two important areas of INSEE cooperation: business statistics and short-term economic analysis.

Cooperation in business statistics has strongly developed in the 1990s with Central and Eastern European countries. It was focused first on business registers and structural surveys, then has covered more various issues.

In short-term analysis, INSEE provides technical assistance on surveys, calculation of indicators and processing of time series. The main region of cooperation in this field is the Mediterranean basin.

This issue also highlights the cooperation project carried out in 2006 with Ukraine. INSEE contributed on several aspects of economic statistics, price indexes and regional statistics.

It is also worth mentioning the start of the project aimed at improving economic accounts in Africa, which INSEE is implementing in cooperation with Afristat.

## Cooperation in business statistics

*Business statistics has been one of the main fields of INSEE cooperation for a number of years. It developed in the nineties with Central European countries candidates to EU membership. First of all, these countries requested to benefit from INSEE savoir-faire to set up business registers and introduce structural surveys. Gradually, co-operation has spread to other regions - CIS countries, Latin America - and themes of contributions diversified.*

### Business registers

Following the switch to market economy, the setting-up of a business register has been one of the first priorities of transition countries. For Central European countries, the first issue was to identify the large number of newly created enterprises. INSEE provided technical support about the management of the register and its updating from administrative sources and surveys. Co-operation went on with work on the follow-up and improvement of the quality of the register and its use to analyze the demography of businesses. Then requests for assistance appeared on the statistical use of the register for sampling.

### Annual structural surveys

Structural business statistics are the subject of a Community regulation that candidate countries to EU membership had to comply with prior to their accession. INSEE brought its support to the setting-up of annual structural surveys in several candidate countries (Poland, Czech Republic, Slovakia, Romania), but also in Russia and Ukraine. Projects started with pilot surveys that have been progressively generalized to the whole of sectors of economy.

### Sectoral statistics and short-term indicators

Years after years, co-operation diversified. More and more requests were about statistics and surveys concerning the sectors of economy - industry, trade, transport, services, tourism - INSEE has answered these requests involving widely the ministerial statistical services. Short-term indicators make up another dominating theme over the recent years, given their importance for economical analysis. Technical assistance concerns information sources, compilation and processing methods of indexes.

### Business statistics and national accounts

The relationships between business statistics and national accounts were the subject of consultations in Hungary and the Czech Republic. But the most developed cooperation project on this theme has been with Russia. The Federal service of statistics (Rosstat) plans to create an intermediate system of enterprises drawing its inspiration from the French model. The first actions took place in 2003, co-operation on this theme resumed in 2006.

### Several international seminars

INSEE cooperation in the field of business statistics has been the subject of bilateral projects, but also of several international seminars, mainly addressed to Central and Eastern European countries. The seminars organised from 2000 onwards are mentioned below.

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In 2002, INSEE organised in collaboration with the Romanian statistical office a seminar on the statistical use of administrative sources. A part was devoted to business registers, another to the use of administrative sources in economic statistics. Another seminar on a similar theme was organized by INSEE in 2004 for the CIS countries, benefiting from the TACIS programme. In 2003, the seminar addressed to Central European countries, organized with the Hungarian statistical institute, dealt with statistics of enterprise groups, a rather innovative subject for these countries but whose importance is bound to increase. The use of administrative sources for business statistics was also the subject of a training seminar at CEFIL for Central European countries in 2004. Lastly, in 2005, the annual seminar of CEFIL was devoted to the quality of business statistics.

#### **Recent developments and projects in 2007**

Co-operation with the new members of the European Union has strongly slowed down. Business statistics are still the

subject of a few actions: index of industrial production (Poland, Czech Republic, Slovakia), transport statistics (Poland, Romania). Meanwhile, co-operation started with Croatia, a candidate country to the entry into the European Union. A seminar for information and awareness was organized there in 2005. Some actions are planned in 2007 on the business register, annual enterprise surveys and industrial statistics.

Business statistics has been an important part of the co-operation project conducted in 2006 with Ukraine (see below). This co-operation could carry on in the framework of a new project financed by World Bank. The co-operation project which started in 2006 with Russia on the compilation of a business intermediate system is going to continue in 2007.

In Latin America, the CAN working group preparing a regulation on small and medium enterprises should end in 2007.

## **Cooperation in short-term analysis**

*Thanks to its experience as regards short-term analysis and forecast, INSEE is frequently requested to bring its support to the countries that wish to develop their tools of diagnosis of economy. Co-operation developed mainly with two great regions: Central European countries and the Mediterranean area. It concerns the setting up of surveys, the calculation of short-term indicators as well as the techniques of processing of time series.*

#### **Countries of Central and Eastern Europe**

The need for reliable data, to be used by economic policy makers, and the obligation for candidate countries to integrate into the European statistical system have led to important investment in the domain of short-term observation. INSEE, which has set close relationships with the statistical institutes of these countries since the beginning of the 1990s, supported their efforts for strengthening their statistical systems. INSEE has taken part in the setting-up of short-term surveys and in the adaptation of existing indicators such as the industrial output index or the consumer price index. Training programmes have allowed to get the concerned units used to the tools for short-term analysis: processing of time series, construction of models and of synthetic indicators. Regular exchanges concerned series analysis and short-term diagnosis. Training seminars have allowed to take stock of these actions and to share the results of common work. Thus, in 2002, a seminar was held in Bratislava on the processing of short-term surveys, the calibration techniques and short-term diagnosis. An action of the same type convened in 2005 in Poland about 50 experts from the Statistical Office, the Ministry of Finance, the Central Bank and the University.

#### **Short-term analysis in Maghreb countries**

In the three countries of Maghreb, the policies of liberalization and of opening up to the exchanges made it necessary, in the 1990s, to set up tools for a fine monitoring of economy.

Statisticians have progressively provided decision-makers with precise and consistent information. This interest for short-term economic analysis led to the creation of specific structures integrated in statistical systems, such as the National Institute of Short-term Analysis (INAC) in Morocco and the Observatory for short-term analysis (OCE), in Tunisia. Cooperation with INSEE developed on short-term surveys and tools for economic analysis. In Morocco, INSEE supported the revision of opinion surveys addressed to industrial entrepreneurs. In Tunisia, the institute was involved in the setting-up of an opinion survey on traders. In Lebanon, cooperation involving experts from the Central Bank and the Ministry of Finance is about the analysis of opinion survey results in industry, construction, trade and services and their use for short-term diagnosis. Training in analysis tools was the subject of bilateral and regional actions. A training seminar on short-term analysis was held in CEFIL in 2004 for the three countries of Maghreb and Lebanon.

In the cases of Morocco and Tunisia, co-operation actions have implied, besides INSEE, agencies such as the "Centre d'Observation Economique" (COE) and the "Observatoire Français des Conjonctures Economiques" (OFCE).

#### **Short-term analysis and economic forecast in Sub-Saharan Africa**

The importance of the informal sector, the specificity of the international integration of African economies and the relative scarcity of available resources have led to the setting-up of original observation systems focused on monetary statistics, foreign exchanges and public finance. In these countries, the authorities and sponsors have emphasized the construction of reliable and consistent indicators, especially in the fields of prices and activity. They regularly benefit from co-operation actions carried out by AFRISTAT, with INSEE support.

## Tunisia: a light (\*) twinning on short-term economic analysis

A light twinning contract between INSEE and the Tunisian NSI on short-term analysis was signed on November 21<sup>st</sup> 2006. Two other French institutes are involved with INSEE: the "Observatoire Français des Conjonctures Economiques" (OFCE) and the Institute "COE-Rexecode". The activities started in December 2006 with training sessions in Tunisia and a visit to France of the Director of the Tunisian Observatory for short-term analysis. This visit was devoted to the presentation of the French system for observation and short-term economic analysis and to the programming of activities within the framework of the twinning.

In the twinning contract, 22 missions of French experts to Tunisia and 2 study visits to France visits have been planned. The project should end with a final seminar in September 2007. A number of actions have already taken place. Missions of French experts have covered various topics: short-term survey in industry, processing of surveys and time series, synthetic indicators, international economic context and external trade data, economic modelling, balance of payments, reporting on short-term economic analysis.

(\*) A light twinning is a cooperation project between administrations financed by the European Union. It has to be focused on a specific topic and its duration is less than one year.

## Cooperation with Ukraine

*Ukraine belongs to the « new neighbour » countries of the European Union with which relationships are bound to strengthen. Ukrainian statistics aim at getting closer to European standards. The co-operation project in which INSEE took part in 2006 is in line with this prospect.*

After a break of three years due to the lack of European financing, co-operation between INSEE and the Committee of Statistics of Ukraine resumed in 2006 within the framework of a new project financed by the TACIS programme. A call for tender for this one million Euro project was launched in 2005. INSEE took part in it within a consortium led by ADETEF and involving the Swedish and Polish statistical offices as well as the companies Sogeti and Sofreco. This consortium was selected at the end of 2005.

### Gradual adoption of European standards

The project started in February 2006 and the activities progressed at a quick pace over a quite short period of 9 months: missions of experts to Ukraine, study visits to partner countries, seminars and training sessions for Ukrainian statisticians. A final seminar in which took part all the partners - Ukrainian and Europeans - of the project was held in Kiev from November 27<sup>th</sup> to 29<sup>th</sup> 2006. Ukraine is not a candidate country to membership in the European Union. Nevertheless the gradual adoption of European standards is a general orientation of the Ukrainian statistical system. This co-operation project was in line with this prospect and was divided into eleven components: ten thematic components and a global assessment of the Ukrainian statistical system. The global assessment has allowed to define priorities for the development of the statistical system and to provide instruments allowing to situate Ukrainian statistics in comparison to European standards in the different domains.

### Five co-operation domains

The French experts of INSEE and of the Statistical Services of Ministries intervened mainly in five of the components of the project, concerning respectively regional statistics, business registers, industrial services, price statistics and non-financial services.

- *Regional statistics*: consultations concerned the organization of regional statistics and the improvement of their quality, the development of a system of regional indicators, the building-up of a regional data base and data dissemination. Progress is also expected in the harmonization with European standards.

- *Business registers*: recommendations focused on the methods and technical procedures to determine the main activity of enterprises, so that the statistical register could be used as sole sampling frame for the business surveys.

- *Industrial services*: technical assistance aimed at improving the identification of these activities in monthly production surveys through an appropriate use of the European classifications. Training in European methodology of industrial statistics was provided to the personnel of the Ukrainian statistical committee.

- *Consumer prices*: co-operation in that domain concerned the improvement of the collection methods of prices and the determination of outlets. A seminar was organized to inform users on the methods of compilation of the price index and the use of data.

- *Non-financial services*: this theme included two sub-components:

- *Prices in services*: the objective was to define the methodology to calculate output price indexes. A pilot survey was carried out, the results need to be consolidated.

- *Tourism*: in order to meet the Ukrainian objective to measure the economic impact of tourism, co-operation in this component has allowed to define the methodology to determine employment related to tourism, at national level and by geographical area.

In spite of the reduced duration of the project, the technical support brought by French experts and the other partners of the consortium brought significant results, which the Ukrainian partners underlined during the final seminar. Besides the TACIS programme, Ukraine is going to benefit, over the three years to come, from a World Bank loan for the development of its statistical system. These potential financings allow to hope for a continuation of co-operation projects with this country.

## Seminars and workshops

### Central Europe and Balkan countries

#### Training on classifications in Poland

A training session took place from 12th to 14th March 2007, with about 40 participants. It was devoted to the compilation of the product classification, its use in registers and business surveys. Case studies prepared by statisticians from the Polish Statistical Office (GUS) allowed to work on practical issues of building of classifications.

### Africa

#### Workshop on economic accounts in Bamako

A workshop on the compilation of provisional or semi-final accounts was held in Bamako (Mali) from September 18<sup>th</sup> to 22<sup>nd</sup> 2006. It convened the five pilot countries taking part in the project: Burkina Faso, Cameroon, Guinea, Mali and Mauritania. Cameroon, which publishes up-to-date final accounts, is working to compile provisional accounts. Guinea

#### Seminar on short-term analysis in Croatia

It was held on October 5th and 6th 2006. For the time being there is no short-term survey in Croatia. The French experts presented the whole system of short-term surveys of INSEE. There were about 20 participants, mainly from the Statistical Office.

is about to implement SNA93: to that aim it will use the ERETES system in a lightened way. The other countries are going to reduce very strongly the scope of their classifications, in order to catch up with their delay. Some will even skip some years to reach that objective. The results of the project will be presented during an assessment seminar, which will be organized in September 2007 by AFRISTAT.



### \* News \*

There are about 25 countries using the ERETES system to compile their national accounts. INSEE has provided technical assistance for several years to Maghreb countries, Latin America and also Sub-Saharan Africa, in collaboration with Afristat. A number of follow-up missions of French experts have taken place over the past months.

**The Steering Committee of ERETES** (1), which met on 10 October 2006 in Luxembourg, decided to set up a network of users of the system. Eurostat sent an information letter to the user countries in March 2007 and decided to organise towards the end of 2007 an international conference on statistical cooperation in the field of national accounts.

INSEE also takes part in the project launched with Afristat to improve and speed up the production of economic accounts in African countries. Missions of experts have taken place in countries participating in this project (Guinea, Mali, Mauritania). A seminar is planned in September 2007 in Bamako (Mali) to assess the first results in pilot countries.

The compilation of provisional or non-final accounts involves the appropriate use of ERETES and requires the development of an additional tool for the projection of intermediate consumption. Given that Eurostat has decided to stop technical development of ERETES itself, this tool is going to be developed outside the system but linked to it.

(1) *The Steering Committee of ERETES brings together the tool owners (EUROSTAT and the French Ministry of Foreign Affairs) and the institutions involved in technical assistance (INSEE and AFRISTAT).*

### Statéco

#### Publication of the n° 100 of the Stateco review

The last issue of Stateco is mainly devoted to the assessment and to the new forms of economic and statistical cooperation with Africa. It also contains a DVD including all the articles of the issues published since the creation of the review (i.e. from 1 to 100). Stateco nr 100 was published in French in September 2006.

If you wish to receive the review free, contact <mailto:marcel.messali@insee.fr>

## Missions and study visits (June 2006 - April 2007)

The table below shows the themes of bilateral cooperation activities carried out between June 2006 and April 2007. Over the last year, the number of missions of French experts to foreign countries and of study visits to France has increased.

Cooperation activities with new EU Member States have dropped. Meanwhile, priority in INSEE cooperation has been given to the other candidate countries (Bulgaria, Croatia and Romania) but the number of actions has been lower than expected, mainly for financial reasons. On the other hand, INSEE has been very active in Ukraine in 2006 and cooperation is going on with Russia, within the framework of projects financed by the European Union.

The Mediterranean basin is another priority area in INSEE cooperation. Especially, the rhythm of activity has speeded up with Tunisia since the end of 2006, following the start of the above-mentioned twinning contract on short-term analysis. INSEE has also decided to increase its contribution to technical assistance in Sub-Saharan Africa. Besides the support provided to Afristat, the institute is taking part actively in the common project launched in 2006 to improve and speed up economic accounts in African countries (this project was presented in the third issue of this newsletter).

### Central Europe and Balkans

Countries	Themes of actions	
	Missions	Study visits
<b>Bulgaria</b>	Assessment-programming	Organisation of statistical institute
<b>Croatia</b>	Short-term statistics Classifications Comitology	Structural business surveys
<b>Poland</b>	Assessment - Programming Classifications Macroeconomics - Modelling Industrial prices index Dissemination	Transport statistics Financial accounts Study of SILC system Social exclusion
<b>Romania</b>	Assessment - Programming Comitology Classifications Transport statistics Regional statistics	
<b>Serbia &amp; Montenegro</b>		Environment statistics
<b>Kosovo</b>		Population census
<b>Slovakia</b>		Classifications Business register
<b>Czech Republic</b>	Training	Classifications Business register
<b>Turkey</b>	Classifications Social statistics (methodology)	

## CIS countries

Countries	Themes of actions	
	Missions	Study visits
Russia	Macroeconomic statistics Classifications Assessment-programming	Income survey and exclusion Classifications Intermediate system of enterprises
Ukraine	Regional statistics Business register Industrial services Non Financial services Tourism statistics Consumer Price index	Insertion into the European statistical system

## Mediterranean basin

Countries	Themes of actions	
	Missions	Study visits
Algeria	National accounts-ERETES	Short-term forecast
Lebanon	National accounts	National accounts
Morocco	Assessment-programming External trade indexes Macroeconomic modelling	Financial accounts Macroeconomic modelling Short-term statistics Production prices Geographic information system Training of statisticians Computing system (management and security)
Tunisia	International comparison of prices Short-term economic analysis Classifications Labour force survey Assessment-programming National accounts- ERETES Employment statistics	Statistical coordination Business register Short-term statistics Geographic information system Training of statisticians Production and dissemination of regional statistics

## Sub-Saharan Africa

Countries	Themes of actions	
	Missions	Study visits
Afristat	National accounts Short-term economic analysis	National accounts
Burkina Faso	Vocational training National accounts-ERETES	
Cameroon	National accounts	Organization of statistical system
Gabon	National accounts-ERETES	Short-term economic analysis Short-term statistics
Guinea	National accounts-ERETES	
Madagascar		Organisation of statistical institute
Mali	National accounts Population Censuses (UN workshop)	
Mauritania	National accounts-ERETES	National accounts

## Latin America

Countries	Themes of actions	
	Missions	Study visits
Andean Community	Business statistics National accounts Consumer price index Migration statistics Modelling	
CEPAL	Training in statistics- Programming	
Argentina	Business register	
Brazil	National accounts- ERETES	
Bolivia	National accounts- ERETES	
Colombia	National accounts- ERETES	
Ecuador		National accounts- financial accounts
Mexico	Training on seasonal adjustment	Environment statistics Classifications

## Asia

Countries	Themes of actions	
	Missions	Study visits
Vietnam	Macroeconomic modelling Classifications Training of statisticians	Macroeconomic modelling Classifications

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**Head of Publication: A. TRANAP  
Editor: P. VERDIER**

**Assistant editor: M. MESSALI**

**INSEE COOPERATION NEWSLETTER can be obtained on simple request to  
[marcel.messali@insee.fr](mailto:marcel.messali@insee.fr)**