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State Statistical Office

Classifications, methodological, nomenclatures and standards

EXTERNAL TRADE STATISTICS BY ENTERPRISE CHARACTERISTICS

- METHODOLOGICAL EXPLANATIONS

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METHODOLOGY HANDBOOK

EXTERNAL TRADE STATISTICS BY ENTERPRISE CHARACTERISTICS

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1. Introduction

External trade statistics measure the value and quantity of goods traded between countries. External trade statistics are one of the most important statistical indicators of the performance of the national and world economies. They monitor the flow of goods across the national borders and are used by most public and private sector decision-makers, e.g. for bilateral and multilateral trade negotiations, for planning and managing the economic, trade and monetary policies, for market research and commercial strategies, etc. External trade statistics are input to macro-economic statistics such as Balance of Payment and System of National Account.

The key dimensions in trade statistics are partner country and product, and throughout their long history, the basic character of external trade statistics has remained unchanged. Their purpose is to answer questions like "Which products are countries importing from or exporting to other countries?" However, it has been more difficult to reply to a question "what kind of businesses are behind these trade flows?". Trade statistics do not present by nature any explicit information on the characteristics of traders.

One of the main future development areas for external trade statistics is to link them more closely to other statistics. The linkage of trade statistics with business statistics allows to measure, on the one hand, the contribution of real economic sectors to trading, and on the other hand, to complement business data with detailed information on trade. This enables to analyse the effects of international trade on production, employment and enterprises' performances.

2. Legal bases

The process of harmonisation of the national methodology and regulations with the EU regulations and Acquis Communautaire is enforced by the implementation of the new ITGS - trade by enterprise characteristics module. The EU EXTRASTAT basic regulation 471/2009 of the European Parliament and of the Council of 6 May 2009 on Community statistics relating to external trade with non-member countries and repealing Council Regulation (EC) No 1172/95 which is the legal basis for the production of ITGS through the implementation of the new activity is more deeply harmonised with the national statistical system.

National legal acts: Law on State Statistics ("Official Gazette of the Republic of Macedonia" No. 54/97, 21/07, 51/11, 104/13, 42/14, 192/15 and 27/16), Programme of Statistical Surveys 2013-2017 ("Official Gazette of the Republic of Macedonia" No. 20/13, 24/14, 13/15 and 7/16).

3. Data sources

3.1. External trade statistics data - EXTRASTAT data

In compiling external trade statistics the State Statistical Office of the Republic of Macedonia follows the European requirements on EXTRASTAT and the International Merchandise Trade Statistics Concepts and Definitions of the United Nations Statistical Division (hereinafter: IMTSCD). Since the basic (in Macedonia the only) data source of external trade statistics is the customs declarations (Single Administrative Documents), the national customs legislation based on the Community Customs Code constitutes the legal basis as well. External trade statistics are compiled in accordance with the special trade system, relaxed definition, as defined in the IMTSCD.

3.2. Statistical Business Register of Macedonia

The Statistical Business Register of Macedonia maintained by the State Statistical Office is a comprehensive database, which contains data on business entities (legal and natural persons) and their organisational units that perform an activity on the territory of the Republic of Macedonia, irrespective of their size class, organisational (legal) form, institutional sector or sector of activity from the National Classification of Activities where they are distributed by their main activities.

4. Observation unit

Observation units are enterprises, which in a certain observation period exported goods to other countries (exporters) and/or imported goods from other countries (importers).

5. Observation period

Observation period is the calendar year. Data from the Statistical Business Register of Macedonia for a specific observation period refer to the situation as at 31 December.

6. Coverage

Covered is trade in goods of all enterprises that in the observed period are included in the statistical coverage of external trade statistics for national needs, except the trade performed by natural persons. The share of natural persons in external trade is not significant.

7. Data collection and indicators

The set of data is prepared by linking detailed data on trade in goods with detailed data from the Statistical Business Register of Macedonia. The following indicators were produced for both trade flows (imports and exports). The indicators are expressed in terms of number of enterprises and trade value.

The following tables were compiled:

- Table: Trade by activity sector and type of trader

This table serves to provide information on how traders are involved in international trade. It shows the number of enterprises trading within only one flow or in both flows and the trade value these enterprises account for.

- Table : Trade by activity sector and enterprise size class

This table aims to show the contribution of economic activities and size of an enterprise (in terms of number of employees) to total trade. They can be used to analyse the impact of international trade on employment and to estimate the importance of small and medium-sized enterprises for trade.

- Table: Concentration of trade value by activity sector

International trade is usually concentrated in a few enterprises. This table aims to show how much of the total trade is accounted for by the top 5, 10, 20, etc. enterprises.

- Table: Trade by partner countries and activity sector

This table shows the number of enterprises trading with certain partner countries or country zones and the value these trading accounts for. It aims to identify the most common exports or imports markets.

- Table: Trade by number of partner countries and activity sector

This table shows the number of partner countries from which the goods are imported or exported by enterprises activity sector.

- Table: Trade value by commodity and activity sector

This table aims to show which sectors of the economy were involved in the trade of each product group. It allocates the trade of each commodity to the activity of the trading enterprise.

- Table: Trade value by commodity and regions of the country divided by the NUTS Nomenclature (Nomenclature of Territorial Units for Statistics)

This table shows which regions were involved in the trade of each commodity group. Data allocates the trade of each commodity to the region where the headquarters of the enterprises is registered.

- Table: Trade by export intensity and activity sector

This table aims to categorise enterprises according to the importance of foreign markets in their sales. Heterogeneity of enterprises becomes a valuable indicator of recent developments in the global market.

- Table: Trade by activity sector

This table aims to show the contribution of sections, divisions and groups of economic activities of an enterprise to total trade. They can be used to analyse the attractiveness of each of the economic activities to the export -import market. On the other hand, these variables may be linked with the export intensity.

- Table: Trade by partner countries and size-class

This table aims to show the number of enterprises by size class (in terms of number of employees) trading with certain partner countries or country zones and the value these trading accounts for. It aims to identify the most common exports or imports markets by size class of the enterprises.

8. Definitions and explanations

8.1. Number of enterprises is the number of registered legal or natural persons that during the observed year traded goods with other countries and were active at least part of the observed period.

8.2. Enterprise size is determined by the number of employees in the enterprise. Data are shown by the following size classes of enterprises: micro enterprises (1-9 employees), small enterprises (10-49 employees), medium-sized enterprises (50-249 employees) and large enterprises (250 or more employees).

8.3. Employees cover persons in paid employment and self-employed persons with compulsory social insurance, irrespective of whether they are employed full time or part time.

8.4. Statistical value of goods

The statistical value on the customs declaration is the full value of the goods at the national border. The statistical value of goods imported or exported after processing is the so-called gross value – it includes the value of exported/imported goods (materials) plus the value of the service performed.

8.5. Flows of goods

External trade statistics record all imports or exports of goods that add to or subtract from the stock of material resources of a country and have therefore a direct impact on the national economy. Exports cover: direct exports, exports in view of outward processing, re-exports following inward processing or processing under customs control. Imports cover: direct imports, imports in view of inward processing and processing under customs control, imports following outward processing.

8.6. Trading countries

As a trading partner country the country of destination is shown at exports, while at imports the country of origin is shown.

8.6.1. Country of origin

Country of origin indicates the country in which the goods are wholly produced or where the last substantial transformation took place.

8.6.2. Country of last known destination

Country of last known destination indicates the last country to which it is known, at the time of release into the customs procedure or Customs-approved treatment that the goods are to be delivered.

8.7. Export intensity

The exports intensity refers to the share of exports of turnover (ratio between exports and turnover).

9. Classifications

9.1. National Classification of Activities - NKD Rev.2 as activity classification

The National Classification of Activities - NKD Rev.2, in its content and structure, is completely harmonised with the European Classification of Activities NACE Rev.2, (Regulation (EC) No.1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains OJ L/363).

In the tables the enterprises are grouped as follows:

NKD Rev.2	Description
B_C_D_E	Industry
G	Trade
OTH_BCDEG	NACE branches other than Industry or Trade

NKD Rev.2

Code Description

A	Agriculture, Forestry and Fishing
B	Mining and Quarrying
C	Manufacturing
D	Electricity, Gas, Steam and Air Conditioning Supply

E	Water Supply; Sewerage, Waste Management and Remediation Activities
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities
L	Real Estate Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
O	Public Administration and Defence; Compulsory Social Security
P	Education
Q	Human Health and Social Work Activities
R	Arts, Entertainment and Recreation
S	Other Service Activities
T	Activities of Households as Employers; Undifferentiated Goods - and Services-Producing Activities of Households for Own Use
U	Activities of Extraterritorial Organisations and Bodies

9.2. Classification of Products by Activity CPA as product classification

The Classification of Products by Activity has been adopted by a decision of the Government of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No. 54/97 from 21/07/2009) as the central statistical classification of products by activity in which products are distributed according to the economic origin criterion and they are structured according to the National Classification of Activities, NKD Rev.2.

9.3. Country Classification ISO 3166 as country classification

ISO 3166 alpha-2 codes are used by statistics as a country classification, while the Geonomenclature - Nomenclature of Countries and Territories for the External Trade Statistics of the Union and Statistics of Trade between Member States is used for the economic groups of countries.

10. Confidentiality

For trade by business characteristics, the active confidentiality is more applicable concept than passive confidentiality as data are broken down by the characteristics of statistical units. Also, for most indicators trade by business characteristics are provided not only in terms of trade value but also in terms of number of enterprises. This could create situations where the statistical units can be directly or indirectly

identified. Thus, articles 8 and 9 of the extra-EU regulation 471/2009 respectively relating to the compilation of statistics on trade by enterprise characteristics explicitly stipulate the use of active confidentiality. Confidentiality was done by using the T-Argus software program. Verification of the comprehensive implementation of confidentiality is done by using the Macro to check whether secondary confidentiality has been applied comprehensively.

11. Publishing

Data on trade in goods by enterprise characteristics are published annually, not later than 18 months after the observation period, in a news release and in the MAK-STAT database.

12. Revision

Data on trade in goods by enterprise characteristics are final already at the first release. Only exceptionally can they be revised, especially due to the revision of final annual external trade statistics data, changes in survey methodology at the EU level, changes in enterprises classifications, goods or product classifications, methodological improvements.