MONTENEGRO
STATISTICAL OFFICE
IV Proleterske 2, 81000 Podgorica
Tel: +382 (0) 20 230 811
Fax: +382 (0) 20 230 814
E-mail: contact@monstat.org

QUALITY REPORT 2016

Producer price index of industrial products

Responsible persons: Ivan Kavaric, Miroslav Pejovic

Department: Price Statistics

Content:

1. Introduction – Basic information about the survey *1*

1.1 Purpose, goal and subject of the survey **1**

1.2 Legal basis **1**

1.3 Statistical units **1**

1.4 Coverage and scope of survey **1**

1.4.1 Sectors 1

1.4.2 Statistical population 1

1.5 Referent geographical area **1**

1.6 Concepts and definitions **1**

1.7 Classifications **2**

1.8 Frequency of data collection **2**

1.9 Frequency of data dissemination **2**

1.10 Methodology **2**

1.11 Base period **2**

1.12 Unit of measure **2**

1.13 Source of data **2**

2. Relevance – Data users *2*

2.1 User needs **2**

2.2 User satisfaction **3**

3. Accuracy and reliability *3*

3.1 Accuracy – Overall remark **3**

3.2 Sampling error **3**

Indicators of sampling error (A1) 3

3.3 Non-sampling error **3**

3.3.1 Coverage error 3

Indicators of coverage error (A2) 3

3.3.2 Error of measurement 3

Nonresponse rate (A4) 3

3.4 Seasonal adjustment **3**

3.5 Data revision **4**

3.5.1 Data revision policy 4

3.5.2 Data revision practice 4

3.5.3 Data revision - average size (A6) 4

4. Timeliness and punctuality *4*

4.1 Timeliness **4**

Time lag of the first results 4

Time lag of the final results 4

4.2 Punctuality TP3 ..... **4**

5. Availability and clarity *4*

5.1 Release **4**

5.2 Publication **4**

5.3 Availability of microdata **5**

6. Comparability *5*

6.1 Comparability - geographical **5**

6.2 Comparability - over time **5**

1. Introduction – Basic information about the survey

1.1 Purpose, goal and subject of the survey

The purpose of producer price index survey is to collect data on monthly price changes of industrial products produced and sold by enterprises on the domestic market. Producer price index is an important economic indicator which can be used as a measure of inflation, as deflator of time series, especially for the needs of national accounts and industry, and as a tool for adjusting prices when concluding various sales contracts.

1.2 Legal basis

The Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12) defines provisions for collection, processing and dissemination of data. The Law provides to the Statistical Office clear and wide legal powers to collect and access the data necessary for the implementation of Programme and Annual Plan. The Law gives a priority to the use of administrative data and right of access to individual data that are a result of survey of other official statistical producers. As an annex to legal provisions, Statistical Office has signed several memoranda on cooperation with administrative data providers.

When it comes to European Union legislation, the Producer price index survey is conducted in accordance with Regulation (EC) No. 1165/98 concerning short-term statistics.

1.3 Statistical units

Reporting units are enterprises and KAU with the main activity in sections B (Mining and quarrying), C (Manufacturing) and D (Electricity, gas, steam and air conditioning supply) of NACE Rev. 2 classification.

1.4 Coverage and scope of survey

1.4.1 Sectors

Indices are calculated for the following sections of industrial activity: B (Mining and quarrying), C (Manufacturing), and D (Electricity, gas, steam and air conditioning supply) of NACE Rev. 2 classification.

1.4.2 Statistical population

Reporting units are enterprises and KAU with the main activity in sections B (Mining and quarrying), C (Manufacturing) and D (Electricity, gas, steam and air conditioning supply) of NACE Rev. 2 classification.

1.5 Referent geographical area

PPI covers the whole territory of Montenegro.

1.6 Concepts and definitions

Producer prices of manufactured products are the prices that industrial manufacturers apply in selling the products of their own production range to commercial and other enterprises in the domestic market. The selling price is increased for the amount of the compensation obtained by the seller and deducted for the amount of the discount and rebate as well as the value added tax and excises.

Producer price indices are relative numbers that show changes in producer prices from period to period. Price indices are calculated for certain products (individual indices), for groups of products and for all products included in the list (total index).

The monthly index shows by how much on average prices in the current month changed in comparison with the previous month.

The annual index shows by how much on average prices changed in the last 12 months.

The average annual index shows by how much on average prices changed in the last n months of the current year compared to the same period of the previous year.

1.7 Classifications

NACE Rev. 2, CPA Version 2008

1.8 Frequency of data collection

Monthly.

1.9 Frequency of data dissemination

Monthly.

1.10 Methodology

Short methodology of survey is available on the following link:

http://monstat.org/eng/page.php?id=30&pageid=30

1.11 Base period

The previous year is used as the base year.

1.12 Unit of measure

Indices.

1.13 Source of data

The main source of data for the calculation of the producer price index of industrial products is the monthly survey on producer prices of industrial products. This survey includes companies classified in the sections of mining and quarrying, manufacturing and supply of electricity, gas, steam and air of the NACE Rev. 2 classification, with more than five employees that meet the unit of measurement prescribed by the Nomenclature of industrial products per unit of product. It also includes companies classified in other sections of the NACE Rev. 2 classification, which are composed of industrial drives or other organizational forms that are engaged in industrial production. Sample and weights are based on annual industrial survey. The most important products in each division have been selected for price changes monitoring, i.e. products with the highest sale on the domestic market. Producers are selected according to their participation in the production of certain products.

2. Relevance – Data users

2.1 User needs

International users:
- Eurostat,
- World Bank,
- UN organizations,
- International Monetary Fund

National users:
- Ministries and other public administration bodies,
- Local government and other local government bodies,
- Central bank,
- Non-governmental organizations,
- Students,
- Researchers,
- Media.

2.2 User satisfaction

With purpose of determining user satisfaction with quality data and defining their needs, Statistical Office for the first time carried out the User Satisfaction Survey in 2017. The survey was done from 1 September to 20 October. The survey link was sent to users that sent request to the official email address in period 2013-2017. Additionally, the questionnaire is put on the website of Statistical Office. The processing of data obtained by the mentioned survey is ongoing, while final result will be ready until the end of year, both for total users satisfaction, and by domains.

3. Accuracy and reliability

3.1 Accuracy – Overall remark

The accuracy of PPI is generally considered to be high. The accuracy of source data is monitored by assessing the methodological soundness of price and weight sources and the adherence to the methodological recommendations. An appropriate actions are taken to identify and eliminate potential sources of errors.

3.2 Sampling error

Sampling error cannot be calculated because the survey was not conducted on the basis of a random sample.

Indicators of sampling error (A1)

Not relevant.

3.3 Non-sampling error

The response rate is about 70%. Depending on size or representativeness, companies are contacted by phone in order to provide data on time. The price of the temporarily unavailable product is determined by contacting the company from which it is required to estimate/assess the missing price or to repeat the last declared price. In cases where an industrial enterprise ceases to produce a product of a certain quality for which prices are collected, or if the product of that quality is 'non-marketable goods' then a new product of a certain quality that is best sold is defined, and it is expected to be sold in a longer period of time and in large quantities. Prices for the new selected quality product are given simultaneously for the current and previous month. Companies are obliged to explain any change in quality.

3.3.1 Coverage error

Not available.

Indicators of coverage error (A2)

Not available.

3.3.2 Error of measurement

Not available.

Nonresponse rate (A4)

Not available.

3.4 Seasonal adjustment

Data are not seasonaly adjusted.

3.5 Data revision

3.5.1 Data revision policy

Statistical Office has adopted the revision policy and it is available on the website:
http://www.monstat.org/eng/page.php?id=1411&pageid=1411

3.5.2 Data revision practice

Published data are considered as final, except in the case of methodological changes and introduction of new classifications, when they are subjected to revision.

3.5.3 Data revision - average size (A6)

There was no data revision.

4. Timeliness and punctuality

4.1 Timeliness

The data are published on a date which is defined by Statistical Release Calendar - monthly.

Time lag of the first results

Piblished data are considered as final.

Time lag of the final results

15-23 days.

4.2 Punctuality TP3

All data are published in accordance with the Statistical Release Calendar for 2016.

5. Availability and clarity

5.1 Release

Data are available in the form of monthly releases on the official website:
http://monstat.org/eng/page.php?id=414&pageid=30

5.2 Publication

Statistical Office publishes the following regular publications:

1. Monthly statistical review,
2. Statistical Yearbook,
3. Montenegro in figures.

All publication published by Statistical Office are available at the following link:
http://monstat.org/eng/publikacije.php

5.3 Availability of microdata

The Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12) regulates rules under which external users can obtain an access to individual data for needs of research. Article 58 defines types of scientific and research organizations that can obtain such data. Providing individual data without identifier is possible only upon a written request of scientific and research institutions, with purpose of performing scientific and research activities as well as international statistical organizations and statistical producers from other countries. Research entity signs the agreement with Statistical Office, and it signs the statement on respecting the confidentiality principle. Official statistical producers keeps a separate records on users and purpose of using the statistical data given to these users.

6. Comparability

6.1 Comparability - geographical

The methodology of survey is compliant with the EU Regulations to a great extent, which makes it comparable between the countries.

6.2 Comparability - over time

The data according to NACE Rev. 2 classification are available from 2010.