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**QUALITY REPORT 2017**

**External trade**

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

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

Foreign trade statistics is the oldest achieving economic statistics. It is an important source of data for the national accounts, balance of payments statistics, and short-term economic analysis. It is very important to monitor the competitiveness of the country or certain regions in order to successfully driven economic policies, trade negotiations, preparation and monitoring as well as in the implementation of trade agreements. Thereunder shall be determined: general economic policy, trade policy development, market analysis for exporters and importers, in order to define their commercial strategy, determining the material balance of strategic products, in order to control the market in the field of agriculture and energy, etc. Foreign trade statistics include all goods originating from domestic production or from internal trade in goods, including the so-called nationalized goods (goods which were imported and cleared, and then in the same state exported to the world market as a commodity of our origin). External Trade Statistics is tasked to process and publish data on trade with foreign countries. Looking at the terms of the domestic and global economies provide different information, however important to the economy of a country. From the standpoint of the national economy, they contain information on hiring, or increase financial resources based on the export or import of goods. From the aspect of the world economy, these data indicate the participation of our country in the international division of labor.

### **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.

For foreign trade statistics there is an appropriate methodological basis in the recommendations of the United Nations Statistics (UN), in the customs regulations of the European Union (EU) and in the methodological materials of the European Union Statistics (EUROSTAT). These recommendations, regulations and materials provide methodological guidance and serve as a basis for adapting these statistics to international standards, and are supplemented by our national regulations governing trade with other countries.

### **1.3 Statistical units**

The observation unit in the statistics of foreign trade is each delivery of goods done through export and import goods.

### **1.4 Coverage and scope of survey**

#### **1.4.1 Sectors**

Not relevant.

#### **1.4.2 Statistical population**

Foreign trade statistics includes all goods exported from Montenegro, goods imported from abroad and released into free circulation. Is included under the export goods leaving the statistical territory of Montenegro in accordance with the following customs procedures: export, outward processing and re-export of which was the inward processing and processing under customs supervision. Under the import includes all goods entering the statistical territory of Montenegro in accordance with the following customs procedures: import for free circulation, inward processing, processing and re-import of goods under customs supervision.

### **1.5 Referent geographical area**

Montenegro

## **1.6 Concepts and definitions**

Single administrative document is a document by which the person requires goods to be placed in some of the customs procedures in a manner and form prescribed. It contains a set of 8 sheets. The customs tariff is systematically review goods by sub-headings, headings and titles (appointment) of goods. Under the customs procedure entails putting the goods into free circulation, the transit of goods under the customs warehousing procedure in breeding MNE (inward), the procedure for processing under customs control, temporary importation, inward processing procedure outside the MNE (outward processing). It is expressed as a four-digit code where the first two-digit code signifies declared (required) customs procedures, while the other two-digit code indicates the previous procedure, procedure in which the goods have been declared before, if it were not enrolled 00 (two zeros).

## **1.7 Classifications**

To identify a large number of different products and commodities used the following classifications: Combined Nomenclature, Harmonized System and encryption products 2012 Standard International Trade Classification Classification rev.4, and Classification by Broad economic activities 3th edition.

## **1.8 Frequency of data collection**

Data are collected on a daily base by the Customs Administration of Montenegro

## **1.9 Frequency of data dissemination**

Frequency of data dissemination is monthly and yearly.

## **1.10 Methodology**

Monthly release, Monthly Statistical Review, and Statistical Yearbook contain a brief methodology on the basis of data that are produced. Production data of foreign trade based on the recommendations of the UN and EU statistics contained in the following manuals: International Merchandise Trade Statistics, Concept and Definitions, United Nations, Statistics on the Trade of Goods, User Guide, and Eurostat.

## **1.11 Base period**

The base period for the index in the previous year.

## **1.12 Unit of measure**

The value of foreign trade is presented in Euro, the net mass and quantity in the supplementary unit, which is defined in the Customs Tariff (for example: m<sup>2</sup>, liters, pieces, etc.), the unit of measure in the statistics of foreign trade.

## **1.13 Source of data**

Source data for the statistics of foreign trade is Single administrative document (SAD) on export and import goods. SAD is provided by Customs Administration, is a document that is submitted to the customs procedure. It contains information that is important for the clearance procedure and data for statistical purposes as well as other users.

## **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.
- Non-governmental organizations,
- Students,
- Researchers,
- Media.

## **2.2 User satisfaction**

The Statistical Office has adopted the Quality Management Strategy, the Guidebook to the Implementation of the Quality Management Strategy, as well as the Plan for the Implementation of the Quality Policy. In order to measure the degree to which fulfills obligations towards users and within the new quality policy, the Statistical Office conducted User satisfaction survey. Data collection was carried out through a web survey, in the period from 1 September to 20 October, 2017. The results of the survey are available on the Statistical Office website, link: <http://www.monstat.org/userfiles/file/KVALITET/Izvjestaj%20o%20zadovoljstvu%20korisnika%20eng.pdf>.

## **3. Accuracy and reliability**

### **3.1 Accuracy – Overall remark**

#### **3.2 Sampling error**

Not relevant.

*Indicators of sampling error*

Not relevant.

#### **3.3 Non-sampling error**

Not relevant.

##### **3.3.1 Coverage error**

Not relevant.

*Indicators of coverage error*

Not relevant.

##### **3.3.2 Error of measurement**

Not relevant.

*Nonresponse rate*

Not relevant.

#### **3.4 Seasonal adjustment**

Not relevant

#### **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

Each month, routine revision of data is executed. Reviewed data is related to the current year. Monthly data obtained from the Customs Administration include data from the beginning of the year until the last month of the current year as the cumulative data. For example: in May Monstat receive data as cumulative from January to April. Despite the fact that some customs declaration already filled in the customs procedure correction of already submitted declarations is usually, which is one of the reasons for the revision of the data. When it comes to correcting certain declarations, Customs along with other monthly data and submits the amended declaration. One of the reasons for the revision of the data are new customs declarations received in the last month, and some refer to the previous month. In order to process the declaration it must be reviewed for the previous month and classify such a declaration in the month/s when it was external trade exchange. On some customs declarations (SAD) be made and administrative proceedings that could last a few months and after that is done submitting the customs declaration, and there are new declarations pertaining to the previous month, which is also another reason for the revision of the data. In addition to routine revision data, special revision data are also performed. There are no defined rules when it will make a special revision data. Special revisions are carried out in cases where there is a substantial change in the use of basic methodologies for data processing, and which affect the impossibility of comparison data. A revision of this type was made in September 2010, and the revised data for the period 2005 to 2009. The reason for the audit compliance with the applicable EU standards. The data are processed by a special trade system, the import data are recorded on the basis of the country of origin. The difference in the data is due to changes in the trading system, the updated database for the period audited as well as record imports by country of origin. In this way, the data from 2005 onwards are fully comparable.

### 3.5.3 Data revision - average size

Not relevant

## 4. Timeliness and punctuality

### 4.1 Timeliness

Monthly releases are published till the end of month for the previous period, so that the time between the availability of data and events described is not more than month. For annual releases preliminary data published on January 25th and the final on 10th of April.

#### *Time lag of the first results*

There is no time interval between actual data delivery and target date. All releases were published in accordance with the scheduled release date.

#### *Time lag of the final results*

There is no time interval between actual data delivery and target date. All releases were published in accordance with the scheduled release date.

### 4.2 Punctuality

There is no time-lag between the actual delivery of the data and the target date. All press releases are published in accordance with the scheduled publication date.

## 5. Availability and clarity

### 5.1 Release

Publications containing information on foreign trade statistics are monthly release (Montenegro foreign trade) and the annual release (Montenegro foreign trade).

### 5.2 Publication

Statistical Office publishes the following regular publications:

1. Monthly Statistical Review,
2. Statistical Yearbook,
3. Montenegro in Numbers,
4. Annual Statistics of Transport, Storage and Connections,
5. Number and Structure of Business Entities.

In addition to the above regular ones, Statistical Office publishes also additionally publications. Some of the most important additional publications are as it follows:

1. Women and Men in Montenegro,
2. Children in Montenegro,
3. The most often used statistical data.

All publication published by Statistixal 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

Geographical comparability of external trade statistics may be influenced by different definitions and concepts used by the country in the process of collecting data. There may be differences in the methods used by some countries in terms of coverage, the partner, and the transaction value. In Montenegro is in use the special trade system, which makes data comparable with the data members of the European Union because their external trade statistics are based in this system, while for example USA, Japan or Canada apply general trade system and our data cannot be compared with these countries because of the use of different trading systems.

### 6.2 Comparability - over time

During the time there are happening different changes, for example, in classification, definition, concepts and it can lead to a incomparability of data. Because of that in the Department of Foreign Trade there are ordinary and extraordinary revisions of data. Ordinary revisions are executed every month. Data is comparable from 2005, since the beginning of their processing by Monstat.