Pursuant to Article 16 of the Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12) 'expert opinions and proposals of the Council shall be published at the web page of the Council'.

SESSIONS OF THE COUNCIL OF STATISTICAL SYSTEM HELD IN 2017

1st SESSION

The session was held on 23 February, from 1 p.m. – 27 February 2017, to 10 a.m.

- Agenda of electronic session of the Council of Statistical System had one item: Obtaining the approval for a draft ***Report on Implementation of Annual Plan of Official Statistics for 2016***.

Pursuant to Article 26 of the Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12), Statistical Office shall have an obligation to submit the consolidated report, based on the reports on the implementation of Annual Plan of Official Statistics for 2016, collected from all producers of official statistics, to the Ministry of Finance, on further processing and forwarding it to the Government of Montenegro for its observation and adoption.

Out of total 17 members of the Council of Statistical System, all members agreed with the draft Report on the Implementation of Annual Plan of Official Statistics for 2016, and pursuant to Article 10 item 4 of the Rules of Procedure of the Council of Statistical System, the draft **Report on the Implementation of Annual Plan of Official Statistics for 2016** was adopted.

2nd SESSION

The session was held on 20 March 2017, at 12 p.m. in the premises of Statistical Office.

The agenda of the session was:

1. Adoption of the minutes from previous session;
2. Tourism statistics, and
3. Miscellaneous.

1. After the adoption of the minutes of previous electronic session, the second item of the agenda followed by the present members of the Council.

2. An introductory speech for the second item of agenda ‘Tourism statistics’ was given by Mr. Ivo Zupanovic, PhD, one of initiator to organize a session of the Council of the Statistical System, and regarding the information published via portal “Analitika” on 7

March 2017 (http://www.portalanalitika.me/clanak/261950/novom-metodologijom-monstata-crna-gora-preko-noci-izgubila-milion-turista) reporting that MONSTAT is stopping to collect the number of tourists and overnight stays in individual accommodation in Montenegro, and to publish the results at the annual level, due to which a number of problems could occur in collecting the data on number of tourists and overnights, balance of payment, divide of accommodation capacities to main and complementary.

The director of Statistical Office pointed out that respecting the national interest for the data on arrivals and overnight stays of tourists in individual accommodation, Statistical Office is to continue with the data collection, and the data (for 2017) will be published from 2018 at the annual level according to the new methodology (development and coverage of new administrative sources).

She asked a question why these statistics at the monthly level is necessary for users (business associations and scientific and research institutions), having mind Statistical Office discovered a way to meet the needs of key users of data: Statistical Office – for the GDP calculation, Central Bank of Montenegro for balance of payment, Ministry of Tourism.

Mr. Rade Ratkovic, PhD said that there are different pieces of information on tourism in Montenegro and there should be stablished records, nut estimates in tourism, and there would be necessary data on a daily level or at least on monthly level, because statistical data those that are relevant.

Ms. Jelena Zvizdojevic, assistant director informed the participants that the Statistical Office's official response to the information of the portal 'Analitika' was announced on 8 March 2017, http://www.portalanalitika.me/clanak/262119/reagovanje-monstat-a-na-tekst-portala-analitika, and held a presentation on tourism statistics.
Tourism statistics is assessed by two international reports: partially compliant in the 2016 Montenegro Progress Report, and medium compliant in the SMIS (Statistical Management Information System) report.
Ms. Zvizdojevic reported that there are 3 surveys carried out in Statistical Office related to the tourism statistics created on the basis of national needs, as it follows: Foreign vessels on cruise; Nautical tourism and Arrivals and Overnight Stays of Tourists in Collective Accommodation, and three pilot surveys: Arrivals and overnight stays of tourists in private accommodation; Survey on arrivals and overnight stays of tourists – total; and Tourist Activity of Montenegro Population.

The survey on arrivals and overnight stays covers the statistics on collective accommodation and statistics on individual/private accommodation, and the data are collected as it follows:

- Number of arrivals and overnight stays;
- Number of arrivals and overnight stays of registered national and foreign tourists in accommodation facilities;

- Structure of arrivals and overnight stays of registered foreign tourists according to the country of origin;
- Number of accommodation facilities as well as number of rooms and beds in those facilities a.

The data for collective accommodation (hotels, pensions, motels, holiday parks resorts, camps and other collective accommodation facilities), are collected by using reporting method, based on the guest book, and there is now problem with it.
The issue of producing statistics on arrivals and overnight stays of tourists in individual accommodation (houses, rooms on rent and tourist apartment) can be divided into:

- Local tourist organizations (LTOs) data quality on individual accommodation;
- Central Tourist Register (CTR);
- Changes of legislative framework, and
- Compatibility with other domain statistics.

Ms Zvizdojevic informed the members of the Council that the domain of tourism statistics regulated by the Regulation (EU) No 692/2011 of the European Parliament and Council, and that there is an exemption enabling member countries, which possess less than 1% of total annual number of overnight stays in tourist accommodation facilities in the European Union, to process the data on number of arrivals and overnight stays of tourists only in hotels and other collective accommodation.
Additionally, she pointed out that the changes in the legislative framework brought to the similar problems:

- Article 22 item 1 point 16 of the Law on Tourist Organization (Official Gazette of Montenegro No 73/10, 40/11, and 45/14) defines that one of the tasks of local touristic organization “collection and processing of data (daily, weekly, and monthly) on tourist turnover and their structure at the level of municipality, as well as producing monthly report on tourist flow for the needs of competent body for the affairs of statistics and National Tourist Organization (NTO).”
- By the adoption of Law on Amendments to the Law on Foreigners (Official Gazette of Montenegro No 56/14, 28/15, and 16/16), Article 95 has been amended to “A foreign residing in Montenegro for the purposes of tourism, and not using the services of accommodation provider can give check in and check out registration via tourist agency or tourist organization in place of residence which is submitted in the electronic form to the police.”
- Regarding the mentioned, the conclusions adopted in the Statistical Office in December 2016 are as it follows:
  - Regulation (EU) No 692/2011- the transmission of data on tourist flow only for collective accommodation to Eurostat;
  - Amendments of legislative framework – changes of data sources;
  - Since February 2017, Statistical Office will start to publish the data at the monthly level of arrivals and overnight stays of tourists in collective accommodation;

- Data on arrivals and overnight stays of tourists in individual accommodation will be estimated at the annual level;
- During 2017, Statistical Office will develop a new methodology for the estimates of arrivals and overnight stays in individual accommodation, including, in addition to the data whose source is LTO and data of other administrative sources (data of Ministry of Sustainable Development and Tourism, i.e. Central Tourist Register - CTR, NTO data, data of local self-government bodies (quantities of water spent, electricity, quantity of generated waste), Ministry of Interior – Residence Register database (RR 90), data on transport, official statistics data – trade, import, etc.) and
- Continuation of cooperation between Statistical Office and Ministry of Sustainable Development and Tourism, Ministry of Interior, NTO, and LTO.

In addition to the mentioned, at the meeting with LTO (held from February to June 2016) Statistical Office recognised issues to be dealt also an insufficient quality of obtained data, different software solutions, classification of foreigner categories and records of overnight stays, as well as matching all entities that keep records on tourist flow and *law obligation* in addition for LTO, also for other tourist agencies to submit the data to LTO or to Statistical Office.

The conclusions of the session are as it follows:

1. Send a recommendation to the Ministry of Sustainable Development and Tourism to solve the issue of keeping records of guests via laws which are in procedure of amendments, i.e. to define the obligation to keep records as well as penalties for not carrying out it (in addition for LTO, an obligation for other tourist agencies and tourist organizations to submit the data or to LTO or to Statistical Office).

2. Tourism statistics has a special importance for the calculation of different economic indicators and other statistics, i.e. analyses. Statistical Office will implement an integral approach in the calculation whose coverage has all available data sources and flexibility to include new sources that can provide an additional value to the statistics of tourism.

3. Under item “Miscellaneous” no suggestion was given.

THE THIRD SESSION

The session was held on 8 May 2017 at 1 p.m., in premises of Statistical Office.

The agenda of the session:

1. Adoption of minutes from the previous session;

2. Revised methodology 'Minimal consumer basket',

3. Sustainable development indicators – challenges in production, and

4. Miscellaneous.

1. In accordance with Article 5 of the Council of Statistical System's Rules of Procedure, the quorum for holding session is defined, and after the adoption of the minutes from previous session, the president put on voting the agenda of the session and approved anonymously.

2. Regarding the second item of agenda "Revised methodology of Minimal Consumer Basket (MCB), Mr Vuk Cadjenovic, assistant director for Social Statistics and Demography Sector gave a presentation.

In the introductory, Mr Cadjenovic reported that at the session of the Council of Statistical System in 2015 the proposal to carry out the MCB as a pilot survey during 2016, but also to carry out also the revision of previous methodology.

Mr. Cadjenovic reported that there is no law regulating rights and obligations of citizens based on MCB, and the MCB is a heritage of ex-Yugoslavian old system, and it only appears in certain ex-Yugoslavian countries (Serbia and Macedonia).

During the preparation of the MCB methodology, since September 2015, there were held expert consultations with Ministry of Labour and Social Welfare, on starting the revision of MCB methodology, submitted to the Public Health Institute for opinion, and with support of World Bank representative.

The first draft of MCB has been submitted to social partners for proposals, comments and suggestions (to Ministry of Economy, Ministry of Labour, Trade Union of Montenegro, Union of Free Trade Unions of Montenegro, Chamber of Commerce, CEZAP, etc.).

A constitutive meeting of representatives from the mentioned institutions was held in November 2016. The second consultative meeting was held in the middle of December 2016. No comments were sent within the deadline for submitting the suggestions, i.e. up to 23 December 2016.

In addition to the mentioned meetings, there were held five more meetings with the WB representatives, and two expert visits were also organized.

When defining the methodology, there was used the WB international methodology which 'responds to the questions' what are the standards for minimal consumption (which costs are, and which are not the subject of minimal consumption).

As regards calories, the World Health Organisation - WHO methodology was used for the defined, minimal, daily calorie intake (per household member 2,211 calories) and USDA nutrition recommendations.

When the MCB classification for food and non-food products and services is concerned, there was used the international COICOP classification. This classification is used for: monitoring the data on consumption of households; calculation of consumer price index. In spite of not being for us the closest (the most logic) one, it is internationally recognized and must be used (because it classifies school supplies and textbooks under the recreation and culture category, not education).

The results of revised MCB methodology draft compared to the old MCB are:

- When the food basket is concerned, a key change is that the number of products decreased in a quantitative manner from 130 to 92, resulting in a change in value for only 3 cents, revealing that the number of products does not play an important role when we talk on costs for food. Criteria for excluding certain products from the food basket are a small share in the total consumption of citizens and recommendations of nutritionists (products labelled as 'unhealthy food').

- For food basket, non-food products and services, two versions were done, having in mind that one of suggestions at the consultative meetings was that the expenditures were excluded for maintenance and registration of vehicles, fuel, etc. World Bank representatives pointed out that possession and maintenance of cars does not represents a minimal need of an individual, but respecting our reality and data that during 2016 in Montenegro there were approx. 170,000 registered vehicles, it was decided that this item is to be included in the part of non-food products and services, what increased the total value by 54 euro (the first version – total value 304 euro; the second version – total value 358 euro).

- Compared to the 'old' basket, there was excluded imputed rent, upon the proposal of the WB methodologist.

- Difference between old, the first and the second new version of MCB is as it follows (Tables 1,2, and 3):

Table 1 (amounts in euro)

OLD MCB	FOOD	NON-FOOD PRODUCTS AND SERVICES	IMPUTED RENT	TOTAL
Value per member per day	2.06	2.65		4.71
Value total	250	352	201	803

Table 2 (amounts in euro)

THE FIRST VERSION OF MCB	FOOD	NON-FOOD PRODUCTS AND SERVICES	TOTAL
Value per member per day	2.08	2.50	4.58
Value total	253	304	557

Table 3 (amounts in euro)

THE SECOND VERSION OF NEW MCB	FOOD	NON-FOOD PRODUCTS AND SERVICES	TOTAL
Value per member per day	2.08	2.94	5.02
Value total	253	358	611

At the end of the presentation, the members of the Council were informed about the MCB in the countries of region, i.e. in Serbia, where it amounts 291.34 euro and is calculated for three-member household, and in Macedonia where it is 530 euro and it is calculated for four-member household.

The director of Statistical Office, Ms. Gordana Radojevic, PhD, pointed out:

- That when the first version of MCB was produced, data users did not understand quite well that Statistical Office produces a minimal consumption, it means minimum, not average consumption, or wished consumption.
- If this data is compared with the data on GDP (Gross Domestic Product) per inhabitant which amounts approx. 5,700 euro and when it is divided with 365 days in year, the amount is approx. 15 euro per day. It means 15 euro is daily spent by both country and population as well as for investment consumption, this MCB amount of 2.08 euro per member, per day is a real amount for the consumption minimum.
- That the second version of MCB (which included car maintenance in part of non-food products and services) is the closest approximation, because additional requests of users were met, international standards respected, and they are the closest to our reality of economy.

The conclusion is that the Council of Statistical System in accordance with the Law on Official Statistics and Official Statistical System takes care of data users; information on revised MCB methodology was accepted and Statistical Office is supported to continue activities on the MCB publication.

3. Regarding the third point of agenda 'Sustainable development indicators – challenges in production', there was held a presentation by Ms. Bojana Radevic, MSc, Head of Department for National Coordination of Statistical Data Sources.

The presentation reports as it follows:

- National Strategy of Sustainable Development up to 2030 (NSSD) was adopted in 2016. The core of the NSSD monitoring system is made of UN sustainable development indicators resulting from the 2030 UN Agenda.
  National indicator list that enables reporting also in wider international context on progress in the implementation of sustainable development policy, contains four sustainable development indicator groups:

  - Indicators defined by the UN Statistical Commission and which contains a list of 241 indicators,
  - List comprised of 281 national indicators,
  - 36 international indicators, and
  - 9 complex indicators for a cumulative monitoring of sustainability.

  With other relevant institutions, Statistical Office is a partner in this production process and the main indicator in their production is the Ministry of Sustainable Development and Tourism.

- NSSD indicators were thoroughly analysed and institution competency respectively in their production. It was concluded that it is possible to produce 180 indicators up to 2024, i.e. 75% including 26 institutions in their production.

- Observed per institution, Statistical Office is responsible for the production of 51 indicators, making approx. 30% of the total number of indicators.

- Out of 26 institutions that will work on the production of UN indicators, there are only eight official statistical producers (Statistical Office, Central Bank of Montenegro, Ministry of Finance, Public Health Institute, Customs Administration, Tax Administration, Health Insurance Fund, Ministry of Science). A proposal of NSSD is to define 16 new administrative statistical producers, for the sustainable development indicators from the UN list, and that Ministry of Sustainable Development and Tourism and Agency for Environmental Protection apply for the official statistical producers.

- NSSD up to 2030 defines that Statistical Office:
  - Fully monitors (according to name and contents) 12 indicators out of 241 indicators from the UN list,

  - Partially monitors 13 indicators (there is an alternative by contents),

  - Is to start monitoring additional 17 indicators up to 2018,

  - Is to start monitoring additional 9 indicators in period 2018-2024.

- The analyses of Eurostat show that from the list of total 241 sustainable development indicators defined by the UN Statistical Commission, there are only 83 (or 34%) indicators potentially available, and the rest of 158 (i.e. 66%) indicators are not recognised due to several reasons:
  - 64 (i.e. 26%) indicators are out of competency of official statistics,
  - 47 (i.e. 20%) indicators are potentially within other institutions, but irrelevant for EU,
  - 47 (i.e. 20%) indicators are relevant within the official statistics, but unavailable from the following reasons:
    1. 20 (i.e. 9%) has a developed methodology, but not published in the continuity,
    2. 22 (i.e. 9%) with not established methodology and standards or they are currently developed, and
    3. 5 (i.e. 2%) has developed methodology, but they are not produced.

- Annual frequency of producing sustainable development indicators, as well as other official statistics is defined by the Annual Plan of Official Statistics. Having in mind the obligations defined by the NSSD up to 2030, under the work on the

Annual Plan of Official Statistics for 2017, Statistical Office has planned and introduced the statistical activity ‘Sustainable Development Indicators’ under the ordinal number 56.

- The mentioned statistical activity considers additional statistical analyses for obtaining new indicators, preparing statistical surveys as well as the implementation of new surveys for the fulfilment of obligations defined by NSSD up to 2030, when observing number and frequency of producing, firstly 13 indicators, now partially by Statistical Office, and then 17 indicators up to 2018.

- When speaking on the readiness of Statistical Office to do this comprehensive job, there can be said that Statistical Office possesses an education staff (25 staff members has been trainees in Eurostat or IMD), by its own capacities developed IT system for collection, processing and analysis of statistical data, continuous annual good progress in the EU integration, high level of confidentiality and data quality validated by Eurostat and no reserve or correction has been up to now in terms of quality of official statistical data.

- In front of Statistical Office there are challenges regarding the production of sustainable development indicators, as it follows:
  - Establishing new working groups or founding new departments that will monitor the UN-SDG indicators and implementation of global Action Plan for Sustainable Development,
  - Issue of business premises (IT and security standards in the work with individual data);
  - Investments (finances - planned budget 2.4 million euro, and approved 1.7 million euro; human capacities – job description envisages 200 staff members, and approx. 100 is working),
  - Introduction of new methods for data collection through administrative sources of requests and new investments,
  - Education of statisticians and capacity building,
  - Integration of global Action Plan principle in the strategic document of official statistics.

Director of Statistical Office, Ms. Gordana Radojevic, PhD has pointed out that:

- The Government of Montenegro adopted the NSSD up to 2030 in 2016,
- Montenegro is one of the first countries which defined the sustainable development policy within the UN system by adopting the main principles of Agenda 2030.
- An important part of this Agenda is a part which refers to reporting and monitoring the fulfilment level of targeted aims,
- Problem of statistical system is a number of obligations that must be fulfilled within the deadline, up to 2018, i.e. at the level of 50% defined indicators,

- We, as a system, have only focused on the EU integration, and the official European statistics only cover one third of UN statistical frames for monitoring the sustainable development indicators, representing a huge ‘gap’,
- UN will ask for the report on the work done at the end of the next year, what, if not fulfilled, can introduce a problem due to non-fulfilled obligations,
- All institutions within the official statistics system that give a contribution to define by the Annual Plan of Official Statistics for 2018 new surveys by which sustainable development indicators are produced.

Director also informed the persons present that the Ministry of Sustainable Development and Tourism defined the estimation according to the current state of statistical system of Montenegro, including other institutions too, by which only 10% of targeted aims are fulfilled, and up to 2018 there is only left 40%.

The conclusion is that the Council of Statistical System accepts the information and gives a support to the Statistical Office in the activities that will follow on the sustainable development indicators.

During planning and producing the 2018 Annual Plan of Official Statistics, other official statistics producers are to include surveys by which the production of as much as possible sustainable development indicators is enabled, if we would like to respect the NSSD.

4. Under ‘Miscellaneous’ item, no proposal or suggestion was given.

THE FOURTH SESSION

The session was held on 20 November, from 7 a.m. to 21 November 2017, up to 3 p.m.

- The agenda of electronic session of the Council of Statistical System had one point: To receive the approval for the proposal of **Annual Plan of Official Statistics for 2018**.

In accordance with Article 23 item 3 and 4 of the Law on Official Statistics and Official Statistical System (Official Gazette of Montenegro No 18/12), Statistical Office has an obligation:

- Upon obtained opinion of the Council of Statistical System, to report the Annual Plan of Official Statistics for 2018 with appropriate documentation to the Ministry of Finance, and Ministry of Finance further processes to the Government of Montenegro for its discussion and adoption.
- Annual Plan is adopted no later than 1 December of the current year for the next year.

Out of total 17 members of the Council of Statistical System, the most of members consents with the proposal of the Annual Plan of Official Statistics for 2018, and according to the Article 5 item 6 of the Rules of Procedure of the Council of Statistical System, the proposal of **Annual Plan of Official Statistics for 2018** has been adopted by a simple majority of votes.

The minutes prepared by

Ms. Rena Lazovic