



STATISTICAL OFFICE OF  
MONTENEGRO

## METHODOLOGICAL GUIDELINES

CONSTRUCTION ACTIVITY

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## **Legal basis**

The legal basis for the implementation of the survey on construction activity is the Law on Official Statistics and Official Statistical System of Montenegro ("Official Gazette of Montenegro", No. 18/12 and 47/19) and Annual plan of statistical surveys.

## **METHODOLOGICAL GUIDELINES**

### **The aim of statistical survey**

The aim of survey on construction activity is to collect the data necessary for the calculation of value index of finalised construction works and index of effective hours worked on construction sites.

### **Sources and methods of data collection**

The source of data for the compiling of survey is enterprises which are registered in sector F according to the classification NACE Rev.2 and enterprise (KAU) whose local units perform the construction works.

Method of data collection is sample based survey.

The data are collected through quarterly survey on construction activity (GRAD-31).

The data are collected on a sample of reporting units which represents the quarterly estimation of construction activities in Montenegro.

Reporting units received the questionnaire and instruction from the competent statistical services.

### **Observation units**

Observation unit for survey on construction activity are:

- enterprises with 5 and more employees which are registered in sector F – construction (area 41, 42, 43) according to the classification NACE Rev.2 and
- enterprises (KAU) which are not registered in sector F, but whose local units perform the construction works.

### **Coverage of survey**

The survey on construction activity included reporting units with 5 and more employees who are involved in construction, regardless of ownership, association form and of the origin of capital as well as reporting units (KAU) whose business units engaged in construction works.

The sample frame was formed on the basis of the data from Statistical Business Register, which includes all active business entities from the area of construction as well as KAU with secondary activity in construction sector.

Enterprises whose turnover is zero are excluded from the sample frame.

Reference area: The whole territory of Montenegro.

Sample: Stratified sample.

Sampling and methods of used estimation:

Initial weight  $W$ ,  $W = 1/f$ , where is  $f = nh/Nh$  ( $nh$  – sample size in a certain class of reporting units,  $Nh$  – total number of reporting units in that class obtained from database). Depending on the results obtained from the fiels, initial weight is adjusted for non-response rate.

Criteria for stracification:

Reporting units are stratified by the group of employees and classified into three classes:

Class 1: 5-49 employees,

Class 2: 50-249 employees,

Class 3: 250 and more employees.

The sample includes all reporting units from the class 2 and 3, while reporting units from class 1 is selected by random samle.

### **Definitions of main indicators**

*Value of construction work* is shown at current prices and it comprises all construction material built and work spent regardless of whether such work and materials are paid or not.

Value of finalized construction activity on the building refers to works that during the reporting period reporting unit performed with workers who are directly engaged in the performance of work (permanent workers or workers take for works on some other grounds). Excludes VAT, as well as the cost of buying the land, designing and supervision.

Value of finalized construction works are based on provisional accounting situation, agreed payment according to the degree of completion of the final settlement or if the works were completed in the reporting period, regardless of whether the individual investor accounting situations acknowledged and paid for or not. If the situation were not delivered accounting, reporting unit should assess the value of construction work in the reporting period based on periodic billing and payment, or based on actual hours worked and materials consumed during the reporting period. Business entity that builds for their own needs as well as in other cases where there is no written contract with the investor, the information given on the basis of their

own costs for spent working hours, the cost of building materials and products for installation, fuel etc.

*New contracts* represent the total value of the contract works in the reporting period that binds manufacturers and third parties regarding the execution of construction works, including subcontractors.

*New construction on building* covers total value of contracted works in the reporting period on residential and non-residential buildings in the reporting period.

*New contracts on other buildings* constitute value of contracted works on transport infrastructure, pipelines, communication and power lines, complex industrial buildings and other structures in the reporting period.

*Effective hours worked* shows the total number of hours worked per employee, which shows the total number of hours actually worked in the production of unit during the reference period. Included are actual working hours during normal business hours, as well as two additional working hours, time spent working on tasks such as preparing the space and time that suits shorter breaks for the workplace. If you do not know the exact number of hours actually worked, it can be estimated on the basis of the theoretical number of working hours and the average rate of absences (sick leave, maternity leave, etc.).

### **Harmonization with EU regulations and recommendations**

The survey on construction activity are harmonized with the regulation of European Union No. 1165/98, Classification of activities NACE Rev.2 and Classification of Types of Construction – CC 1997.

### **Confidentiality**

Data obtained from reporting units represent an official secret and used only for statistical purposes and cannot be published or made available to any user. The results of the survey are published at the aggregated level and the privacy of the individual data is completely ensured.

### **Organisation of survey**

In accordance with the Plan and Program of Statistical Surveys, the organization of the survey refers to preparation of questionnaires and instructions to the reporting units, collection, processing and dissemination of data.

### **Dissemination**

Data on construction activity are published according to Statistical Release Calendar in Quarterly release on construction activity and Monthly statistical review on web site of Statistical Office of Montenegro.

### **Revision of data**

Statistical Office has adopted the revision policy and it is available on the web site <http://www.monstat.org/userfiles/file/o%20nama/2017/Revision%20policy.pdf>.

This survey uses regular revisions. Large and unplanned audits are only used in the specific cases defined by the revision policy.