



ევროკავშირი
საქართველოსთვის
The European Union for Georgia



Twinning Project

Contract: GE 16 ENI ST 06 18

Strengthening the Capacity of the Georgian Statistical System

Component 1: “Development of External Sector Statistics”

MISSION REPORT

Activity: 1.2.A “Sampling frame – definition and IT issues”

Mission carried out by
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List of Abbreviations

EC	European Commission
EU	European Union
MS	EU Member State
RTA	Resident Twinning Adviser
RTAA	Resident Twinning Adviser Assistant
ToR	Terms of Reference

1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". Following a common assessment mission in May, covering the entire component 1, and a successful study visit by Geostat in Copenhagen in June, it was the first mission in Georgia within *Component 1.2: Statistics on International Trade in Services (ITS) compiled*

During the assessment mission and during Geostat's study visit in Copenhagen, the current situation within ITS in Geostat was observed and a work plan was laid out to achieve the objectives within subcomponent 1.2. According to this plan the main objectives to be achieved during the mission 1.2A were:

- Drafting of a detailed plan for defining a sampling frame for a new ITSS survey
- Identify tasks to be accomplished within the area of data collection and data validation in order to successfully complete component 1.2 within the time frame of the twinning project

The consultants would like to express their gratitude to all officials and individuals met for the kind support and valuable information which they received during the stay in Georgia and which highly facilitated the work of the consultants.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, GEOSTAT, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

2. Assessment and results

Before the beginning of the mission, GEOSTAT had solved a number of preparatory tasks, which were agreed upon during the study visit in June in Copenhagen. Moreover, the mission was preceded by fruitful communication regarding the agenda so that it can be said that a good fundament for achieving the above mentioned objectives was present at the beginning of the mission.

During the mission, significant attention was paid to the area of data collection and data validation. As a starting point, GEOSTAT gave an introduction to the different processes related to data collection and data validation in the area of ITSS. Afterwards, a separate presentation was given by GEOSTAT on tourism statistics. DST experts learned from the presentations that GEOSTAT achieve good response rates and maintains a high level of direct phone contact to reporters. However, it also became clear that the guidance offered during phone contact focuses on FDI data and not on ITSS. Moreover, data validation focuses on FDI data, while there is no direct validation of the ITSS data. Based on this, a common understanding was reached that a limited focus on ITSS in data collection and data validation most likely results in a significant underreporting of ITSS among the units in the current sample. It was also agreed that work in the project must include a strong focus on data collection and data validation, as a strategy aimed at improving the sample will not alone result in quality improvements as long as underreporting persists. Based on this common understanding, a list of tasks to be accomplished within data collection and data validation was put together.

During the work done prior to this mission, it had become clear that ITSS is collected in a survey whose primary objective consists in the collection of FDI data. As the primary focus of the survey is FDI, units are selected for the survey based on criteria which are primarily relevant for FDI. The survey is considered a census and no grossing up is applied. Within this context, it was a major objective for the mission to assess the suitability of the ITRS statistics compiled by the National Bank of Georgia (NGB) as a source for creating a sampling frame from which a new sample, aimed specifically at ITSS, could be drawn. In order to achieve this, Geostat had planned a visit to NGB, where DST experts had a chance to ask all relevant questions. The conclusion reached during the visit was that information on company ID in Georgian ITRS is insufficient and consequently ITRS was rejected as a source for a new sampling frame. In this situation, Geostat suggested that

the Georgian business survey may be used for identifying Georgian enterprises with ITS. Following this suggestion, the Geostat manager responsible for the business survey was invited to give more information about the survey and the selection of units for it. DST experts agreed that the business survey will be a suitable source for identifying units relevant for ITSS. Based on this, a number of possible methodological solutions for improving the current ITSS sample were identified and discussed. It was agreed that the final decision on the methodology for the new ITSS sample could not be taken at once, instead a detailed plan was laid out specifying the steps to be taken before a decision can be reached. First and foremost, this plan includes the addition of two question regarding ITSS to the next round of business survey data collection in October.

Following the discussions within the areas of data collection, data validation and sampling, the mission finished by reviewing the work plan and making all relevant adjustments based on the decisions made during the mission.

3. Conclusions and recommendations

- The guidance of PSIs regarding their reporting of ITS should be improved in order to eliminate the problem of underreporting.
- A specific data validation aimed at ITS should be introduced.
- Screening questions regarding ITS should be added to the next round of data collection for the business survey.
- It is recommended that the future data collection for ITSS should be separated from the existing survey on external economic activities, so that it will form an individual survey in its own.
- Based on the results from the business survey, a final decision regarding the methodology for the Georgian ITSS will be taken during the mission in June.

Actions needed for moving forward as well as for preparing the next mission:

Action	Deadline	Responsible person
Prepare a step-by-step plan for inclusion of questions on ITS into business survey	October 1 2019	Geostat
Review existing questionnaire	November 15 2019	Stefan Ambro
Prepare suggestions for how to solve the identified tasks within data collection and validation	November 15 2019	Geostat

Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

August 27th – August 29th 2019

Component 1: Development of External Sector Statistics

Sub-component 1.2: Statistics on International Trade in Services (ITS)

Mandatory results and benchmarks for sub-component 1.2:

- Statistics on International Trade in Services (ITS) compiled

Indicators of Achievement (baseline and targets):

- Availability of International Trade in Services as a statistical product
 - Baseline:** 2019 – ITS is not produced by Geostat.
 - Target:** March 2021 – ITS available as a statistical product
- Number of staff capable of producing ITS
 - Baseline:** 2019 n/a
 - Target:** March 2021 – 3 staff members trained and capable of producing ITS

Activity 1.2.A: Sampling frame – Definition and IT issues

1. Purpose of the activity

To discuss and work on the below mentioned subjects:

- Sources and methods for defining a sampling frame for ITSS
 - Payment statistics
 - Screening survey
 - Other
- IT tasks related to definition of sampling frame
- Data collection and data validation
- Work plan review

2. Expected output of the activity

- GEOSTAT has good understanding of the potential methodologies for defining a sampling frame for ITSS
- Suitable methodology for defining a Georgian sampling frame has been discussed and GEOSTAT is in a position to make a final decision regarding the methodology
- Detailed plan for defining the sampling frame has been drafted
- IT tasks related to defining the sampling frame has been identified and discussed
- Current situation in data collection and data validation has been reviewed and tasks to be accomplished in these areas before project end have been identified
- Work plan is reviewed
- Mission Report written
- ToR for next activity

Annex 2. Persons met

Geostat:

Mr. Gogita Todradze, Executive Director

Ms. Mariam Kavelashvili, Deputy Head of Strategic planning, Coordination and Communication Department

Ms. Lia Dzebisauri, Deputy Executive Director

Ms. Nino Maisuradze, Acting Head of External Trade and Foreign Investments Statistics Department

Ms. Nino Meskheli, Chief specialist, Foreign Investments Statistics Division

Mr. Aleko Zoidze, Senior specialist, Foreign Investments Statistics Division

Ms. Tamar Lursmanashvili, Chief specialist, Foreign Investments Statistics Division

Mr. Badri Kvachadze, Head of Tourism Division

Mr. Giorgi Sanadze, Head of Business Statistics Department

External stakeholders:

Mr. Vakhtang Pkhakadze, Head of Balance of Payments division, National Bank of Georgia

Ms. Manana Bakashvili, Leading Specialist, Macroeconomics and Statistics Department, National Bank of Georgia

RTA Team:

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