

# Annual Report

## 2007

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## **Vision Statement**

“To contribute to a sustainable and orderly pattern of socio-economic development in Malta and in the European Union by excelling in the provision of relevant, timely and quality statistical information in a credible and coherent manner so as to enable decision making and knowledge accumulation at all levels and in all spheres of the community.”

## **Mission Statement**

“To serve the statistical information needs of Parliament, Government and the community by striving for excellence through the rigorous protection of confidential data, quality information from respondents and a timely and responsive statistical service.”



## FOREWORD

This report records the activities and projects of the National Statistics Office (NSO) for 2007 and sets out some of its plans and objectives for the coming year, in the context of the Office's mission to collect, organise and disseminate official statistics on the national, European and international levels. Apart from the collection, compilation and dissemination of statistics that have now been well integrated into normal work routines, NSO has taken on various initiatives foremost among which are:

1. a commitment to reduce the response burden on data providers;
2. a drive towards better-quality statistics by means of emphasis on improved methodology, better access by users and improved dissemination practices.

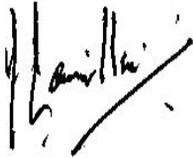
On the first commitment mentioned here, NSO has throughout the current year seriously explored many possibilities of supplementing information collected through surveys and other statistical inquiries by information acquired from administrative sources, with a view to eventually replacing various survey data. This is intrinsically a slow process, not least because NSO feels the responsibility of ensuring a steady flow of information very keenly, and thus bears the onus of properly evaluating and, where necessary, offering constructive criticism of the administrative source in question prior to taking any steps. Nonetheless, the process is steady and there are grounds to feel confident that in future, the NSO data flows will consist of a functional marriage of survey and administrative statistics.

In close upon seven years of sustained growth, NSO has not only built up its output in terms of quantity, but has also directed its attention towards improving quality by giving prominence to methodological updates, especially where the harmonisation of Maltese statistics with their European counterparts is involved, and by including new and reliable sources of data in its compilations. The concentration of NSO on methodology and the communication of methodological issues to statistical users is borne out by the fact that all news releases and full publications are today accompanied by detailed methodological notes. The classifications used are also fully accessible on the Eurostat website.

NSO also endeavours to maximise its use of Eurostat's expertise and resources by means of periodic reviews of its work practices, among others. Such a review will take place very soon, and NSO has taken the opportunity of this event to not only identify ways of bettering the quality of its output by exposing its statisticians to technical discussions, but also to engage in a wide consultation process with the NSO's external users, especially from the information industry, academia, the business community and from the constituted bodies.

Although this past year has been fraught with difficulties for NSO, staff members have forged ahead and have succeeded in maintaining an unbroken rate of activity. Indeed, in addition to its established core business, the organisation's achievement record has been augmented by a number of valid projects among which one counts: the finalisation of the Census of Population and Housing 2005, the Survey on Income and Living Conditions and the Household Budgetary Survey 2008, not to mention joint projects

undertaken with other public entities. In 2008, NSO will strive to consolidate its activities in order to meet the double objective of continuing to provide good-quality information that is useful to the country while at the same time not imposing excessive burdens on its respondents.

A handwritten signature in black ink, appearing to read 'Reno Camilleri', with a long diagonal stroke extending from the bottom right of the signature.

Reno Camilleri  
A/Director General  
9 November 2007

## ORGANISATIONAL STRUCTURE

### Statistical Domains

#### Social Statistics

Population  
Education  
Labour Market  
Living Conditions  
Culture  
Consumer Prices and Purchasing  
Power Parities

#### Sectoral Statistics

Agriculture  
Fisheries  
Tourism  
Transport  
Environment and Resources

#### Economic Statistics

National Accounts  
Government Finance  
Balance of International  
Payments  
International Trade  
Business Structures  
Short-term Business Statistics

### Support Functions

#### Corporate Services

Management Services  
Information Services  
Information Systems

#### Director General

DG's Office  
Legal Office  
Research and Methodology

The National Statistics Office (NSO) is structured on two main binaries: the statistical domains, comprising social, sectoral and economic statistics that are in turn organised into a number of functional areas. These areas are responsible for translating the Office's mission into statistical output that is timely, impartial, of a high quality and that is responsive to the country's needs in all contexts. The statistical domains are supported by the Corporate Services that include the administrative, human resources, information services and IT functions; and the Director General's Office within which communications, international relations and legal services are carried out. The Research and Methodology Unit supports NSO in the technical issues related to the taking of various surveys, in addition to carrying out statistical inquiries in its own right.

## Code of Conduct and Practice

The adoption of this Code aligns the NSO with current developments in more advanced countries. This Code is also deemed to be a natural extension and a reinforcement of the provisions of the Malta Statistics Authority Act. In particular, it was established that:

- (a) the Code of Conduct and Practice demands the exercise of the highest professional standards on the part of all Malta Statistics Authority (MSA) employees and encapsulates the enduring principles guiding the production and dissemination of official statistics. These are enshrined in the seven principles of statistical integrity, impartiality, reliability, objectivity, relevance, statistical confidentiality and transparency - basic principles that the MSA expects all its employees to respect and observe;
- (b) employees are to conduct themselves in line with the Code of Conduct and Practice;
- (c) in carrying out their statistical work, employees have clear and distinct obligations towards their funding agencies, society at large, data providers and users, and their professional colleagues. Therefore, in carrying out their statistical work, employees are expected to:
  - operate with the utmost honesty, independence and integrity;
  - produce statistics in an objective, scientific and unbiased manner;
  - be accountable for the aspects of statistical methodology processes for which they are responsible;
  - continuously seek to improve their professional competence, with respect to both their technical and management skills;
  - set challenging service and quality standards and seek to achieve them;
  - continuously seek to provide better value for money;
  - maintain the relevance of their statistical activities to the needs of Parliament, Government and the wider community;
  - provide statistics that are fit for the purpose intended;
  - communicate statistical results in an effective, clear and exhaustive manner;
  - make statistics accessible to all;
  - place as minimal a load as possible on data providers and treat them with honesty;
  - respect the core value of statistical confidentiality.

## **SOCIAL STATISTICS**



## POPULATION

In addition to updating Maltese population figures on the basis of the Census of Population and Housing 2005, the Population and Living Conditions Unit compiled statistics on health, adoptions and asylum seekers. Most of these data have been included in the *Demographic Review 2006*. Further research has been conducted in order to improve on existent methodologies in the collection and compilation of demographic statistics. This information has also been sent to Eurostat and merged with other European data for comparisons at European level.

Time series data on deaths have also been used in order to derive time series on death probabilities by sex and single years of age for the past six years. These probabilities have been averaged for smoothening purposes and modelled by an adequate mathematical regression model. This work has been conducted in collaboration with the Malta Insurance Association.

The Unit has finalised a series of studies on migration and asylum statistics that were initiated in 2006. This work led to the production of improved statistics related to this field which were in turn used in order to update the population figures for 2006. In spite of all the work that has been done in this field, more improvement is required in order to satisfy the data requirements requested at both national and European level. It is therefore expected that the Unit will conduct further research in 2008.

## EDUCATION

In the year under review, data collection on formal education was carried out among state, independent and church schools. Information collected relates to students enrolled and staff employed within schools. Additional information on adult education, English-language schools and the University of the Third Age was also collected throughout the year.

The Labour Market Unit has also concluded the Continuous Vocational Training Survey (CVTS) among enterprises employing 10 or more employees. The main scope of this survey was to collect information on characteristics of the training provided to employees in Malta throughout 2005. Results have been processed and forwarded to Eurostat for further dissemination.

Towards the end of 2007, the Unit started work on a new survey that will focus on Careers of Doctorate Holders (CDH). In this regard, it is planned to extract the target population from the Census of Population and Housing 2005 as well as from University of Malta sources. The carrying out of CDH is planned for 2008.

Another project envisaged for 2008 is the Adult Education Survey, subject to the provision of financial assistance by Eurostat. The target audience of this exercise is intended to comprise persons aged 25-64 who live in private households.

## **CULTURE**

The Population and Living Conditions Unit has also continued to consolidate its data collection programmes on a considerable range of cultural activities, with a focus on improving the quality of the data currently being collected on an annual basis. All databases have been revised in order to ensure proper coverage of the target populations.

Cultural organisations that have been surveyed during this year include band clubs, museums, theatres, dance schools and sport organisations. The Unit has also worked with other national organisations in this field in order to improve on the existent data collection mechanisms. Special attention has been given to the employment, income and expenditure distributions of these organisations, these being important variables for national accounting purposes.

## **LABOUR MARKET**

### **Labour Force Survey (LFS)**

Throughout 2007, the carrying out of the Labour Force Survey was characterised by the interviewing of households on a continuous basis. Results were produced on a quarterly basis and disseminated at national and European levels. During the second quarter of this year, the Labour Force Survey questionnaire contained a number of questions related to accidents at work. Data for this ad hoc module will be finalised and disseminated to Eurostat towards the first quarter of next year.

The Labour Market Unit has also finalised the 2006 ad hoc module on the transition from work to retirement.

### **Registered Employment and Unemployment Data**

The publication of registered employment and unemployment data as forwarded by the Employment and Training Corporation (ETC) has been effected in a series of monthly news releases. Annual averages are now being provided, incorporating retrospective data which are updated in line with ETC revisions. In this regard, the latest revisions of the employed population have been extended retrospectively to 2002.

### **Accidents at Work and Occupational Diseases**

Throughout 2007, the Unit has continued to publish quarterly statistics on accidents at work. Furthermore, access to a number of claim forms is enabling the collection of additional information on variables that relate to the circumstances leading to the accident. The technical terms for these variables are:

- working environment;
- deviation;
- material agent of deviation;
- contact mode.

New claim forms on injuries and occupational diseases are being gradually introduced by the Department of Social Security. The use of such forms will enable the Unit to collect additional variables which are being required at European level.

### **Structure of Earnings Survey**

During 2007 the Unit focused on the carrying out of the Structure of Earnings Survey (SES) with 2006 as the reference year. The target population for this survey comprises enterprises employing 10 or more persons and operating in NACE sections C to K and M to O. Data collection for the SES was launched during August 2007.

### **Labour Cost Index**

The production of a quarterly labour cost index was also undertaken. The methodology for producing this index has been determined during this year as a result of assistance provided by a foreign expert. In this regard, National Accounts provide data on employment and compensation of employees whereas the Labour Force Survey is used as a source of data on actual hours worked by employees.

Persons from this unit have been trained in the use of Demetra and as a result, NSO was in a position to provide quarterly Labour Cost indices for the period 1996 to 1999. Furthermore, the whole series was seasonally- and workday-adjusted, as required by the Regulation.

### **Job Vacancies**

Data collection on job vacancies has started in 2007 with assistance on the methodology involved being also proffered by a foreign expert. In addition, the Labour Market Unit has held a number of meetings with the Management and Personnel Office (MPO) within the Office of the Prime Minister. The latter is an envisaged administrative source for at least a fraction of the data on job vacancies.

On this aspect, the Unit is also carrying out a survey among private entities via ordinary mail, email and telephone. Data collected are being analysed and improvements to the survey carried out in order to make the inquiry more user- friendly.

### **Labour Market Policy**

Between 2006 and 2007, labour market staff members have been trained in the compilation of a labour market policy database. In this regard, a foreign expert provided training and assistance in order to compile pilot data. The Employment and Training Corporation are expected to be the main data providers vis a vis this exercise; however, other entities that may also be potential sources will be tapped.

### **Other Activities**

The Unit has worked on a number of indicators with a view to forwarding them to Eurostat and OECD for publication.

## **LIVING CONDITIONS**

### **Survey on Income and Living Conditions (SILC)**

The third Survey on Income and Living Conditions (SILC) was launched in July and had a gross sample of 4,500 households, of which 50 per cent were contacted for the third time while 25 per cent have been contacted for the second time. Respondent households were asked questions in connection with employment, regular income, household characteristics and issues related to quality of life. A net response rate of nearly 70 per cent was achieved during the survey. Data collection was effected by means of Computer Assisted Personal Interviewing.

The Unit has finalised the data analysis on the SILC data collected during 2006.

### **Household Budgetary Survey (HBS) 2008**

In the year being reviewed, NSO has been actively planning to conduct its next household budgetary survey during 2008. This survey, which has the derivation of aggregate statistics related to household expenditure as its main objective, will start in January 2008 and is intended to be completed by the end of the same year. Results are expected to be available for analysis by the beginning of the second quarter of 2009 and are expected to be published by end 2009.

All preparatory work has been undertaken during 2007. This includes:

- identification of the variables to be collected in this exercise;
- design of the questionnaire;
- design of a data entry programme and management system software;
- recruiting of new staff and interviewers;
- marketing;
- technical preparations (e.g. sampling, preparation of the item expenditure code book, etc.);
- staff training.

Although this work primarily forms part of the workload of the Research and Methodology Unit, it also requires substantial input from the Consumer Prices and National Accounts Units.

## **CONSUMER PRICES AND PURCHASING POWER PARITIES**

In addition to the collection of an extensive range of prices on a monthly basis, the Consumer Prices Unit continued to carry out surveys on a variety of services including medical fees and school and private tuition fees, among others.

### **Eurostat Missions**

In the wake of a mission to NSO on 22 September 2006, Eurostat noted that the methods used for the compilation of the Maltese Harmonised Index of Consumer Prices (HICP) mostly conform to international HICP requirements. In the second and third quarters of 2007, NSO benefited from two further missions relating to the domain of consumer prices, namely:

- a visit wherein the classification of machinery and equipment was discussed;
- a follow-up visit on the HICP.

### **Immovable Property Price Index**

The Unit also published an Immovable Property Price Index in accordance with the Immovable Property (Acquisition by Non-Residents) Act, Chapter 246 of the Laws of Malta.



## **SECTORAL STATISTICS**



## **AGRICULTURE AND FISHERIES**

### **Two Censuses**

In the year being reviewed, the Agriculture and Fisheries Unit was involved in different stages of two important censuses, the Census of Fisheries and the Census of Greenhouses. In February-March 2007, the Unit undertook the greenhouses census under the Transition Facility 2004 National Programme. The validating of these data was undertaken in April and May and the results of the Census will be disseminated towards the end of the year. In this period also, the Unit undertook all the necessary validations of the Census of Fisheries carried out in September 2006; this also falls under the Transition Facility 2004 National Programme. A foreign consultancy mission was organised in order to finalise the Census the results of which are expected to be published by end November 2007.

### **Farm Accountancy Data Network (FADN)**

In the first quarter of this year, the Unit undertook all the administrative preparations for the Farm Accountancy Data Network (FADN) for the financial year 2006. Although a useful tool in policy making, this annual project is being co-ordinated by NSO. The sampling and briefing, as well as corrections and validations, of returned questionnaires were dealt with by NSO staff while interviewing was carried out by officials from the Ministry for Rural Affairs and the Environment. Data input was undertaken in the July-August period, with the final data being transmitted to the European Commission at the end of October 2007.

### **Plant Protection Products Survey**

In June 2007, all necessary preparations were put in place for the implementation of a survey on Plant Protection Product usage under the Transition Facility 2005 Multi-beneficiary Country Programme. Interviewing took place in the July-September period and the input of data will start in November 2007. It is planned that the first set of preliminary results will be available in January 2008.

### **Other Activities**

Under the Technical Action Plan for the Improvement of Agricultural Statistics (TAPAS), the Unit obtained funding to undertake a Nutrient Balance survey in co-operation with the Ministry for Rural Affairs and the Environment. Interviewing of respondents for this project was also carried out by the Ministry staff and data input should start in December 2007. The results of this survey are expected to be complete and available in 2008.

In August, the Unit carried out all the necessary preparations to implement the bi-annual survey on the structure of agricultural holdings. Interviewing and inputting of the data were carried out in the September-October period. A full validation will be undertaken in 2008 prior to the final transmission of the results. By law, the final results have to be transmitted by mid-June 2008.

## **Annual Publication**

The annual agriculture and fisheries publication with 2005 as the reference year was published in CD format while the work on the 2006 compilation is well ahead of schedule.

## **TOURISM**

### **Demand Side Statistics:**

#### **Ongoing Frontier Survey for Inbound and Outbound Passengers (Tourstat)**

In 2007, ongoing frontier surveys remained the key source of data for tourism statistics. The Survey is carried out at the airport and seaport. The variables include: country of residence, sex, age, purpose of visit, duration of stay and information related to accommodation and expenditure. Tourstat provides monthly estimates approximately one month after the end of the reporting period (T+30). The results are calibrated and grossed up against monthly administrative records of passenger departures at the airport and seaport, from Malta International Airport (MIA) and Valletta International Seaport Terminal (VISET) respectively.

The Tourism and Transport Unit is also evaluating potential improvements that can be incorporated in the existing sampling techniques. However, we are aware that any new ideas have to be examined and evaluated in the context of resource limitations and response burden as against response value. The collection of raw data remains of the utmost importance. The interviewing processes and practices at MIA and VISET are continuously scrutinised in order to ensure quality results.

Further work is being undertaken in order to update the current system and to safeguard against possible developments that may jolt the Survey as a result of Malta's accession to the Schengen Community. The 1985 Schengen Agreement is a pact among some European countries which allows the abolition of systematic border controls between the signatory countries.

#### **Outbound Tourism Survey**

The pilot project earmarked to advance outbound tourism statistics in line with requirements stipulated in the Tourism Statistics Directive 95/57/EC has registered good progress. The tool in this regard is Computer Assisted Telephone Interviews based on a list of variables collected from departing resident respondents through Tourstat. The variables include: country of destination, sex, age, purpose of visit, duration of visit and information related to accommodation and expenditure. Increased attention to the way NSO interviewers communicate with respondents is translating into encouraging results. The Unit is projecting to release these data on a quarterly basis as from 2008.

## **Ongoing Survey for Cruise Passengers in Transit (Cruistat) – Inbound Same-day visitors**

A satisfactory rate of progress was registered in the compilation of the methodological framework with regard to additional variables on cruise passengers. The main objective of this project is to establish the number of transit passengers who actually disembark from the vessel and spend some time in Malta, referred to as same-day visitors. This information would include estimates of travel earnings attributable to this industry. Furthermore, more attention is being paid to the selection of vessels to be surveyed. The selection of the sample is plotted on a matrix format subject to vessel size class and expected duration in Malta. In this respect, the Unit is receiving support from VISET. Another partner in this project is the Malta Cruise Network that is currently responsible for the funding of interviewers at the VISET terminal. In respect of these data, the Unit plans their release on a quarterly basis as from 2008.

### **Supply Side Statistics:**

#### **Monthly Census for Collective Accommodation Establishments (Accomstat)**

In the year under review, a series of improvements was undertaken with regard to the monthly census of collective accommodation establishments. These improvements mainly revolve around timeliness and response rate. Apart from targeting full response, the Unit is intensifying quality checks and validation of source data.

As from January 2007, the Unit embarked on the piloting of two additional variables related to the collection of room-nights for resident and non-resident arrivals. This implies that as from 2008, the Unit will be in a position to compute both the net/gross use of bed-places and rooms respectively. This computation will be very useful in generating a better understanding of the market forces prevailing in the collective-accommodation-establishment scenario.

## **TRANSPORT**

Transport Statistics are based on administrative data supplied by the Gozo Channel Company Limited, Malta Maritime Authority, Malta Transport Authority, the Police Department and Guard and Warden Services Limited.

In 2007, the Unit initiated a process of upgrading the systems of storing and processing data efficiently in the transport database, thus enabling better validation and usage. This has also made possible a more timely use of the data. At this point in time, the transport statistics programme includes the release of statistics on: road traffic accidents, the stock of motor vehicles and sea transport between Malta and Gozo.

The Unit is also planning to provide more aid to users with a view to enabling the extraction of a higher analytical value from its news releases. The recent alterations in the news release layout have contributed positively to this aspect. It has to be added that the Unit is continually exploring new areas regarding transport that can be actuated in a viable manner and in conformity with Eurostat's recommendations. The

Unit is also working towards a revamp of the transport statistics publication that used to be published annually.

## **ENVIRONMENT AND RESOURCES STATISTICS**

Overall, environment data are now in line with line with EU requirements, following an upgrade of annual datasets on: water, land, energy, air pollution and waste. In the past year, the Environment and Resources Unit has also made efforts to expand the current data collection programmes in respect of biodiversity, environmental accounting and sustainable indicators.

### **Waste**

The Unit is involved in research in order to adopt new methodologies towards improving specific datasets regarding particular waste streams. All the work is being done in close collaboration with MEPA and WasteServ. A thorough update of Maltese waste data has also been undertaken for Eurostat.

### **Water**

In the past year, the Unit worked on a re-classification of the Water Services Corporation database of consumers so that this can be aligned with the NACE classification of specific enterprises. This was done jointly with the Business Statistics Unit.

It is foreseen that a call for financial grants will be published by Eurostat in order to continue the compilation of water statistics in view of the Water Framework Directive.

### **Biodiversity**

In the past year, the Unit has updated biodiversity data for the purpose of the Joint Eurostat/OECD Questionnaire.

### **Energy**

Statistics on the prices of fossil fuel, electricity and energy consumption by sector are being compiled on a monthly, quarterly and annual basis. Owing to the liberalisation of fuels in Malta, several meetings were held between NSO and the Malta Resources Authority in order to construct a framework for the collection of the data on fuels and fuel stocks. In the meantime, data on fuel and electricity consumption by households and the industrial sector are being improved on with the cooperation of Enemalta and the Malta Resources Authority. The Unit is also engaged in the compilation of electricity consumption data from the approach of the NACE classification. This was the motivation behind meetings between NSO staff members and the hosts of the various energy datasets at Enemalta.

### **Sustainable Development Indicators**

In 2005 and subsequently in 2006, NSO collaborated with MEPA on a joint project regarding sustainable development indicators for inclusion in the annual *State of the Environment Report*. The indicator set needs to be adapted for the purposes of the Sustainable Development Strategy for Malta and the Mediterranean Sustainable Development Strategy.

### **Environmental Accounting**

The Unit is currently involved in the collection of statistics with a view to compiling an initial set of environment accounts. This year a grant was awarded to the Unit that involved an exercise on government environmental expenditure. The Unit is examining the possibility of carrying out a survey on environmental goods and services in 2008.



## **ECONOMIC STATISTICS**



## **NATIONAL ACCOUNTS**

### **Improvement of Estimates**

In 2007, the National Accounts Unit was involved in a process of continuously improving on its estimates, thus bringing them in line with the European System of National and Regional Accounts (ESA 95) methodology as recommended by Eurostat. The revisions were due to two main factors: (i) the inclusion of new statistical data and (ii) methodological improvements. The major changes involved: the use of the Census of Fisheries 2005 to estimate output of fisheries; the use of the results of the Census of Population and Housing 2005 for the estimation of dwelling services; the integration of final results of the Structural Business Survey of 2003; the validation of data relating to remote gaming activities; and the estimation of consumption of fixed capital by means of a newly-applied Perpetual Inventory Model. Annual data from 1995 to 2003 and quarterly data from 2000 to 2003 were finalised and published in June 2007.

### **Other Activities**

The Unit has also worked on the following:

- the compilation of weights for the annual Purchasing Power Parities exercise (PPP);
- reports on VAT, rents and tips in the service industries;
- the Gross National Income and its supporting quality report for EU Own Resources purposes;
- the calculation of the weighted average rate for the VAT own resources exercise;
- co-ordination with other units in particular regarding the 2005 Census results and preparatory work for the 2008 Household Budgetary Survey;
- seasonally-adjusted GDP data.

### **Control Visit**

A control visit to verify the sources and methods used by Malta to calculate Gross National Income (GNI), provided for under Article 5 of Council Regulation 1287/2003, took place from 11-14 September 2007. The principal objective of the visit was to collect the necessary information in order to assess the strengths and weaknesses of the statistical sources and methods used to calculate GNI and its components, to collect information on the supervisory and control system, and to identify possible improvements of Malta's GNI Inventory. Mr Gerald Weber and Mrs Alice Zoppe conducted the mission on behalf of Eurostat. Mr Marc Origer, from Luxembourg's National Accounts Division, was an observer.

### **Career Development**

Training is an essential part of national accountants' development. In the course of the year, five statisticians attended four Eurostat training courses on various aspects of this statistical domain. One staff member attended a seminar on satellite accounts in respect

of co-operatives and mutuals. Another statistician participated in a task force meeting on seasonal adjustments of quarterly national accounts. Staff members of the Unit attended the Advisory Committee on Own Resources meeting in Brussels and participated in the Technical Committee on Financial Statistics at the Central Bank of Malta. One staff member participated in the Ministry of Finance's co-ordinating Task Force on Own Resources.

This year, the Unit has met all its international commitments and obligations by transmitting quarterly GDP data to Eurostat within the 70-day time frame.

## **GOVERNMENT FINANCE**

### **Financial Accounts**

Following a series of test transmissions of annual financial accounts, at the end of June 2007 the Government Finance Unit transmitted the first set of financial accounts on a quarterly basis (covering the first quarter of 2007). In the meantime NSO and Eurostat have agreed on a timetable whereby financial accounts on a quarterly basis will be compiled as from the first quarter of 2004. This work, which is expected to be ready by end June 2008, will serve as a check on the annual financial accounts, as well as on the other non-financial accounts of the General Government sector. This exercise is supported by the Statistics Department of the Central Bank of Malta, as well as by the Treasury Department.

### **European System of Integrated Social Protection Statistics (ESSPROS)**

The Unit is also responsible for measuring Government expenditure and receipts in respect of social protection. A full set of data in respect of the European System of Integrated Social Protection Statistics (ESSPROS) has been compiled for the years 1995-2005. Additional enhancements made during the reference period include the compilation of qualitative information on social benefits.

### **Government Expenditure according to the Classification of the Functions of Government (COFOG)**

The compilation of government expenditure at a significant level of detail – Classification of the Functions of Government (COFOG) 2nd level - is at an advanced stage; the first transmission of such detailed data is scheduled for end 2007. Concurrently, the Unit is also engaged in the classification of government employees by means of the NACE Rev. 1 classification, an exercise of cross-unit assistance to National Accounts.

### **Research and Development in General Government**

During the first quarter of 2007, the Unit carried out an annual survey within General Government in order to measure the sector's involvement in Research and Development (R&D). During this survey, in fulfilment of our reporting obligations to the European Commission, expenditure on R&D was also analysed by socio-economic

objective. The results of the survey were published locally and were also sent to the European Commission.

### **Other Activities**

The Unit has continued with the work on non-financial and financial data covering the General Government sector. The Unit also provided an input to the National Accounts Unit through the provision of sectoral data on this same sector.

With Malta's adoption of the euro on the 1 January 2008, the work of the Unit has become increasingly relevant in determining the sustainability of public finances. Within this context, the Unit estimates Maltese Government's debt and deficit positions as established by the Maastricht Criteria. This is undertaken twice a year (31 March and 30 September) through the compilation and transmission to the Commission of the Debt and Deficit Notification. This exercise is subject to specific benchmarks as established by Council Regulation (EC) No 3605/93 as amended.

The Unit continued to offer support to the Ministry of Finance through the compilation and transmission of specific tax data to the European Commission. Apart from transmission of tax data, during the past year the Unit has started to compile an inventory of local taxes which is being transmitted to the European Commission (DG TAXUD) for posting on their website. The first step of this ongoing exercise will be completed during the current financial year.

Most of the data submitted to the European Commission are released locally according to a pre-set News Release Calendar.

## **BALANCE OF INTERNATIONAL PAYMENTS**

### **Main Output**

In 2007, the main tasks of the Balance of Payments Unit involved the compilation of:

- the monthly balance of payments statement;
- the international investment position statement;
- the foreign direct investment flows and position report;
- the Coordinated Portfolio Investment Survey (CPIS) report for 2006;
- the Foreign Affiliates Statistics report for 2004.

The monthly surveys of the non-financial sector carried out by the Unit are complemented by surveys undertaken by the Central Bank of Malta in the financial sector. This year, Remote Gaming Companies (RGCs) have been surveyed on a quarterly basis following agreement reached by the relevant entities on the format of an appropriate questionnaire.

Balance of Payments reports disaggregated by country and by economic sector relating to Foreign Direct Investment (FDI) have been transmitted to Eurostat and the European Central Bank. These relate to:

- quarterly and annual Balance of Payments statements;
- annual international trade in services;
- FDI flows in Malta and abroad;
- FDI Position in Malta and abroad;
- Foreign Affiliates Statistics.

Breakdowns of data by geographic location and by economic sector (NACE) are in line with Eurostat's recommendations.

The quarterly Balance of Payments news release has been enhanced by the inclusion of a geographical breakdown for the main components of the Current Account.

A news release detailing direct investment – in Malta and abroad – has been published for the first time. This covers investment flows and positions from 2004 onwards; the Unit plans to release such information on a bi-annual basis.

### **Foreign Affiliates Statistics (FATS)**

The compilation of inward FATS has been stepped up this year, partly facilitated by the receipt of two grants. These were of help in the assessment of our compilation methods by a foreign expert and in the funding of the development of appropriate computer software. The main variables for 2004 were retrieved from the Short-term Business Statistics (SBS) Unit and were developed for the production of the FATS 2004 report. Upon finalisation of the 2005 variables by the SBS Unit, the FATS report for 2005 will be compiled. In the last quarter of 2007, another grant will also be availed of in order to launch a survey for the collection of variables directed to a pilot study for Outward FATS.

The Unit has benefited from an enhancement to its Business Register that involves the inclusion of companies on account of information acquired from the administrative records of banks. Additional information has been obtained by means of filter questions inserted for Balance of Payments purposes in the SBS annual questionnaire. The SBS Unit was also resorted to in order to update NACE classifications as well as for updating the Business Register for FATS purposes.

New sources for the retrieval of transactions by the private sector (comprising households, NGOs and embassies) were tapped to compensate for the loss of previous sources. Discussions were held at the VAT department, one of the Unit's data sources.

One technological improvement is the upgrade to the Unit's Business Register that enables the direct extraction of the mail merge for the sending of monthly, quarterly and annual questionnaires; previously, this had to be done manually. The upgrade extends also to acknowledgements and reminders, resulting in considerable time-saving.

## **Statistics relating to the Remote Gaming Industry**

The treatment of the main items relating to the remote gaming industry – bets and wins – has been concluded following discussions with a Eurostat Task Force Rest-of-the-World (TF ROW). The outcome of the decision to apply a treatment similar to that used by the National Accounts Unit was the subject of a presentation delivered by a Balance of Payments staff member at a Eurostat Working Group on this topic.

Remote gaming activities have also been focused on through the holding of several meetings with the Malta Remote Gaming Council (MRGC), as well as through participation in seminars held by the MRGC. A workshop was held in collaboration with the MRGC for remote gaming companies. This was specifically organised to emphasise the importance of annual and quarterly data submissions; to introduce a quarterly, web-based questionnaire; and to help respondents familiarise themselves with installing the data-providers module that is used for the submission of Balance of Payments data.

## **Statistics relating to International Trading Companies**

The issue relating to treatment of International Trading Companies (otherwise known as Special Purpose Entities – SPEs) has also been actively taken in hand. Several large SPEs are being investigated prior to incorporation in official statistics. This issue has been discussed internally with the National Accounts Unit, and externally with the Central Bank of Malta, with a European Central Bank delegation that visited Malta in September, and at Eurostat by the NSO Acting Director General.

## **Balance of Payments Publication**

A full publication covering 2004 and 2005 is being prepared. Its compilation had been put on hold because of pending methodological issues that should be resolved very soon.

## **INTERNATIONAL TRADE**

### **Refinements to Intrastat**

Over the past year, the International Trade Statistics Unit has continued with its programme to further develop a series of enhancements to the INTRASTAT system introduced in May 2004. During the second half of the year, the Unit was engaged in a help-desk function, helping traders to regularise their position upon being sent notices by the VAT Department that highlighted discrepancies. This exercise also served to increase the Unit's web users to over 1,600. The enhancements to the Intrastat System include:

- updates of the Combined Nomenclature (CN) 2008 on the INTRASTAT website;
- ongoing development of the report-generating capacity of the System;
- development and provision of an XML bulk data upload function;

- fine-tuning of reports already being disseminated;
- preparation and testing of euro conversion of the Intrastat/Extrastat databases;
- promotion of the Intrastat online service among traders.

### **Other Activities**

Three additional projects funded by Eurostat grants were undertaken or will be undertaken by the Unit with the technical assistance of experts. These projects focus on: special movements in trade (covered by a Multi-Beneficiary Transition Facility 2004 programme attended by two unit members); simplification of Intrastat (which will commence in November 2007); and improvement of the existing Intrastat web form to include an offline and upload facility of bulk data that is also capable of making validations at source. One unit member represented NSO at committee meetings in Luxembourg on statistics relating to the trading of goods. These committee meetings are an important source of information, enabling the Unit to keep abreast of developments in this statistical domain. One unit staff member participated in a co-ordination meeting under the Transition Facility Multi-Beneficiary Cooperation Programme 2005 on External Trade and Intrastat. This was followed by the participation of two unit members in a workshop in Cyprus.

The Unit continued with the monthly issue of news releases in line with the NSO Advance Release Calendar. The Unit also supported the Library and Information Unit with the provision of trade data in various formats and for different users. It is an acknowledged fact that trade data requests constitute a large share of information requests received by the Library and Information Unit. All monthly news releases recording trade flows were issued on time and transmissions of Extrastat and Intrastat data to Eurostat were made within the deadlines specified in the related regulations.

## **BUSINESS STRUCTURES**

### **Structural Business Statistics (SBS)**

In 2006 the Business Unit had launched the Structural Business Statistics (SBS) Survey 2005. In all, some 15,000 units were surveyed. Following an intensive follow-up exercise in order to address non-response for this survey, the Unit drew on Malta Financial Services Authority administrative records to procure reliable estimates for all large non-respondent enterprises. All respondents are double-coded in both NACE Rev 1.1 and Rev 2. Following this, the Unit launched the 2006 survey, incorporating also variables required by the Balance of Payments Unit for Foreign Affiliate Trade Statistics (FATS). Variables relating to business services in NACE classes 72-74 will still be collected. These variables are incorporated as part of Annex 8 of the new SBS Regulation and are scheduled to become an integral part of the SBS Survey.

New software is being developed to satisfy all the needs of the SBS survey including the in-house generation of reminder lists and acknowledgements, as well as all requested Eurostat reports. The Unit aspires to have these enhancements available for the 2006

Survey at both data-entry and report-generation levels. At the time of writing of this report, the new software's data entry capabilities are in the final testing stage.

### **Business Register (BR)**

A revision of NACE is scheduled for 2008 by which time it is envisaged that the Office will have a completely revised Business Register. Keeping in view the NACE Rev. 2 classification, the Unit carried out some necessary changes to the Register so as to prepare for a re-classification exercise. As is normal practice, the Unit was engaged in updating the Business Register with new births and deaths - approximately 300 per month. Since January 2007, all these were double coded in both NACE Rev 1.1 and Rev 2. Furthermore, a NACE Rev 2 field was created for the 2005 Business Register population to enable the latter to accommodate NACE Rev 2 information.

The Business Register is also the impetus for new software developments in this statistical domain. Plans for new software include the generation of the BR Annual inquiry including the Business Demography reports. Furthermore, new variables requesting enterprise-group information and ownership in the SBS will be included in the BR, complementing similar BR data that already exist.

### **Research and Development and Innovation**

The Unit successfully concluded the Community Innovation Survey 2004 (CIS4). As anticipated, better results were recorded given that the more innovative enterprises were given special treatment. This was the last year wherein the derogation granted for the period 2003-2005 was applicable.

In mid-2007 the Unit launched the CIS 2006 survey. At the moment response stands at just below 70 per cent which is the minimum requirement requested. This survey is scheduled to be concluded, with resultant data being transmitted, by June 2008.

In the meantime the Unit is also carrying out the R&D Survey 2006. Data for both 2005 as well as 2006 are being requested from enterprises that reported R&D expenditure and/or R&D personnel in the Innovation Survey.

### **Information Society**

Whereas for 2006 data on television licences, cable TV subscriptions, Internet use, fixed and mobile telephony, pagers and voicemail had been collected and disseminated on a monthly basis, the factor of non-response, as well as the volatility of these sectors, has required that certain changes be adopted. In this respect the frequency of news releases on this topic is now quarterly.

Early in 2007, NSO entered into consultations with the Malta Communications Authority (MCA) regarding the possibility of being a recipient of data collected by MCA rather than a source collector of the required data. The results of this initiative are being evaluated.

## **Post and Courier Services**

Data relating to post & courier services are released on a quarterly basis along with information society statistics.

## **Information and Communication Technology (ICT) among Households and Enterprises**

For the third year running, two surveys on ICT usage among individuals and enterprises were carried out. Data have been transmitted to Eurostat.

Late in 2007 it was also necessary to reproduce the 2005 tables for households using the same methodology as that used for 2006 and 2007 as this was not accepted by Eurostat. As things stand, all survey data for these three years are currently either of acceptable quality or in the final stage of validation.

In 2008 surveys for ICT among households and enterprises will once more be carried out. Preparations for the ICT investment and expenditure survey scheduled for 2009 will also commence.

## **Short-term Business Statistics (STBS)**

Monthly questionnaires were sent to enterprises operating in the quarrying, manufacturing and energy sectors while quarterly questionnaires were sent to operators in construction, retail trade and other services. A small change involved the replacement of the variable "production value" requested from all respondents by a monthly questionnaire sent to a small, representative sample of enterprises in different sectors.

Late in 2006, an inconsistency was detected between the indices and the absolute values. Since documentation was not available, the decision was taken to postpone all releases and transmissions containing indices and contact the person who had set up the system. Meanwhile, the data were thoroughly checked. The expert visited NSO on two occasions and, with the assistance of the NSO's IT section, the system underwent a major overhaul which should be concluded in December 2007. The indices should then be re-generated using this new system.

## **Producer Price Index**

In the past year, an expert from the International Monetary Fund assisted NSO with the compilation of a Producer Price Index. Following another visit by this expert in November 2007, the Office will be in a position to publish the indices at Main Industrial Group (MIG) level early in 2008.

## **CORPORATE SERVICES**



## MANAGEMENT SERVICES

### Staff Complement

On 27 January 2007, Mr Reno Camilleri started his tenure as Acting Director General of the National Statistics Office. As at the end of September 2007, the Office had 139 staff members on its books, 54 men and 85 women. At this point in time, the graduate/total employment ratio of the Office is at the highest level since the Office's inception – 0.45:1 – which means that NSO is heading towards having half of its staff complement with a first and/or second tertiary qualification. Table 1 provides a breakdown of NSO staff by age group and sex, while Table 2 provides a broad classification by function.

**Table 1 Age structure of NSO staff: September 2007**

Age group	Men	Women	Total
18-30	17	53	70
31-40	15	15	30
41-50	10	9	19
51+	12	8	20
<b>Total</b>	<b>54</b>	<b>85</b>	<b>139</b>

**Table 2 NSO staff members by function: September 2007**

Function	Men	Women	Total
Management Team	15	4	19
Statisticians	19	28	47
Executive Staff	10	27	37
Support Staff	10	26	36
<b>Total</b>	<b>54</b>	<b>85</b>	<b>139</b>

### Staff Training

Staff members are encouraged and supported to undertake further studies and to attend a range of local and/or international training courses on a regular basis. Tables 3 and 4 provide information on local and foreign courses attended by NSO staff members.

**Table 3 Local courses: 2006/07**

Type of course	Men	Women	Total
Pre-Retirement Training Programme	4	2	6
Microsoft Excel 2003	-	2	2
E-mail (MS Outlook 2003)	-	3	3
Fundamentals of Cost and Management Accounting	-	1	1
Environmental Knowledge	-	1	1
Managing our most Precious Asset – Our Knowledge	1	-	1
MS Access 2003	1	-	1
The Role of an EU Member State in Decision-Making	2	-	2
Reception Skills – Introduction	-	1	1
Training Course for Minor Staff – Introduction	-	1	1
Practical Tools for Market Research	4	2	6
Quality Service – Training Programme for NSO Interviewers at MIA	3	8	11
Effective Report Writing	6	11	17
<b>Total</b>	<b>21</b>	<b>32</b>	<b>53</b>

**Table 4 Foreign courses : 2006/07**

Type of course	Men	Women	Total
International Course – National Accounts in Practice	-	1	1
Training course within the ESTP on ESA95 Sector Accounts	1	1	2
ESTP Training Course on EU Labour Force Survey	-	1	1
Course on Government Finance Statistics	1	-	1
Training at ONS per Eurostat Grant	1	-	1
Training Course on ESA95 Advanced National Accounts	-	1	1
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>

Staff members are required to participate in a number of international statistical meetings in order to facilitate the harmonisation and integration of the local statistical programme with its supranational counterpart, as well as to keep updated with the most recent developments in the international statistical field. Table 5 provides a

detailed overview of working groups and meetings attended by staff members in the period covered by this report.

**Table 5 Working groups and meetings: October 2006-September 2007 ...**

Purpose of visit	Duration (days)	Persons
Meeting of the Working Group Harmonised Indices of Consumer Prices	2	1
Meeting on Health and Safety at Work	2	1
Meeting of the Balance of Payments Working Group	2	1
Task Force Meeting on Statistics on Science, Technology and Innovation	2	1
Meeting of the Working Group on- Statistics on the Information Society	2	1
Meeting of CEIES Sub-committee on Economic and Monetary Statistics and 31st CEIES Seminar	2	1
Meeting of the Working Party on Land Use and Crop Products Statistics	2	1
Meeting of the Working Party on Capital Goods – Equipment Goods and Construction	2	2
Seminar for Special Data Dissemination Standard (SDDS)	5	1
17th Meeting of the Working Group Coordination for Data Transmission	2	1
IT Directors Group Meeting	2	1
8th Meeting of the GNI Committee	2	1
Meeting of the Working Group on Collection and Validation of Agricultural Statistics	2	1
International Conference and Methodological Workshop on – Comparative EU – Statistics on Income and Living Conditions – Issues and Challenges	2	1
2nd Meeting of the Working Group on Sustainable Development Indicators	2	1
Meeting of the EEA Working Party – Statistics on Science, Technology and Innovation	2	1
8th International Forum on Tourism Statistics	4	1
Working Group on National Accounts	2	1
16th Plenary Meeting of the European Advisory Committee on Statistical Information in the Economic Committee on Statistical Information in the Economic and Social Sphere – CEIES	2	2

... Table 5 Working groups and meetings: October 2006-September 2007

Purpose of visit	Duration (days)	Persons
50th Meeting of the Committee on Statistics relating to the trading of goods between Member States and 35th Meeting of the Committee on Statistics relating to the trading of goods with Non-member countries	2	2
Meeting of the Working Party on Purchasing Power Parities	2	1
Waste Statistics Workshop "Review of the 1st Reference Year and Outlook on the Next Mission Series"	2	1
16th Meeting of the Task Force on Quarterly Financial Accounts for General Government and "Short-term Public Finance Statistics"	3	1
Workshop on Training on Working Day and Seasonal Adjustment	3	1
Dissemination Working Group	2	1
Meeting of the Working Party on Population Projections	2	1
Meeting of the Standing Committee for Agricultural Statistics	3	1
Transition Facility Visit to National Statistics	1	1
Meeting of the Working Group on Agriculture Accounts and Prices	2	1
62nd Meeting of Advisory Committee Own Resources – VAT	2	1
Working Group on Euro Indicators	2	1
Task Force on Tourism Statistics	2	1
Meeting of the IT Seminar	2	2
Meeting of the Working Party – Implementation of the Council Regulation no. 1165/98 on Short-term Statistics	2	1
Working Group on Demographic Statistics and Population and Housing Census	2	1
Meeting of the financial accounts Working Group	2	1
Meeting of the CEIES bureau and Working Party on Statistics	1	1
Second Transition Facility/Phare Water Statistics Workshop	2	1
Working Group on CVTS	2	2
Multi-country projects under the Transition Facility 2004		
External Trade Statistics	4	2
Labour Cost Index Workshop on NACE 2	2	1

... Table 5 Working groups and meetings: October 2006-September 2007

Purpose of visit	Duration (days)	Persons
Transition Facility Phase 2004 Workshop on coding problems	2	1
Final DAFNEV Meeting	2	1
Southern European Group Meeting – European Comparison Program (ECP) for the calculation of Purchasing Power Parities (PPPs)	2	1
Transition Facility 2004 on R&D Statistics	3	1
Transition Facility 2004 on Waste Statistics	2	1
Meeting of the Working Group on Structure of Agricultural Holdings and use of Agriculture Inputs	2	1
Seminar on Development of Satellite Accounts for Co-operatives and Mutuals	1	1
Workshop Network Group on Direct Reporting	2	2
Meeting of the Working Group Statistics on Crime and Criminal Justice	2	1
Meeting of the Working Group of Local Co-ordinators for Data Transmission	2	1
Transition Facility 2005 External Trade and Intrastat and 51st Meeting of the Committee on Statistics relating to the trading of goods between Member States and 86th Meeting of the Committee on Statistics relating to the trading of goods with Non-member countries	2	1
Transition Facility 2004 Final Workshop on EHIS	2	1
Information Society Statistics Working Group	2	1
Meeting of the Working Party Article 65 of the Staff Regulations	1	1
Meeting of the Standing Committee for Agricultural Statistics	2	1
Meeting of the Working Group Market	2	1
Meeting of the Working Group on Animal Products Statistics and Meeting of the Working Group on Collection and Validation of Agricultural Statistics	1	1
Council Working Party on Statistics	3	1
Meeting of the Balance of Payments Committee	1	1
Meeting of the Balance of Payments Working Group	2	1
Meeting of the Management Group on Statistical Cooperation with Candidate and Potential Candidate Countries	2	1

... Table 5 Working groups and meetings: October 2006-September 2007

Purpose of visit	Duration (days)	Persons
16th Meeting of the European Advisory Committee on Statistical Information in the Economic and Social Spheres CEIES	2	1
Meeting of the Working Group – Structure of the Taxation System	1	1
Meeting of the Working Party – Dissemination of Statistical Information	2	1
Task Force Meeting on Tourism	2	1
Meeting of the Working Group – Statistics on the Environment – Sub-group Waste	2	1
Meeting of the Technical Group – European Statistics on Accidents at work – TG ESAW and Meeting of the Technical Group – European Occupation Disease Statistics TG EODS	2	1
ECB/Eurostat Task Force on Seasonal Adjustment of Quarterly National Accounts	2	1
Transition Facility 2004 Improvement of Data Quality in STS and Compliance with the STS Regulation	4	1
9th Meeting of the GNI Committee	1	1
Working Group – Environment Accounts	2	1
Prominstat Workshop	3	1
Working Group/PPP-NA	2	1
Meeting of the Joint NA-PPP Working Party and EEA Working Group	2	1
62nd Meeting of the Statistical Programme Committee and 51st EEA Conference	2	1
Working Group – Environmental Expenditure Statistics	2	1
Statistics Telematic Network and EDI Working Group	2	1
Meeting of the Financial Accounts Working Group	2	1
1st Meeting of the Task Force of Multimedia in National Accounts	2	1
52nd Meeting of the Committee of Statistics relating to the trading of goods between Member States and 37 <sup>th</sup> Meeting of the Committee of Statistics relating to the trading of goods with Non-member countries	2	1
Invitation to an Open Day for Eurostat Grant Beneficiaries 2007	1	1

... Table 5 Working groups and meetings: October 2006-September 2007

Purpose of visit	Duration (days)	Persons
Working Party on Statistics – June 2007	1	1
Committee on Monetary, Financial and Balance of Payments Statistics	2	1
Transition Facility – Third Transition Facility/Phare Water Statistics Workshop	2	1
Working Party on Statistics	1	1
Finance by grant Southern European Group Meeting: European Comparison Programme ECP for the calculating of Purchasing Power Parities	2	2
Transition Facilities 2005 on Multi-Beneficiary Statistical Cooperation External Trade and Intrastat	3	2
11th Meeting of the GNI Committee	1	1
2nd Joint Workshop on Pesticide Indicators Transition Facility 2005 and Phare Programmes	2	2
Labour Market Working Group	2	1
Working Group on Article 65 of the Staff Regulations	1	1
Meeting of European Directors of Social Statistics	2	1
63rd SPC and 93rd DGINS Conference	3	1
Working Group on “Structure of Agricultural Holdings”	2	1
Joint ECB/EUROSTAT Task Force on Seasonal Adjustment of Quarterly National Accounts	2	1
Meeting of the CEIES bureau and Working Party on Statistics	2	1
Joint Working Group on Foreign Affiliates Statistics - FATS	2	1
<b>Total</b>	<b>200</b>	<b>108</b>

These working groups and meetings involved 108 visits by NSO staff members, translating into a total of 200 person-days.

### Eurostat Projects

NSO is making use of external funding opportunities that would not only help to finance its investments in the physical infrastructure, training and research programmes, but would also serve to establish NSO as a major player in the national and international information and research market. This process has not been without its teething problems but gradually, these projects are being steadily integrated with the office workload. In the course 2007, the Office has filed a number of applications with

Eurostat for grants in support of various aspects of the national statistical programme. Several of these have been favourably received while others are being evaluated.

Table 6 provides a detailed description of the grants received from Eurostat for the carrying out of statistical projects in the period 2006-2007.

**Table 6 Grant-based projects awarded by Eurostat: 2006-2007**

Description of project	Total cost on project in euros	NSO contribution in euros	EU contribution in euros	Grant total Lm
<b>2006</b>				
2007 PPP Production of data	40,903	12,271	28,632	17,560
Data Collection on ICT usage and e-commerce in enterprises	34,316	3,432	30,884	14,732
Adult Education Survey	64,665	21,339	43,326	27,761
Improvement of ESSPROSS data	16,412	1,641	14,771	7,046
Farm Structure Survey 2007	25,000	0	25,000	10,732
Quarterly Accounts: Quality, Coverage, Inventories & Development of Sector Accounts	11,918	3,576	8,342	5,116
Transition Facility 2005	199,866	19,986	179,880	85,802
Data collection re ICT usage in households and by individuals 2007	30,799	3,080	27,719	13,222
<b>2007</b>				
EU SILC: 2008 Operation	201,286	67,089	134,197	86,412
National and Regional Nitrogen Balances for Mala	32,740	3,457	29,283	14,055
Outward Foreign Affiliates Statistics (FATS)	13,992	4,198	9,794	6,007
Drafting of Regional GVA Inventories	4,261	1,278	2,983	1,829
Community subsidies for user support on European Statistics 2007-2008	13,617	4,085	9,532	5,846
PPP production of data by Member States	29,673	8,902	20,771	12,739
<b>Total</b>	<b>719,448</b>	<b>154,334</b>	<b>565,114</b>	<b>308,859</b>

## **Data Protection**

As the agency empowered by the Malta Statistics Authority Act 2000 to collect, compile and disseminate official statistics, NSO has always operated within a culture of strict confidentiality.

With effect from 15 July 2003, it is also bound by the Data Protection Act 2000 (DPA) that provides for the protection of individuals against the violation of their privacy by the processing of personal data. In order to provide an effective and authoritative mechanism for the observation of the provisions of the DPA in conjunction with those of the Malta Statistics Authority Act, NSO appointed a senior management official as Data Protection Officer in 2006.

A circular was issued to NSO unit managers instructing them to provide all questionnaires relating to new statistical inquiries to the Data Protection Officer for submission to the Data Protection Commissioner. Furthermore, on 2 July 2007, a meeting was held at NSO between the Commissioner, accompanied by members of his staff, and the NSO management in order to discuss issues of mutual interest. A major NSO questionnaire - relating to the Survey on Income and Living Conditions (SILC) 2005 - had been submitted for approval to the Commissioner. Subsequent to the 2 July meeting, another questionnaire with a strong element of personal data - the Household Budgetary Survey (HBS) 2008 questionnaire - was submitted to the Commissioner. Both approvals were granted without difficulty which means that, as far as the protection of personal data is concerned, NSO is in full conformity with the provisions of the Data Protection Act.

## **INFORMATION SERVICES**

### **Library**

The Library and Information Unit (LIU) liaises with all units regarding dissemination issues. The main objective of the LIU collection development programme is to provide a physical collection supplemented with access to resources. Together, these are intended to meet the information needs of users. This concept is being developed within the parameters of available resources, both financial and human. Issues such as that of access versus acquisition are a reality faced by most libraries and information services. In view of this, the existing Collection Development Policy is being currently revised to ensure that resources are used effectively and for the benefit of users.

### **Statistical Information Services**

All requests for statistical data are now handled centrally by the LIU. The cooperation of the various units is only sought when the data are not directly available to the LIU staff or the requests require technical or methodological input from the specialised staff within the various units. In cases where the ad hoc requests include the compilation of specific statistical reports for the client, a cost recovery charge is applicable. A pricing policy is available and this defines clearly what is considered a public good and what is subject to cost recovery charges.

Table 7 demonstrates the number of information requests received by the LIU by e-mail, fax and by post for the years 2000-2007:

**Table 7 Statistical requests**

Year	Number of requests
2000	510
2001	693
2002	1,060
2003	1,249
2004	1,350
2005	1,240
2006	1,370
2007	1,350*

\*projected

### Dissemination

In the course of 2007, news releases continued to be prepared in accordance with an Advance Release Calendar. The experience gained from previous years has facilitated the consolidation of work practices and the establishment of procedures within the national statistical system. This has made possible the publication of a three-month Advance Release Calendar on the NSO website for the benefit of statistical users.

The Desktop Publishing branch of the LIU is responsible for the layout, publication and dissemination of all NSO publications. Table 8 shows an eight-year span of the number of published news releases. During the past year, a number of news releases have started including a text box with indications on how to find statistical data similar to that of the particular release on the Eurostat website. This initiative is in line with the effort to increase cooperation with Eurostat in the dissemination of official statistics.

**Table 8 News releases: 2000-2007**

Year	Number
2000	100
2001	124
2002	147
2003	207
2004	249
2005	281
2006	292
2007	205*

\* projected

In line with the free dissemination policy adopted in 2004, all NSO publications are now being placed on the NSO website in full text, thus maximising accessibility to users. NSO is making increased use of CD-ROMs for the release of its statistical publications. The production of electronic publications is more cost-effective and provides for increased flexibility in the storage and use of statistical information. NSO is also providing a Print-on-Demand service for statistical users who do not have access to electronic publications.

**Table 9 NSO Full Publications: 2007**

<b>Publication</b>	<b>Medium</b>
Census of Population and Housing 2005: Volume 2 – Dwellings	Printed commercially
Malta in Figures 2007	Printed commercially
Census of Population and Housing 2005: Volume 1 – Population	Printed commercially
Agriculture and Fisheries 2005	CD-ROM
Perceived obstacles to the participation of women in decision-making positions	Printed in-house
Education Statistics 2005	CD-ROM
Demographic Review 2005	Printed commercially

### **NSO Website**

In the course of the past year, the NSO website has been further enhanced to provide a better service to the user. The NSO website now provides access to Eurostat news releases through RSS feeds. The European Statistics page has been revamped and now provides access to the Eurostat Metadata Server and CIRCA, apart from links to the Eurostat homepage and basic information about Eurostat. Enhancements to the front-end and back-end have been carried out to allow users to attach files when submitting their requests.

### **INFORMATION TECHNOLOGY**

In recent years, NSO has continued to implement an extensive computerisation programme. This covers practically all operational areas and is aimed at providing automated processes to support the data requirements of each unit.

The IT Unit has further improved the automated procedures for hardware and software support and maintenance within NSO. This has generated a greater level of efficiency while reducing the organisation's dependence on external service providers.

## **Software Development**

Over 40 projects were submitted by the various units to the IT Unit with a view to developing new applications and updating existing systems. These projects spanned the whole gamut of NSO output, including management and reporting systems connected to the Census of Population and amendments to systems with a view to accommodating the forthcoming euro changeover.

A number of projects relating to the following are currently in progress:

- Manufacturing Survey;
- National Accounts Reporting System;
- Tourism Statistics;
- Producer Price Index.

IT Unit staff members were also involved in the preparation of the Census 2005 final reports. Additionally, various projects related to surveys commissioned by a number of local private and public entities were carried out. The Unit also contributed to the maintenance of the online statistical database – StatDB.

## **Network Upgrade**

A tender was issued for the supply of active equipment for the NSO network. This equipment has been installed and configured during the past year.

## **Computer Aided Telephone Interviewing (CATI)**

In the course of 2007, various surveys were carried out using CATI both for NSO requirements and also for third parties. The increase in projects using this technology has meant that additional working stations had to be installed.

## **IT Services by External Services Provider**

A dedicated IT team from MITTS Limited provided support and development services to the IT infrastructure at the Office. In the course of the past year, MITTS personnel have worked on the following systems:

- Census Management and Data Entry System;
- Intra-Community Trade System (INTRASTAT);
- Extra-Community Trade System (EXTRASTAT);
- Labour Force 2007;
- Labour Cost Survey;
- Survey on Income and Living Conditions (SILC);
- Business Register and Structural Business Statistics;
- Hotel Accommodation Survey;

- Inbound Tourism Survey;
- Retail Prices Index (RPI);
- Harmonised Index of Consumer Prices (HICP).

### **Eurostat Applications**

During 2007, the administration of eDAMIS, the data transmission tool developed by Eurostat, was transferred to the IT Unit at the NSO. The use of this tool for data transmissions to Eurostat will be further promoted in line with the latter's policy of having a Single Entry Point (SEP) for all the data of the EU Member States.

### **CROSS-UNIT INITIATIVES**

#### **Peer Review Organising Committee**

Following a Eurostat request, NSO set up a quality-in-statistics Working Group in preparation for an important Eurostat Peer Review that is scheduled to take place in the third week of November 2007. The Working Group drew up a plan of action that included:

- the preparation of all relevant documentation;
- the carrying-out of an online user survey among 2,000 users;
- the dissemination of a standard, self-assessment questionnaire to unit managers regarding the adherence of NSO to the European Statistics Code of Practice on a corporate level;
- the briefing of unit managers on their meetings with the Peers.

The NSO management also plans to avail itself of the opportunity afforded by the Peer Review to organise consultation meetings with a range of the Office's most important user groups such as the Central Bank of Malta, researchers and information professionals, members of the academia, and the heads of constituted bodies.

#### **Euro Changeover and NSO Data**

The plans of NSO undertaken in 2005 in order to ensure compliance with the requirements related to the euro changeover process are in an advanced stage. In this respect, the main guidelines to NSO staff members are:

- the use of a fixed exchange rate for conversions of historical series of data. The fixed exchange rate would be that of the euro on the date of the adoption of the new currency by Malta, i.e., 1 January 2008;
- the use of this same fixed exchange rate for data analyses at the national level;
- no original data documents, whether print or electronic, may be altered in any way. In instances that necessitate the conversion to euro of historical data, this should be effected on copies of the original documents.



**DG's OFFICE**



## LEGAL OFFICE

In fulfilling its obligations under the Malta Statistics Authority Act, NSO must have the full support of its data providers. In dealing with non-response, especially of business enterprises, the corporate policy is to exhaust all avenues of communications and persuasion before resorting to legal action. Having said this, in 2007, the NSO legal adviser provided legal support in a number of statistical domains including:

- structural business;
- short-term business;
- national accounts;
- balance of payments.

## COMMUNICATIONS OFFICE

The functions of the Communications Office include: co-ordination in communications between the organisation and media outlets and enhancement of the media image and presence of NSO.

### NSO and the Media

In the course of the past year, NSO continued to build upon its visibility in and good relations with the media. Early in 2007, the Office organised a multi-session course for journalists and reporters that was aimed at familiarising the media with the theories and practices underlying the Office's output. This course is described in more detail in the Research and Methodology section of this report.

Public accessibility to official statistics continued to be sustained, especially through the daily issue of news releases that were well carried by the print and audio-visual media as well as by the Internet-based media. Table 10 provides an outline of media coverage of NSO output in the year being reviewed.

**Table 10 Items of statistical news coverage by theme**

Theme	No. of mentions
Economy and Finance	233
Population and Social Conditions	256
Industry and Services	302
Agriculture and Fisheries	34
International Trade	28
Environment and Energy	6
NSO Institution	186
Other	20
<b>Total</b>	<b>1,065</b>

The Communications Office liaises with the Library and Information Unit in the organisation of press conferences and events and in the publication of Press Information Notices (PINs), the latter being the communication tool utilised by NSO when informing the media of events and publications that fall outside normal working routines. The media events hosted by NSO in the period under review are listed below:

- |                          |  |
|--------------------------|--|
| <b>29 December 2006</b>  | Press Conference by the Director General during which the GDP revisions published on 7 December were explained to the media. |
| <b>10 September 2007</b> | Press launch of the Household Budgetary Survey 2008.   |

## **INTERNATIONAL OFFICE**

The role of the International Office is to serve as an interface in the relationship of NSO with Eurostat, national statistical institutes (NSIs), supranational bodies such as the European Commission and the Council of the European Union, and the local contact organisations of international institutions. An important function of the International Office is to keep track of changes and developments in statistical legislation and to co-ordinate and communicate the position of NSO regarding these in an appropriate and timely manner and to the relevant entities. With the increase in regulations and related documentation that naturally follows upon close on four years of EU membership, international relations within NSO are assuming increasing significance.

## **RESEARCH AND METHODOLOGY**

In addition to providing support for the NSO workload and projects, the R&M Unit has since 2005 been involved in the organisation and processing of the Census of Population and Housing 2005. Volume 1, detailing Population, was published in August 2007 and Volume 2, detailing dwellings, was published in the following October. The Unit also undertook a number of customised surveys on behalf of public authorities including:

- an audience survey on behalf of the Broadcasting Authority that is being carried out on an ongoing basis ;
- a survey on behalf of the Ministry of Education, Youth and Employment;
- administration of the Producer Price Index Survey carried out by NSO;
- a survey on behalf of the National Audit Office;
- a survey on behalf of GO;
- a survey on behalf of the Ministry for Investment, Industry and Information Technology;
- business and population surveys on behalf of the National Euro Changeover Committee;
- omnibus survey.

The Unit has also completed data collection for a second Lifestyle Survey. This exercise was carried out by means of a postal inquiry and results are expected to be published early in 2008.

In January 2007, the Unit organised and co-ordinated a course for journalists (already referred to in the Communications section) that spanned virtually all the statistical domains dealt with at NSO. The course was spread over twelve sessions. Currently, the Unit is engaged in the organisation and methodological preparations for the Household Budgetary Survey 2008.