

# Annual Report

## 2006

National Statistics Office, Malta,  
2006

Published by the  
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Annual Report 2006/ National Statistics Office, Malta. - Valletta: NSO, 2006  
viii, 54p.

ISBN-13: 978-99909-73-45-7  
ISBN-10: 99909-73-45-8

National Statistics Office publications are available from:

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National Statistics Office  
Lascaris  
Valletta CMR 02  
Tel.: (+356) 25997209  
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15 December 2006

The Chairman  
Malta Statistics Authority

In accordance with the provisions of subsection 5(g) of the Malta Statistics Authority Act XXIV of 2000, I hereby submit to you this report on the operations of the National Statistics Office for the year ended 30 September 2006.

A handwritten signature in black ink, consisting of several overlapping loops and a trailing line, positioned above the name of the signatory.

Dr Gordon Cordina  
Director General



### **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”





## INTRODUCTION

During the past year, the National Statistics Office continued to undertake various activities in line with its vision and mission to serve the needs for official statistics of the local and international community. Apart from the compilation and dissemination of statistics, the Office undertook significant efforts in relation to the Census of Population and Housing and took further steps towards the improvement of statistical coverage and methodologies.

From a medium-term perspective, the Office shall continue to upgrade the quality of its services, particularly by enhancing output in key statistical areas and further improving the efficiency of its operations, while striving to minimise burdens on data providers. The Office also plans to continue developing as a learning organisation, through active involvement in the dissemination of knowledge among its members of staff and society at large. The Office will also endeavour to further enhance its credibility and reputation by an even more active involvement in dissemination activities among the media and other stakeholders.

In the pursuit of these medium-term objectives, the Office relies on a number of strengths among which are: rapid growth in recent years in terms of output, the use of inputs and the adoption of methodologies; a professional and dedicated staff in which to invest for future development; increasing conformity with international methodologies and practices; and a legal framework which enables the Office to carry out its business effectively and which gives it a decided edge over its competitors in the information industry.

Similar to other organisations, the Office faces also various weaknesses and threats. As is the case in many small countries, its statistical measurement activities are typically complicated by external shocks, which generate higher variability in the phenomena being measured; by smaller representativeness in samples; and, importantly, by higher response burdens in terms of the time and effort of data providers. Potential threats can also come about in the shape of a horizontal over-expansion of activities as well as constraints of budgetary and other resources.

The environment within which the Office operates is, however, also characterised by opportunities. These can be identified as a central role in national projects such as the euro convergence process and the Lisbon Agenda; acquisition of valuable experience and the chance to establish a sound international reputation for the Office and its staff through participation in EU projects; and a strategic thrust towards quality in its processes and outputs.

This report documents the activities and projects undertaken by the Office in the course of the past year. In the coming year, the Office will endeavour to consolidate this progress with the provision of statistical information that is relevant, high-quality, timely and responsive to the country's national and international needs.

A handwritten signature in black ink, consisting of several overlapping loops and a trailing line to the right.

Gordon Cordina  
Director General  
11 December 2006

## **ORGANISATIONAL STRUCTURE**

Since the enactment of the Malta Statistics Authority Act in 2000 and its subsequent enforcement on 1 March 2001, the NSO has developed an organisational structure that serves its current needs and establishes a sound footing to meet future challenges.

The Office is organised into four main divisions that are, in turn, sub-divided into a number of functional areas as follows:

### **SOCIAL STATISTICS**

- Population
- Education and Culture
- Labour Market
- Living Conditions

### **BUSINESS STATISTICS**

- Business Structures
- Enterprise Short-term Statistics
- Agriculture and Fisheries
- Tourism
- Transport

### **ECONOMIC STATISTICS**

- National Accounts
- Government and Financial Institutions
- Balance of International Payments
- International Trade
- Consumer Prices and Purchasing Power Parities
- Environment, Energy and Regional Statistics

### **CORPORATE SERVICES**

- Management Services
- Information Services
- Information Systems

Another unit - Research and Methodology - falls under the direct responsibility of the Director General. The organisational structure includes also:

- an International Office
- a Communications Office

## 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, the 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 the confidentiality.

## **SOCIAL STATISTICS**



## POPULATION

Data on births, deaths and migration have been used for the quarterly updates of the Maltese population figures, basing on the 1995 Population and Housing Census. Apart from this, the Unit has compiled statistical updates on health, adoptions and crime together with a range of useful demographic indicators which include the total fertility rate, the crude birth rate and crude mortality rates.

Most of these data have been published in the *Demographic Review 2005* and used in the compilation of a considerable number of questionnaires on behalf of Eurostat and other local or foreign organisations.

The Population and Social Statistics Unit has further initiated a series of projects in order to improve on the quality of migration statistics that are currently being collected in Malta. The following is a list of the major initiatives that were taken in this regard:

- a feasibility study on an eventual implementation of a population register in Malta;
- the organisation of a number working group and bilateral meetings with existent governmental organisations who are related to the production of migration statistics in Malta;
- the organisation of another working group meeting on irregular migration in order to improve on the quality of irregular migration statistics that are currently being collected in Malta;
- the Unit has also conducted a pilot survey amongst households in order to investigate on the possibility to collect regular migration statistics from a household survey;
- in parallel, the Unit has conducted another feasibility study on the use of Tourstat data in order to measure emigration from Malta on annual basis.

### **Census of Population and Housing 2005**

The Census of Population and Housing 2005 will be reported on under the section: Research and Methodology Unit, which was responsible for the management and administration of the Census.

## EDUCATION AND CULTURE

In the main, educational statistics have been obtained through a postal census among all state, independent and church schools. In fact, this survey caters for the production of annual figures regarding teaching and support staff and students.

The Population and Social Statistics Unit has also carried out other surveys among several other educational institutions in order to produce statistics outside formal education. These include data regarding adult education, teaching of English to foreign students, and the University of the Third Age. Other statistical data such as data on the financial performance of state and church schools have been obtained from secondary sources and compiled by the Unit.

A good proportion of the data collected with regard to the scholastic year 2004/2005 has been presented in a series of News Releases, as well as in an annual review of Education Statistics scheduled for publication in November 2006. The data have also been utilised to fill in a number of Eurostat questionnaires as well as in response to increasing requests for information from local and foreign organisations.

A new software application has been introduced and a new dynamic schools database has been created. Results from this project will be published in 2007. Discussions with external educational institutions have been entered into with regard to additional data source. Further more, internal, cross-unit discussions have resulted in the elimination of duplicated effort.

The Unit has launched a Continuous Vocational Training Survey amongst enterprises (CVTS) employing 10 or more employees. The main scope of this survey was to measure the amount of training that is currently being provided to employees in Malta and Gozo.

In 2006, the Unit compiled News Releases on a spectrum of cultural activities. A collection of cultural indicators for the time span 2000-2004 was also published.

## **LABOUR MARKET**

A number of projects related to the LFS are currently being carried out by the Labour Market Statistics Unit:

- conclusion of the 2005 grant on the LFS Ad Hoc Module relating to Reconciliation between Work and Family Life;
- work on a Eurostat grant to carry out the 2006 on Ad Hoc Module on the Transition from Work to Retirement. Data collection was carried out in April-June; work will be finalised by the end of March 2007.

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

LFS estimates were produced on monthly and quarterly bases and a number of News Releases on labour market-related data were compiled and published. During 2006 quarterly data have been transmitted to Eurostat, including variables on the Ad Hoc Module on Reconciliation between Work and Family Life.



## **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.

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

A Eurostat grant aimed at improving data collection was awarded. Work in connection with this grant mainly focused on the drafting of new injury claim and occupational disease forms. The Department of Social Security is currently working on the new forms and, from the drafts provided to the Unit, it seems that the variables which will be collected on the implementation of the forms will be in line with Eurostat requirements. As yet, no such data have been forwarded to the NSO.

## **Labour Cost Survey and Structure of Earnings Survey**

During 2005 the analysis of Structure of Earnings Survey 2002 data was given priority since this had to be provided to Eurostat by the first quarter of 2006. This exercise was finalised in February 2006 and transmitted to Eurostat. Following validations, and subsequent corrections, the final data were forwarded to Eurostat in the second quarter of 2006.

During 2005 work started on the Labour Cost Survey 2004. The 2002 questionnaire was modified to include the 2004 requirements. The target population was extended to include more economic activities. In this regard, the Labour Cost Survey 2004 management system and data entry programme were enhanced so as to provide better outputs for subsequent analysis.

Data collection for this survey started during the last quarter of 2005. Data were processed and forwarded to Eurostat by August 2006.

The quality reports finalising the Structure of Earnings Survey and the Labour Cost Survey will be forwarded to Eurostat by the end of the current year.

## **Labour Cost Index**

During 2005 National Accounts provided detailed data on compensation of employees. LFS figures were used as a source of data for actual hours worked. Quarterly data have been worked out from 2000 onwards and have been forwarded to Eurostat.

Labour Cost Index data have also to be seasonally and work-day adjusted. In this regard, attempts have been made using Demetra software. With regard to seasonal adjustments, an expert visited the Office in August. Other planned developments concern revisions to retrospective data and inclusion of further NACE divisions.

## **Job Vacancies**

The year being reviewed in this report was characterised by preparation for this survey which is expected to be carried as from 2007. The focus will be on the weighting methodology which is to be applied, as well as on the actual operational aspects and human resources required to carry out the survey on a quarterly basis.

## **Other activities**

The Unit has worked on a number of indicators intended for inclusion in publications by Eurostat and the OECD. A Labour Market Policy database is also being maintained. In this regard, considerable work was carried out in order to identify the labour market measures and policies which will be included in the database and subsequently forwarded to Eurostat.

## **LIVING CONDITIONS**

This year the Population and Social Statistics Unit launched its second Survey on Income and Living Conditions (SILC). The SILC was launched in July and had a gross sample of 4,500 households, of which 75 per cent were contacted for the second time. Data collection was effected by means of Computer Assisted Personal Interviewing (CAPI). Responding households were asked questions in connection with employment, regular income, household characteristics and issues related to quality of life. The information on income was categorised by source in order to monitor household income distribution in Malta. A net response rate of 65 per cent was achieved during the Survey.

The Unit has finalised the data analysis on the SILC data collected during 2005. All income distribution and pension indicators have been estimated using harmonised methodologies. Derived indicators were sent to Eurostat in order to allow comparative analysis with other EU Member States. For 2007, the Office is planning a publication that will incorporate the main findings of this study.

## **BUSINESS STATISTICS**



## **BUSINESS STRUCTURES**

In 2006 the Business Unit launched the Structural Business Statistics Survey 2005. In all, some 15,000 units are being surveyed for the reference year 2005.

A revision of NACE is scheduled for 2008 by which year it is envisaged that the Office will have a complete revised Business Register. With a view to the NACE Rev. 2 classification, the Unit carried out some necessary changes to the Register so as to prepare for a reclassification exercise. The Unit was engaged in updating the Business Register with new births and deaths - approximately 300 per month.

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

The Unit had applied for and received a periodic partial derogation for most R&D variables. Notwithstanding, variables such as R&D personnel and expenditure are requested on an annual basis. It was possible to collect this information from other surveys carried out by the Unit. In the year being reviewed, the Unit successfully concluded the Community Innovation Survey 2004 (CIS4). As expected, better results were recorded given that the more innovative enterprises were given special treatment. Thus it was possible to fulfil the requirements for the European Innovation Scoreboard as well as to correctly gauge R&D activities.

### **Information Society**

As from January 2006 data on television licences, cable TV subscriptions, Internet use, fixed and mobile telephony, pagers and voicemail have been collected on a monthly basis. In addition, surveyed enterprises are required to provide information on employment levels, wages paid and capital investment on an annual basis. The scope of this survey has now been extended to include the collection of new data in order to reflect developments in the ICT sector. Quarterly data based on this survey are also being released regularly.

### **Post and Courier Services**

In 2006, an annual News Release on post and courier service statistics (introduced in 2004) was published.

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

For the second year running, two surveys on ICT usage among (i) individuals and households and (ii) enterprises were carried out. At the time of writing, data are being transmitted to Eurostat.

### **Short-term Business Statistics**

Monthly questionnaires were sent to operators in the quarrying, manufacturing and energy sectors, while quarterly questionnaires were sent to operators in construction,

retail trade and other services. Quarterly questionnaires were also sent to collect data on stocks and capacity utilisation. In 2006, a new monthly questionnaire on manufacturing output was launched. The first output questionnaire covered the period January-June 2006 and monthly thereafter. This enabled the product detail section to be lifted off the monthly manufacturing questionnaire.

## **AGRICULTURE AND FISHERIES**

In the course of the year being reviewed, the Agriculture and Fisheries Statistics Unit carried out headcounts of pig, sheep and cattle stock. In the period January-May 2006, the Unit carried out a follow-up to the Farm Structure Survey 2005, validating all data with Eurostat's programme. An exercise to establish a new set of Standard Gross Margins (SGMs) was launched in early March. This exercise, which falls within the responsibility of the Ministry of Rural Affairs and the Environment, was carried out by NSO staff at the research institute of the Għammieri Government Farm. The SGMs are used to establish the typology and economic size of agricultural holdings.

On 1 September 2006, the Unit administered the decennial Census of Fisheries. The inputting and vetting of the related data was carried out throughout September. In the same month, preparations were in hand for a census of greenhouses.

The Unit published quarterly News Releases on: Fruit and Vegetables; Fish Landings; Animal Products and Input/Output Indices. Annual News Releases included the results of a survey on Plant Protection Product usage; Animal Stock; Farm Structure Survey; Economic Accounts for Agriculture and a thematic Release on World Food Day.

The annual collection of statistics relating to all statistical areas on agriculture and fisheries for the reference year 2005 was published in CD format.

## **TOURISM**

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

In 2006, the ongoing frontier surveys remained the key source of data for tourism statistics. The survey is conducted at the airport and seaport. The variables include country of residence, sex, age, purpose of visit, and information related to accommodation and expenditure. The survey 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 use of administrative data implies efficient estimates for outbound and inbound aggregates generated by Tourstat.

### **Outbound Tourism Survey**

In 2006, a pilot project to advance outbound tourism statistics in line with requirements stipulated in the Tourism Statistics Directive 95/57/EC was launched. The tool in this regard is Computer Assisted Telephone Interviews (CATI) based on a list of items collected beforehand through Tourstat.

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

In the year being reviewed in this report, a series of improvements were made to the monthly census of collective accommodation establishments. These improvements mainly revolved around timeliness and response rate. Apart from targeting full response, the Tourism Statistics Unit is also concentrating on ongoing quality checks and validation of source data.

### **Ongoing Survey for Cruise Passengers in Transit (Cruistat)**

Considerable progress was registered in the compilation of the methodological framework with regard to additional variables on cruise passengers. These include estimates of travel earnings attributable to this industry. Furthermore, attention is being paid to the actual selection of the vessels to be surveyed. In this respect, the Unit is receiving assistance from VISET.

Owing to new projects and increasing commitments, the Unit ceased to provide direct assistance to the Structural Business Survey (SBS) primarily to channel all resources towards areas that are high-priority within the Unit. Having said this, SBS should be one of the key benchmarking tools to assist future work on the Tourism Satellite Accounts (TSA).

## **TRANSPORT**

In the year being reviewed in this report, the Transport Statistics Unit has continued with the production and publication of road and sea transport and statistics on traffic accidents. With regard to the latter especially, the data being collected is of a markedly better quality thanks to the assistance of the Police Department and the Association of Local Councils. These are now being organised and released in accordance with international requirements.





## **ECONOMIC STATISTICS**



## **NATIONAL ACCOUNTS**

In the year being reviewed in this report, the National Accounts Unit continued with its revision of annual and quarterly estimates in the light of emerging data from new surveys and revisions of past data. This has ensured that National Accounts estimates are in line with the European System of National and Regional Accounts (ESA 95) as recommended by Eurostat. Annual data going back to 1996 were published for the first time. The Unit was also successful in acquiring derogations for the transmission of a number of variables to Eurostat.

The Unit has also worked on the following:

- the compilation of weights for the annual purchasing power parities' (PPP) exercise;
- reports on VAT, rents and tips in the service industries;
- the GNI and its supporting quality report for EU Own Resources purposes;
- the calculation of the weighted average rate for the VAT own resources exercise;
- the allocation of FISIM;
- coordination with other units to ensure optimal use of data from surveys.

### **Other Projects**

Three additional projects, funded by the European Union, were undertaken by the Unit with the technical assistance of contracted foreign experts as elaborated also under 'External Relations'. These projects focused on sector accounts, capital stock and capital formation, and supply and use tables. The Unit also gave an input in an ad hoc working group on Competitiveness Indicators.

Various meetings were held with the Ministry of Health with regard to the System of Health Accounts and Health Labour Accounts; the Lotteries and Gaming Authority; the remote gaming key officials; insurance agents and brokers; the Inland Revenue Department; the Central Bank of Malta; the Malta Financial Services Authority; the Employment and Training Corporation; MITTS; and MEPA.

The Unit Manager participated in the Technical Committee on Financial Statistics at the Central Bank of Malta and is also a member of the Ministry of Finance's coordinating task force on Own Resources.

The year was also characterised by five important visits/missions by international experts concerning:

- insurance sector data and methods of estimating gross value added to reflect the GNI Committee decision on insurance;
- Own Resources (OR) accruing from VAT;
- the introduction of sector accounts for the Maltese National Accounts;

- capital stock and capital formation.
- Supply and Use Tables. (SUT)

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

## **GOVERNMENT AND FINANCIAL INSTITUTIONS**

The primary functions of the Government Finance Statistics Unit comprise the compilation of a full set of non-financial and financial data on the General Government sector, support for the National Accounts Unit through the provision of data for the General Government sector and the compilation of the biannual Debt and Deficit Notification. In fulfilment of these duties, the Unit compiles all the relevant ESA 95 tables relating to General Government. Most of the data submitted to the European Commission are released locally according to a pre-set News Release Calendar.

The Unit is also responsible for measuring Government Expenditure on, and receipts from, social protection. A full set of ESSPROS data has been compiled for the years 1995-2005. Additional enhancements include the compilation of qualitative information on social benefits.

In the course of the past year, the Unit has continued with its work on the compilation of financial accounts for the General Government sector and has now submitted test transmissions of annual financial accounts for 2004. This work is supported by the Statistics Department of the Central Bank of Malta.

General Government Expenditure is also being analysed in greater detail. To date, the COFOG classification has been compiled at single-digit level. As from 2007, this will be extended to two-digit level; preparations for this exercise are well underway. 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.

The Unit offers support to the Ministry of Finance through the compilation and transmission of specific tax data to the Commission's DG TAXUD. The first such transmission was effected in 2005, with additional data being included for the 2006 transmission. In this context, a new project has been launched with regard to an EU-wide compendium of national taxes. In view of this, a future project for the Unit involves the transmission of Commission data at a more disaggregated level.

In the year being reviewed, the Unit carried out an annual survey within General Government in order to measure the sector's involvement in Research and Development. The results were published at the local level and were also sent to the Commission.

## **Debt and Deficit Notification**

In March 2006, the Unit hosted an EDP Dialogue mission from the Commission. The mission, led by Mr Laurs Nørlund, Director of National and European Accounts at Eurostat, had the objective of examining certain methodological issues in order to assess compliance with accounting rules and to identify potential risks and problems related to the compilation of the Debt and Deficit Notification. An extract from the Commission's comments on the event is reproduced here:

“the Meeting was constructive and Eurostat welcomed the transparent, well-structured and comprehensive approach of Malta to EDP-related work. Concerning data sources, Eurostat welcomed the introduction of a comprehensive, accrual-based system for delivery of data for EDP purposes and encouraged a continued development.”

## **BALANCE OF INTERNATIONAL PAYMENTS**

In 2006, in addition to its normal activities, the Balance of Payments Statistics Unit was engaged in the following tasks:

- monthly survey of the non-financial sectors;
- annual survey of Remote Gaming companies 2005;
- annual survey of Foreign Direct Investment 2005;
- Coordinated Portfolio Investment Survey (CPIS) 2004 and 2005.

The monthly surveys within the non-financial sector are complemented by surveys carried out by the Central Bank of Malta within the financial sector. The response to the new survey among Remote Gaming companies has been very encouraging; data from this exercise have now been captured and will shortly be assessed prior to incorporation. The FDI Survey has been extended from a monthly or quarterly basis to an annual one. Following revisions to the data submitted to the International Monetary Fund (IMF) in December 2005, the CPIS 2004 is due for release while the report relating to CPIS 2005 will shortly be submitted to the IMF. The CPIS also represents an exercise in the reduction of response burden: the data are now being retrieved from the Direct Reporting System whereas previously a separate questionnaire was sent out to respondents.

The first reports disaggregated by country have been transmitted to Eurostat. These relate to:

- quarterly and annual BoP statements;
- annual international trade in services;
- Foreign Direct Investment (FDI) flows in Malta and abroad;
- FDI Position in Malta and abroad.

Whereas previously, only transactions with EU15 and the rest of the world could be compiled these are now being compiled in respect of all countries.

As from this year Collective Investment Schemes (CIS) data have been fully retrieved from the Direct Reporting System and duly incorporated. This has been the responsibility of the Unit's colleagues at the Central Bank of Malta. The International Investment Position (IIP) for 2005 is scheduled for release in November/December 2006 with revisions for the IIP 2004 also being effected.

A full Balance of Payments publication with 2003 as the reference year was published in early 2006. Its counterpart for 2004 is in an advanced stage of preparation.

### **Other Projects**

The Unit has worked with the Business Statistics Unit in the identification of potential new respondents to Balance of Payments questionnaires. To this end, specific questions have been included in the annual SBS questionnaire regarding transactions with non-residents. The SBS has also contributed the provision of data relating to Foreign Affiliates Statistics (FATS) for 2004 and 2005. In this respect, whereas FATS 2004 was compiled from data retrieved from the Business Unit and complemented by data retrieved from the Balance of Payments, it is envisaged that FATS 2005 will be fully compiled from data relating to the SBS questionnaire. At present, the Unit is also carrying out a pilot study with a view to compiling new FATS variables.

### **INTERNATIONAL TRADE**

The International Trade Statistics Unit devoted the year being reviewed to a series of developments of the INTRASTAT system introduced in May 2004. Within the normal workload of the Unit, all monthly News Releases recording trade flows were issued on time and data transmissions to Eurostat made according to pre-set deadlines. The refinements to INTRASTAT included:

- updates of the Combined Nomenclature (CN) 2006 on the INTRASTAT website;
- further development of the report-generating capacity of the System;
- fine-tuning of reports already being disseminated;
- completion of the data quality project under the Edicom II project programme;
- promotion of the INTRASTAT online service among traders.

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

In the course of the past year, the Consumer Price Statistics Unit continued with the compilation and publication of the Retail Price Index and the Harmonised Index of

Consumer Prices. Newly significant services such as fees paid for Civil Status Certificates (births, marriages and deaths) and for Will and Property Research were introduced in the Harmonised Index of Consumer Prices. These were included in order to be in line with the Commission Regulation on the HICP.

In addition to the collection of a wide range of prices every month, the Unit carried out surveys covering rent fees, doctor, dentist and consultant fees, school and private tuition, school transport fees and Child Minding and Homes for the Elderly fees.

Eurostat is currently in the process of strengthening its monitoring of practices in the twenty-five EU Member States with regard to the compilation of data relating to the Harmonised Index of Consumer Prices (HICP), particularly in the countries in line for euro adoption. Following a mission to the Office on 22 September 2006, Eurostat has compiled an *Information Note on the HICP for Malta* which may be accessed at the HICP domain of the Eurostat website. The note states that Eurostat considers that the methods used for producing the Maltese HICP are satisfactory. The methodological basis for the compilation of the Maltese Index for the most part conforms to international HICP requirements. The quality of consumer price statistics for Malta has improved significantly in recent years. In close collaboration with Eurostat and other international experts, the NSO has successfully completed many necessary pieces of work in order to set up the Maltese HICP.

The Unit also published an Immovable Property Price Index in accordance with the Acquisition by Foreigners Act.

## **ENVIRONMENT, ENERGY AND REGIONAL STATISTICS**

In the year being reviewed, the Environment Statistics Unit continued with its process of upgrading its annual datasets as required by Eurostat. Such work involved data valorisation and capacity strengthening on key topics such as water, land, energy, air pollution and waste. This has ensured that all in all, environment data are now in line with EU requirements.

In the past year, the Unit has made efforts to maintain and expand the current data collection and dissemination programmes in respect of the following topics:

- waste;
- water;
- biodiversity;
- air pollution;
- energy;
- sustainable indicators.

## **Waste**

In line with the new Commission Regulation on waste statistics, a project was awarded to the NSO by Eurostat involving the carrying out of a detailed survey on industrial waste in line with the NACE classification categories. The study will be concluded in December 2007. A thorough update of Maltese waste data has been undertaken for Eurostat in line with the EWCStat classification. A quality report was also drawn up and submitted.

## **Water**

The Unit worked in collaboration with Business Statistics towards the assignment of a business activity to some 35,000 enterprises entered in the database of the Water Services Corporation. This will enable water consumption to be classified by economic activity of enterprise.

## **Biodiversity**

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

## **Energy**

Statistics on the prices of fossil fuel, electricity and energy consumption by sector are being compiled. Where necessary, these are being harmonised with guidelines set by the Energy Directorate within Eurostat. Data on the consumption of fuel, fuel stocks and electricity consumption by households and the industrial sector are being improved upon with the cooperation of Enemalta. To this end, several meetings were held between Unit members of staff and the hosts of the various energy datasets at Enemalta.

## **Sustainable Development Indicators**

The Office had collaborated with MEPA on a joint project regarding sustainable development indicators for inclusion in the *State of the Environment Report*. The set needs to be adapted for the Sustainable Development Strategy for Malta and also for the Mediterranean Sustainable Development Strategy.

## **Regional Statistics**

The Unit is currently engaged in a stock-taking exercise for the purpose of updating and aligning the current regional statistics database with Eurostat requirements.



## **CORPORATE SERVICES**



## MANAGEMENT SERVICES

### Staff Complement

On 7th August 2006, Dr Gordon Cordina started his tenure as Director General of the National Statistics Office. Dr Cordina succeeded Mr Alfred Camilleri, who had served in the capacity of Director General at the Office since 1st March 2001 and has recently been appointed Permanent Secretary at the Ministry of Finance. As at the end of September 2006, the Office had 141 staff members on its books, 61 men and 80 women. 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 2006**

Age group	Men	Women	Total
18-30	24	49	73
31-40	11	14	25
41-50	14	9	23
51+	13	8	21
<b>Total</b>	<b>61</b>	<b>80</b>	<b>141</b>

**Table 2 NSO staff members by function: September 2006**

Position	Men	Women	Total
Management Team	16	3	19
Statisticians	24	23	47
Executive Staff	11	23	34
Support Staff	10	31	41
<b>Total</b>	<b>61</b>	<b>80</b>	<b>141</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 a profile of local and foreign courses attended by NSO staff members.

**Table 3 Local courses: 2005/06**

Type of course	Men	Women	Total
Use of EU Tendering Templates	1	2	3
Microsoft Excel XP Advanced	-	1	1
Training for Minor Staff	1	-	1
Statistical Package for the Social Sciences (SPSS)	4	6	13
<b>Total</b>	<b>6</b>	<b>9</b>	<b>15</b>

**Table 4 Foreign courses : 2005/06**

Type of course	Men	Women	Total
Training course "European Statistical Data Support (ESDS)"	1	-	1
Training course "Seasonal Adjustment"	1	-	1
Course on National Accounts Statistics in Practice	-	1	1
Training course on European Statistical User Support	1	-	1

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 2005-September 2006 ...**

Purpose of visit	Duration (days)	Persons
Eurostat Working Group Labour Market	3	1
Eurostat Meeting of the Working Group "Health and Safety at Work Statistics"	2	1
Eurostat Meeting of the Balance of Payments Working Group	2	1
61 <sup>st</sup> Meeting of ACOR-VAT	2	1
Eurostat Working Group on Short-term Public Finance Statistics, Task Force on Quarterly Financial Accounts of General Government and a Joint Meeting of the two above meetings	3	1
15 <sup>th</sup> Meeting of the Working Group of Local co-ordinators for Data Transmission	2	1
Eurostat meeting of the Working Party "Crop Products Statistics" and meeting of the Working Group "Agricultural Accounts and Prices (AA)"	3	1
Eurostat meeting of the Working Group "Statistics of the Environment" – sub-group "Waste"	1	1
6 <sup>th</sup> Meeting of the GNI Committee	1	1

... Table 5 Working groups and meetings: October 2005-September 2006

Purpose of visit	Duration (days)	Persons
10 <sup>th</sup> Meeting of the Statistical Correspondents of the Helsinki Group on Women and Science	1	1
Meeting of the Working Group "Statistics on Science, Technology and Innovation"	2	1
Meeting of the Task Force "ICT Expenditure and Investment"	1	1
Meeting of the Working Party "Dissemination of Statistical Information"	2	1
Meeting of the "Standing Committee for Agricultural Statistics"	2	1
Meeting of the National Accounts Working Group Joint Meeting of Purchasing Power Parities/National Accounts	4	1
Meeting of the Financial Accounts Working Group	2	1
15 <sup>th</sup> Plenary Meeting of the European Advisory Committee on Statistical Information in the Economic and Social Spheres (CEIES)	1	1
Meeting of the Working Group on Financial Annexes	2	1
Working Group on the Collection of Statistical Information in the field of Tourism	2	1
Meeting of the Working Group on Euro indicators	2	1
Meeting of the Balance of Payments Committee	1	1
Meeting of the Education and Training Statistics Working Group	3	1
37 <sup>th</sup> Meeting of the CEIES Bureau	1	1
Southern European Group Meeting – European Comparison Program (ECP) for the calculation of Purchasing Power Parities (PPP's)	2	1
Working Group meeting on Migration Statistics	2	1
15 <sup>th</sup> Meeting of the common Eurostat – ECB Task Force on Quarterly Financial Accounts for General Government, meeting of the Working Group on Short-term Public Finance Statistics and a Joint Meeting on both meetings	3	1
Meeting of the Working Group on "Structure and Typology of Agricultural Holdings"	2	1

... Table 5 Working groups and meetings: October 2005-September 2006

Purpose of visit	Duration (days)	Persons
Meeting of the Technical Group "European Statistics on Accidents at Work (TG ESAW)" and Meeting of the Technical Group "European Occupational Disease Statistics (TG EODS)"	2	1
Working Party on Statistics Meeting	1	1
Preparatory Meeting of the Directors' Meeting on Environment Statistics and Environment Accounts	2	1
16 <sup>th</sup> Meeting of the Working Group of Local co-ordinators for Data Transmission	2	1
Meeting of the Working Group "Structures of the Taxation Systems"	1	1
Meeting of the Balance of Payments Working Group	1	1
Working Group Labour Market Statistics	2	1
Working Group on "Animal Products Statistics"	2	1
Meeting of the Working Group on "Management group on Statistical Co-operation Candidate and CARDS Countries"	2	1
11 <sup>th</sup> Meeting of the Statistical Correspondents of the Helsinki Group on Women and Science	1	1
Working group "Social Protection"	2	1
First Meeting of the Working Group on Sustainable Development Indicators	2	1
Meeting of the Working Group "Harmonisation of Consumer Price Indices"	2	1
Meeting of the Working Group on "Collection and Validation of Agricultural Statistics"	1	1
Workshop on Waste Statistics	2	1
Meeting of the "Standing Committee for Agricultural Statistics"	2	1
European Conference on Quality in Survey Statistics and Conference on Data Quality for International Organisation	5	1
Joint UNECE/Eurostat /OECD Meeting on National Accounts	4	1
NACE/CPA Working Group meeting	2	1
Workshop on EHIS – European Health Interview Survey	2	1

... Table 5 Working groups and meetings: October 2005-September 2006

Purpose of visit	Duration (days)	Persons
Meeting of the Working Group "Statistics of the Environment" – sub-group "Waste"	2	1
Meeting of the Working Party "Fishery Statistics" and Meeting of the Working Group on Pesticides Statistics	3	1
38 <sup>th</sup> Meeting of the CEIES Bureau and a Joint Meeting with Eurostat Directors	1	1
Meeting of the Working Party "Dissemination of Statistical Information"	2	1
Workshop on Balance of Payments Data Transmission	1	2
Conference on "Seasonality, Seasonal Adjustment and their implications for short-term analysis and Forecasting"	3	1
Working group 'Living Conditions'	2	1
Meeting of the National Accounts Working Group	2	1
59 <sup>th</sup> Meeting of the Statistical Programme Committee	2	1
30 <sup>th</sup> CEIES Seminar "Consumer Protection Statistics"	2	1
Working Group ISS – ICT Sector Statistics	2	1
Meeting of the Financial Accounts Working Group (FAWG)	2	1
Workshop on Certification Problems in Causes of Death Statistics	3	1
Final Medstat Forum and Medstat Task Force 3	4	1
Final Medstat Forum and Medstat Task Force 4	2	1
Meeting of the Working Party "Implementation of the Council Regulation No. 1165/98 on Short-term Statistics"	2	1
Working Party on Statistics	1	1
21 <sup>st</sup> Meeting of the Working Group STNE – Statistics, Telematic Networks and EDI and Metadata Working Group	4	1
Meeting of the Balance of Payments Committee	1	1
CMFB Meeting and Meeting of the Directors of National Accounts	3	1
Transition Facility Water Statistics Workshop	3	1
Metadata Working Group	3	1
Meeting of the Working Group on Agriculture and Environment	2	1
7 <sup>th</sup> GNI Committee	2	1

... Table 5 Working groups and meetings: October 2005-September 2006

Purpose of visit	Duration (days)	Persons
Working Group on "Animal Products Statistics"	2	1
Working Group on "Education and Training Statistics"	2	1
PPP Southern Group Meeting	2	2
Working Group on Tourism Statistics	2	1
Mission to Central Bank of Hungary re Quarterly Financial Accounts	3	2
Seminar related to the ex-post control of grant agreements awarded to beneficiaries of the ESS	3	1
Working Party on Labour Market LAMAS	2	1
Second Workshop on EHIS	2	1
Meeting of the European Directors of Social Statistics	2	1
Working Group on NACE/CPA	2	1
92 <sup>nd</sup> DGINS Conference "Making the System Work"	2	1
Working Group on "FATS"	2	2
Working group "Structures of the Taxation Systems"	1	2
DAFNE V Bilateral Meeting	3	1
<b>Total</b>	<b>178</b>	<b>90</b>

These working groups and meetings involved 90 visits by NSO staff members, totalling 188 person days.

### Eurostat Projects

The NSO is availing itself of any external funding operations that would help finance some or all of its investments in the physical infrastructure, training and research programmes. In the course of the year, 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 2005-2006.



**Table 6 Grant-based projects awarded by Eurostat: 2005-2006 ...**

Description of project	Total cost on project in Euros	NSO contribution in Euros	EU contribution in Euros	Grant total Lm
<b>2005</b>				
Community subsidies for user support on European Statistics	9,788	2,937	6,852	4,202
Transition facility multi-beneficiary programme for statistical integration 2004	491,213	9,824	481,389	210,878
Labour Force Survey ad hoc module on transition from work into retirement	39,098	9,642	29,457	16,785
EU-SILC 2006 Operation	313,426	104,465	208,961	134,554
ESSPROS Database year 2005	10,259	1,026	9,233	4,404
National Accounts – Improved Implementation of ESA95	72,224	7,222	65,002	31,006
Harmonised data collection on business demography 2006	10,453	1,045	9,408	4,488
STS grants 2005	52,135	13,675	38,460	22,382
Pilot studies on ICT investment and expenditure	17,876	1,788	16,088	7,674
Data collection for the ICT usage in enterprises 2005 (survey 2006)	26,440	2,644	23,796	11,350
Data collection for the ICT usage in households and by individuals in 2006	38,552	3,855	34,697	16,550
Pilot study on HICP at constant tax rates	21,143	2,114	19,029	9,077
2005 PPP grants	58,744	17,623	41,121	25,219
TAPAS action 2004	14,520	1,452	13,068	6,233
TAPAS action 2004 phase II: Survey on direct sales of fruits and vegetables	21,956	6,556	15,400	9,426
<b>Total</b>	<b>1,197,827</b>	<b>185,868</b>	<b>1,011,961</b>	<b>514,228</b>
<b>2006</b>				
LFS ad hoc modules “the action”	13,010	3,903	9,107	5,585

... Table 6 Grant-based projects awarded by Eurostat: 2005-2006

Description of project	Total cost on project in Euros	NSO contribution in Euros	EU contribution in Euros	Grant total Lm
Implementation of Pilot studies in the framework of FATS, Action 1: exports and imports of goods and services and action 2: size class breakdown referring to the number of persons employed ("the action")	14,039	3,089	10,951	6,027
2006 PPP Production of Data	58,134	17,440	40,694	24,957
Job Vacancy Statistics	19,777	5,933	13,844	8,490
Community subsidies for user support on European Statistics	15,319	4,596	10,723	6,576
Implementation of Commission Regulation 341/2006 adopting the specifications of the 2007 ad hoc module on accidents at work and work-related health problems provided for by Council Regulation (EC) No 577/98 and amending Regulation (EC) No 384/2005	34,281	5,142	29,139	14,717
EU-SILC 2007 Operation	320,692	107,494	213,192	137,673
<b>Total</b>	<b>475,252</b>	<b>147,597</b>	<b>327,650</b>	<b>204,025</b>

### Corporate Environmental Consciousness

Further to the publication of an environmental policy and the appointment of a corporate Green Leader, the Office embarked on a number of energy-saving measures. This initiative generated an appreciable reduction in energy costs and further consolidated the Office's position as a leader in equitable environmental management. These measures included:

- removal of neon tubes and re-alignment of the remaining ones to provide the same amount of light;
- replacement of old computers with more efficient ones;
- switching off of electricity and all electric equipment when not in use;

- promotion of a switch from paper use to soft-copy use;
- a start to paper recycling and re-use practices;
- active promotion of waste separation measures.

Further to the publication of its Environmental Policy and further to its firm commitment to equitable environmental management, the Office continued to take concrete measures towards the promotion of sound environmental practices. These included:

- half of its printed output in CD-Rom;
- electronic dissemination of news releases;
- extension of electronic data gathering processes to major surveys such as SILC;
- a policy of double-sided printing and copying wherever feasible.

In addition, a total of 9,660 kilos of paper was sent for recycling. Since 2002, a total of 22,680 kilos of paper has been recycled by the Office.

The Office also participated in the TREE 4 U ministerial campaign at Ta' Qali on World Environment Day 2006.

## **INFORMATION SERVICES**

### **Library**

The role of the Library and Information Unit (LIU) within the NSO is strategically important as it 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, a Collection Development Policy has been prepared 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. In view of this, a pricing policy has been developed that spells out 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 2000-2006:

**Table 7 Statistical requests**

<b>Year</b>	<b>Number of requests</b>
2000	510
2001	693
2002	1,060
2003	1,249
2004	1,350
2005	1,240
2006	1,300*

\*projected

### Dissemination

In the course of the past year, the News Releases continued to be prepared in accordance with an Advance Release Calendar. The experience gained from the 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 and adherence to a three-month Advance Release Calendar on the 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. As in all the years since the inception of this service, the number of News Releases published by the NSO has been on the increase in the current year too. Table 8 shows a seven-year span of News Releases.

**Table 8 News releases: 2000-2006**

<b>Year</b>	<b>Number</b>
2000	100
2001	124
2002	147
2003	207
2004	249
2005	281
2006	294*

\* projected

Almost all NSO publications are now being placed on the NSO website, thus maximising accessibility to users. The 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. In addition, however, the NSO is providing a Print-on-Demand service to those statistical users who do not have access to electronic publications.

**Table 9 NSO Full Publications**

<b>Publication</b>	<b>Medium</b>
Culture Statistics 2004	Printed in-house
Labour Force Survey 2005	Printed in-house
Census 2005 Preliminary Report	Printed commercially
Education Statistics 2004	CD-Rom
Demographic Review 2004	Printed commercially
Agriculture and Fisheries 2004	CD-Rom
Plant Protection Products	Printed in-house
Balance of Payments 2003	CD-Rom
Transport Statistics 2005	CD-Rom
Environment Statistics 2006	Printed commercially

### **NSO Website**

In the course of last year, the NSO website has been further enhanced to provide a better service to the user. Other new developments are at an advanced stage and are expected to be implemented before the end of 2006.

### **Metadata and SDDS**

In the course of 2006, the LIU held discussions with various units regarding the production of metadata. The compilation of metadata from all units has various implications for the NSO. Harmonised presentation of metadata is an additional dissemination tool that is an integral component of the dissemination of official statistics. Metadata includes methodological information, references to regulations governing the compilation of data and the availability of various dissemination formats. As such, it is of great benefit to statistical users.

This project is inextricably linked to the SDDS (Special Data Dissemination Standards) project that is also currently in progress. The SDDS project entails availability of various indicators from the Real, Fiscal and the Financial and External sectors. In addition to the availability of data in established time frames, metadata on all these sectors should be available and updated regularly. SDDS compliance also entails the availability of an Advance Release Calendar (ARC). Much work has been done in this area but enhancements are required to meet the established criteria.

In line with both Eurostat and IMF presentation of metadata, the NSO is preparing to launch its metadata in SDDS format. This will eventually be available on the NSO website and will also satisfy part of the requirements for SDDS compliance. There are

various technological issues that will have to be explored in order to facilitate the production and exchange of metadata among various users.

The LIU will act as coordinator in the production and presentation of metadata which will be in line with both local and international requirements. Work is expected to intensify during 2007 with initial results envisaged for later in the forthcoming year.

### **Data Protection**

As the agency empowered by the Malta Statistics Authority Act, 2000 to collect, compile and disseminate Maltese official statistics, the 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) which provides for the protection of individuals against the violation of their privacy by the processing of personal data.

The National Statistics Office has appointed a senior official as Data Protection Officer in order to ensure that all NSO processes involving personal data conform fully to the DPA.

The NSO continues to meet with public and private sector data providers to ensure that the duties and obligations of all parties concerned with data collection conform fully to the relevant provisions of the Malta Statistics Authority Act and the Data Protection Act.

## **INFORMATION SYSTEMS**

In recent years, the National Statistics Office has continued to implement an extensive computerisation programme. This covers practically all operational areas within the Office and is aimed at providing computerisation 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 the NSO. This has generated a greater level of efficiency while reducing the Organisation's dependence on external services providers. During the year, the Office completed the implementation of its IT Hardware Strategy 2006.

### **Software Development**

A total of 45 projects was submitted by the various units to the IT Unit with a view to developing new applications and updating operative 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:

- Short-term Business Statistics;
- Reporting tool for Continuous Vocational Training Survey;
- Farm Register and Information Management system;
- National Accounts system.

The IT Unit staff members were also involved in the preparation of the Trade Indices and the Census Preliminary Report. Additionally, various programmes were prepared in support of a number of surveys commissioned by a number of local private and public entities. 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 is intended to be installed and configured by the end of the year.

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

In the course of the year covered by this report, various surveys were carried out using CATI both for NSO requirements and also for third parties. The adoption of CATI has generated greater productivity and has resulted in substantial savings in the taking of surveys.

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

A dedicated IT team from MITTS Limited provided considerable support 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 2006;
- 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 the current year, eDAMIS, the new data transmission tool developed by EUROSTAT, was deployed in all units throughout the NSO and data transmissions utilising this system have already started in earnest. Use of this facility is in line with the EUROSTAT policy of having a Single Entry Point (SEP) for all data.

## **RESEARCH AND METHODOLOGY**

### **Census of Population and Housing 2005**

In the period October 2005 to October 2006 the Research and Methodology Unit focused mainly on the Census of Population and Housing 2005. This Unit acted as Census Office and co-ordinated various aspects of the Census.

A Census Order was made by the Hon. Prime Minister and Minister of Finance in terms of the Census Act of 1948. Prior to the issue of that Order, a Notice was published in the Government Gazette, appointing Mr Alfred Camilleri, then Director General of the NSO, as Census Officer for the taking of the Census.

The Census Order provided for the taking of the Census on the 27 November 2005 and for the broad types of particulars and other information to be collected in respect of persons and housing.

The Census Regulations were published by means of a legal notice and gave details of the Census questionnaire in addition to defining the duties and functions of the Census Officer, Supervisors and Enumerators, as well as those persons required to furnish information.

### **Preparations**

Before the actual taking of the Census it was necessary to plan the various phases in detail. An organisational structure was set up within the Census Office, coordinating all activities including methodology, logistics, information technology and communications.

Enumeration maps were drawn by the Malta Environment and Planning Authority (MEPA) while software was developed by two coordinated teams, one from the NSO and the other from the Malta Information, Technology and Training Services Limited (MITTS).

The printing of the questionnaires, manuals and forms was carried out at the Government Printing Press (GPP) while Maltapost plc was entrusted with the delivery of information leaflets and the Census questionnaire to private households.



## **Pilot testing**

Prior to printing the questionnaire was tested extensively. A sample of 200 households participated in a pilot exercise which was carried out between May and July 2005. A number of experienced interviewers visited these households and assisted them to complete the questionnaire. The difficulties encountered during this phase, as well as suggestions and recommendations received, proved very useful in drawing up the final draft of the census questionnaire.

## **The questionnaire**

The questionnaire was divided into 2 parts, the first covered demographic and other socio-demographic topics while the second part dealt with housing. The questionnaire catered for up to 6 household members and continuation forms were provided to households which comprised 7 or more members.

The census questionnaire contained extensive explanatory notes intended to facilitate its completion. These notes were supplemented by additional information which was contained in a Census manual that was distributed to all Census staff. The manual also contained extensive notes on all the relevant aspects of the methodology that was adopted in the taking of the Census.

## **Operations centre**

Given that existent premises at the NSO were insufficient to house the census operations a Government-owned building at Valletta, located near the NSO, was transferred to the Office. This building was refurbished and all modern amenities were installed.

These new premises housed the Census Office, the IT Unit and the data-processing unit. The Census questionnaires are also stored in these premises.

## **Administrative registers**

In order to ensure as comprehensive a coverage as possible, extensive use of a number of administrative registers was made. These include the identity card, electoral, Common Database (CDB), water and electricity billing, telephone and social security registers.

Given that the ID card register does not contain a unique identifier for each dwelling it was decided to use the water and electricity register for mailing purposes. In this way the Census Office was able to identify more accurately those addresses where at least one person was residing.

Since the maps which were drawn up by MEPA were based on the electoral register it was necessary to link streets between the electoral and the water and electricity registers during the preparatory phase.

On completion of the Census, extensive benchmarks were carried out with the administrative registers in order to ascertain the highest level of coverage possible.

### **Training**

Intensive training sessions on all aspects related to the Census were held in both Malta and Gozo during October and November 2005. The questionnaire, responsibilities and duties were explained to the staff members.

Time was allotted to meetings at district and supervisor level so that the Census staff members could familiarise themselves with one another.

### **Information campaign**

The campaign aimed to maximising public awareness about the Census and to increase cooperation.

Prior to the actual taking of the Census, a number of surveys were carried out to assess the level of awareness among the public and to identify those groups which had the lowest level of awareness.

The campaign targeted different segments of Maltese society and a communications mix, which included television, radio and newspapers, was used. Information material and souvenirs, in both English and Maltese, were also distributed.

A freephone service was also made available. This proved to be a very popular service and over 30,000 calls were received. The public could also address queries to a generic e-mail address. Again, this tool proved to be very popular with over 1,000 queries received.

### **Field-work**

Field-work was carried out between 21 November and 11 December 2005. During this period the enumerators visited each household in Malta to collect the completed questionnaire and assist where required. Details on vacant dwellings were also collected.

The response rate was most satisfactory, with an estimated 92 per cent of all questionnaires being collected by the end of the three-week period.

### **Post-enumeration**

Similar to other censuses that were previously carried out an extensive follow-up survey was carried out to maximise response. Over the span of six months the remaining households and persons who, for one reason or another, had not been enumerated were contacted by mail and/or by telephone.

By the end of September 2005, over 98 per cent of all questionnaires had been received. The follow-up survey had a response rate of around 75 per cent.

### **Reports**

A Preliminary Report was published in April 2006, showing the number of Maltese residents in every locality.

Currently the datasets are being cleaned and missing data imputed. It is expected that the final reports will be published by April 2007.

### **External Services**

In the same period the Unit carried out the following customised surveys on behalf of third parties:

- Customer perceptions survey on 3G mobile technology on behalf of Vodafone Ltd;
- Market research on behalf of The Malta Experience;
- Launching of 3 surveys on postal services on behalf of the Malta Communications Authority;
- Launching of an ongoing survey on television viewership and radio listenership on behalf of the Broadcasting Authority.

### **INTERNATIONAL OFFICE**

The International Office is charged with serving as an interface in the ever-developing relationship between the NSO, EUROSTAT and the Statistical Institutes in the other twenty-four EU Member States, with keeping track of all proposals for new legislation that impinge on the statistical field, and with providing the necessary support for consultation with third parties in all matters statistical, both locally and internationally.

### **Euro Changeover**

In September 2005, the International Office undertook the preparation of plans to ensure compliance of the Office with the requirements related to the euro changeover.

All Units were asked to identify potential statistical problems linked to the introduction of the single currency. Having reviewed the Euro changeover plans of all public sector departments and entities, the Public Finance Sectoral Committee (PFSC) set up by the National Euro Changeover Committee (NECC) proposed the carrying out of simulation exercises. With regard to the NSO, these were carried out among a number of units in March-April 2006.

## COMMUNICATIONS OFFICE

The functions of the Communications Office include: coordination in communications between the Office and media organisations and enhancement of the media image and presence of the NSO.

### NSO and the Media

In the course of the past year, the NSO continued to build upon its visibility in the media. Public accessibility to official statistics continued to improve, especially through the daily issue of News Releases that were well carried by the print and audio-visual media as well as, increasingly, by the Internet-based media. Table 10 provides an outline of media coverage of NSO output in the year being reviewed in this report.

**Table 10 Percentage distribution of statistical news coverage by statistical theme**

Statistical Theme	Per cent
Economy and Finance	18
Population and Social Conditions	28
Industry and Services	32
Agriculture and Fisheries	5
International Trade	5
Transport	3
Environment and Energy	2
NSO Institution	5
Other	2

The Communications Office liaises closely with the Library and Information Unit in the organisation of press conferences and events. The media events hosted by the NSO in the period being reviewed are listed below:

- 18 October 2005** Visit by the President of the Republic, Dr. Edward Fenech Adami, and the Parliamentary Secretary within the Ministry of Finance, Mr. Tonio Fenech, in the course of which they attended a presentation of the Census process.
- 7 December 2005** Visit by the Prime Minister, Dr. Lawrence Gonzi, and the Leader of the Opposition, Dr. Alfred Sant, during which they were familiarised with the Census process.
- 26 April 2006** Press Conference on the occasion of the launching of the Census of Population and Housing 2005 Preliminary Report.
- 7 September 2006** Press Conference in which the incoming Director General of the National Statistics Office, Dr. Gordon Cordina, met members of the media and explained to them his vision for the Office.

## FEATURE

### **Factors that impinge on the efficiency of the European Statistical System: issues and insights**

*Gordon Cordina*

*Director General, National Statistics Office, Malta*

#### **Background to Paper**

On 21 September 2006, Dr Gordon Cordina, Director General, presented a Discussant's Paper at the 92nd DGINS Conference held in Cracow. The Paper followed one of the Panel Sessions of the Conference entitled: "Improving the Efficiency of the European Statistical System". The four contributors to the Session were:

Johann Hahlen, President, FSO, Germany – What are the Key Factors in Increasing Efficiency within the ESS?

Michel Glaude, Director, Directorate F, Eurostat – First for Statistics – Ensuring Efficiency through Networking.

Carmen Alcaide Guindo, President, INE-Spain – Planning and Optimal Use of Resources in Statistics.

Jan Fischer, President, CSO, Czech Republic – Training and Educational Needs of Statisticians to Provide Better Service in the Future.



## **1. Introduction**

The papers presented in this panel provide important insights into a number of crucial issues affecting the efficiency of the European Statistical System (ESS). They derive considerations and conclusions which are based on clear thinking as much as on practical experience. This contribution aims to add value to this panel session by bringing together the various strands of the papers presented under a unified conceptual framework and by discussing some of the major implications for ESS members hailing from the smaller EU Member States.

## **2. Efficiency in Statistics Production**

Taking the lead from the contribution by Mrs Guindo, who likened the production of statistics to industrial processes, efficiency in statistics can be viewed to entail the attraction of sufficient resources towards the activity and their optimal allocation so as to appropriately satisfy priority needs at the minimum possible costs. The attainment of efficiency can thus be viewed to entail three dimensions namely the identification of needs, the mobilisation of resources and the effective utilisation of such resources.

In terms of the identification of society's needs for statistical output, it is recognised that such needs are in the major part in the nature of a public good, requiring an allocation of resources from public sources. There is however scope for statistical production whose benefits can to a larger extent be internalised within specific users, for which resources can be mobilised from the private sector, civil society and other interested parties. A similar dichotomy exists between the national and EU-wide levels of statistics production, with the benefits of the former being to a larger extent internalised within individual Member States, while those from the latter being more in the nature of a public good across the Union.

In terms of the mobilisation of resources, it is interesting to note that while, as Mr Glaude clearly indicates, National Statistical Institutes (NSIs) are coping with increasing demands at the supra-national level in recent years – also thanks to substantial

supranational funding - they are also tending to resort outside general fiscal budgetary allocations to tap funds, particularly in cases where economic conditions are acting as a drain on national resources. This is in part a reflection of the forces of globalisation where the forces of competition are becoming ever more pervasive, at the business, national and regional levels. The supra-national focus of statistics is a direct result of EU-wide efforts at facing global competition through regional efforts. In turn, it is also true that the ESS and its members are not immune to this competition. They have to strive to deliver their product with a better cost-quality combination than their counterparts and potential competitors in other states and regions and in manners that are more innovative and better suited to the needs of their users. This is further reinforced by the fact that the very forces of competition may tend to limit the resources which were traditionally available to the statistics production function.

In terms of the utilisation of resources, it is thus imperative that the resources available to the ESS and its individual members are put to the most effective uses possible. And since such resources are mainly derived from public sources, it is crucial that they are used in a transparent manner which would further contribute to enhancing the credibility of the statistics production function and of its output, thereby facilitating the mobilisation of resources towards this field.

Each of the four contributions forming this panel is founded on one or more of the elements of an economic model of efficiency in statistics outlined above. The President of the Spanish NSI gave us an interesting case study on the role of planning in identifying needs and mobilising and allocating resources towards statistics production. In particular, we learned that planning can be expensive and laborious, but that it yields useful results, especially in reconciling demands emanating from various quarters. Planning can help to resolve problems of duplication of work and engender better collaboration between statistic-producing institutions, which are crucial issues to efficient resource use. Another important lesson is that the planning process may, by setting objectives to be achieved, to an extent stifle innovation which would enhance output beyond such objectives. It is thus important for such planning processes to be



sufficiently flexible and proactive to changing needs and potential achievements of statistics production.

The Eurostat Director for Social Statistics and Information Society highlighted the role of networking as a crucial element towards fostering an optimal outcome in all three dimensions of efficiency. On the front of identifying needs, Mr Glaude notes the development of indicators as a suitable approach towards satisfying European needs. In terms of operational approaches, he highlights the need for an integration of statistical systems particularly as regards the mobilisation of skills, new ways of producing European statistics, improving contacts and exchange between NSIs and strengthening the role of Eurostat as the driver of the system.

Elaborating on the same theme, the President of the German NSI focused on the importance of co-operation in order to enhance the efficiency of the ESS. In particular, a system of division of labour between the different NSIs within the ESS, “the one-for-all approach”, would improve the allocation of resources through concentration, specialisation and competition. CENEX is a commendable initiative in this regard, which requires a central organisational driver to operate properly, and ideally, legal recognition. This approach could also prove useful in training and in the production of EU specialised statistics. The sponsorship approach is proposed as an interesting model through which co-operation can actually be implemented. Co-operation is also viewed as essential to resolve possible conflicts and attain potential synergies between the principle of subsidiarity and the “First for Europe” approach advocated by ECOFIN.

The President of the Czech Statistical Office focused on a high quality European training programme as one of the keys to the success of the entire ESS. Mr Fischer observes that intelligence, creativity and communication and problem-solving abilities play an essential role within the statistics production function. Thus, efficiency in resource allocation within the ESS requires a strong emphasis on human resource development, underpinned by solid academic training and lifelong learning programmes. This would also lead to a cross-fertilisation of ideas and enhanced communications and networking between NSIs.

### 3. Problems Conditioning the Efficiency of NSIs from Smaller EU Member States

My contribution next devotes some attention to the special considerations which impinge upon the efficiency of NSIs in smaller EU Member States, drawing from experiences of the National Statistics Office (NSO) of Malta. Malta is one of the New EU Member States, with a population of around 400,000 and a per capita GDP of circa 70 per cent of the EU average. As a micro economy, it is also one of the most open among the EU Member States. The National Statistics Office of Malta has achieved significant progress over the past decade in upgrading its output and methodologies, driven primarily by the requirements of EU accession. These have concerned virtually the entire range of statistical output, including the National Accounts and the compilation of the Harmonised Index of Consumer Prices. Extensive use of grants and facilities available through the ESS and other EU sources has been made towards these ends. The Office collaborates closely with other statistical agencies in the country, primarily the Central Bank and Government Ministries.

Within the background of these developments, there are a number of considerations which constrain the efficiency of the NSO and which may reflect, to varying extents, conditions in the NSIs of other small EU Member States. These include the following issues.

*Resource Limitations.* Resource limitations are an obvious constraining factor of small states, conditioning not least their statistical processes and output. Over the past ten years, the Maltese NSO roughly tripled in size in terms of employment, and grew by an even higher multiple in terms of available skills. At the same time, it became compliant with a significant portion of the ESS requirements for statistical methodologies and output, most probably implying that its output increased at a faster pace than the growth in inputs. This notwithstanding, the total staff complement at the NSO does not exceed 140, which implies that the Office is very hard pressed to reach its commitments in a number of areas, and is not sufficiently able to effect methodological and output quality improvements to the desired, and possibly, the optimal extent. The Office is not only constrained in the availability of financial resources, but perhaps even more

importantly, through the availability of suitably qualified human resources in the country.

*Problems of Indivisibilities.* The problem of indivisibilities implies that the provision of public goods comes at a relatively high per capita cost in small countries. This obviously extends to the production of statistical output. As an example, in spite of the obvious small size of the NSO, there is a statistician for every 2,500 persons in the population in Malta, compared to the roughly 10,000 population per statistician in Spain. This implies that the cost of statistical output is relatively high in Malta, and is competing for public resources against applications which are similarly conditioned by the problems of indivisibilities. There is an overriding consideration that this relatively high per capita cost is being borne by the country in order to comply with ESS standards that are not only benefiting Malta directly, but are also, at least in part, providing benefits at a supranational level.

*Relatively small bargaining power in setting standards relevant to the country.* Small countries, in general, suffer from limited bargaining power in influencing international arrangements which could potentially affect them. This limited bargaining power also emanates from an insufficient administrative and negotiating capacity. These conditions may, to some extent, also be prevalent in the area of standard-setting within the ESS. Small NSIs are often stretched in terms of their resources to keep up with international commitments such as participation in Working Groups and Task Forces. This situation may result in the setting of standards and methodologies which are not relevant in small countries to the same extent as they would be in larger ones, thereby denting the efficiency of the statistical function in small countries.

*Complications to statistical measurement.* Statistical measurement in small countries is typically complicated by three issues. One is the lack of representativeness of proportional samples within small populations, implying higher margins of error of survey results, or the need for more intensive survey efforts in a situation where the per capita costs of statistical compilation are already relatively high. The other is the fact that small countries are inherently more vulnerable to shocks lying outside their

control. Single individual shocks can have relatively large effects on small countries, with the consequence that the phenomena being measured within statistical populations are inherently more variable. Such shocks would, at the very least, reduce the relevance of sampling frames, especially during a period of rapid industrial restructuring. This would tend to further reduce the degree of accuracy of statistical output. The third issue is that response burden in small countries tends to be more pronounced, as the typically high concentration of markets in the hands of a few firms tends to reduce or nullify the extent to which certain respondents can be replaced in surveys. Similar considerations apply to response burden at the household level.

*Focus of European statistics on aggregate results.* There is a risk that with an increase of the focus of statistical output on aggregate European results, the considerations applicable to small countries would tend to be sidelined. For example, the entire economy of Malta amounts to around 0.04% that of the EU, which is less than the margin of error of measurement, especially in the case of flash estimates. Such a marginalisation from the mainstream activities of the ESS can only affect the efficiency of statistical production in small Member States negatively, not least by diverting excessive attention towards countries accounting for the bulk of aggregate results. It is thus important that European statistics focus not only on aggregate issues but also the dispersions in results between all EU Member States, finding a suitable balance between timeliness and adequate geographical coverage of statistics.

Overall, it would appear that the efficiency of statistics production in small countries tends to be constrained by inherent factors which would limit the relevance and accuracy of output while increasing the costs of inputs, at least in relative terms.

#### **4. Possible Approaches towards Enhancing the Efficiency of NSIs in Smaller States**

There are a number of possible approaches towards meeting the problems which the inherent conditions of small states impose on their statistical efforts and output. This contribution briefly mentions five such possible approaches, which can be pursued at the levels of individual NSIs and at that of the ESS.

These are the following:

*Balance between flexibility and multi-skilling on one hand and knowledge-deepening on the other in human resource development.* Flexibility and multi-skilling is an essential requirement of human capital in small states in order to overcome some of the disadvantages of resource limitations. The attainment of such characteristics, through which individuals would be required “to wear more than one hat” would often require sacrificing the depth of skill acquired by workers, an arrangement which is nevertheless often optimal for small countries. This can also apply to the field of statistics production. It can thus be considered that training programmes for statisticians would feature an important element of flexibility and multi-skilling as opposed to the creation of in-depth skills, which can then be obtained by small countries on an ad hoc basis as and when required.

*Balance between survey approaches and the use of administrative data.* As discussed earlier on, there is the possibility that survey approaches would be less reliable or more costly to implement in small countries. On the other hand, there is the possibility that administrative data would be more reliably maintained in small jurisdictions, being focused at defined administrative centres and compiled in a consistent manner. There could thus be a case for shifting the balance somewhat away from survey approaches towards administrative approaches in small countries, under the imperative of maintaining sufficient consistency with international standards.

*Calibration of statistical standards in consideration to country size.* In turn, there is the case that onerous standards would not only be excessively costly to implement for small states but also potentially irrelevant, either because of the nature and structure of their economies or because of their relatively small contribution to aggregate European results. Thus, while avoiding that statistical production in small states is marginalised, the calibration of statistical standards in relation to country size could be considered in order to optimise the balance between the need of statistics at the European level and the relevance and cost of statistics at the level of the individual Member State.

*Provision of assistance related to complications in measurement emanating from country size.* The provision of specific assistance to overcome the complications to statistical measurement can be considered as an alternative or a complement to the previous two measures. This would ideally take the form of technical assistance as well as financial assistance aimed at enhancing the coverage of surveys.

*Collaboration between NSIs of small EU Member States.* A further initiative that may be considered is an enhanced degree of collaboration between NSIs of small Member States to focus on their inherent efficiency problems and devise solutions to mitigate them. This could constitute an integral part of the networking efforts within the ESS.

## **5. Conclusion**

The ESS continues to face a highly dynamic situation for the demand of its output, which is not only tending to increase in size but also evolving in nature to meet national, and increasingly, supranational requirements. The supply availability continues to be in the main characterised by institutions working under a unifying force but with different modes and models of operation, reflecting different national contexts and backgrounds.

Within this scenario, the main issues that appear to emerge are:

- the methods and tempo with which the “First for Europe” approach is to be adopted;
- the exploitation of the potential benefits of further networking within the ESS, with focus on the models which may be adopted for such co-operation, taking due account of “First for Europe” considerations, but also irrespective of them;
- the utilisation of models of best practice to enhance operational efficiency throughout the ESS, particularly as they relate to planning and human capital development;
- the need to focus not only on aggregates or averages across the ESS but also on the specific conditions of individual NSIs and countries within the system, especially those constrained by smallness.

