

Overview of reporting obligations for businesses in Moldova

- **Summary of results –**

Woldemar Walter, Andrian Gavrilita

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Structure

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2. Regulatory framework and practical implications
3. Number of reports and submission channels
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1. Introduction

- The Government of Moldova expressed its discontent regarding the current data situation
 - Statistical data are provided too late, with little interpretation and visualisation, and are thus not very helpful for decision makers
- At the same time, burden for statistical reporting for companies is quite high
 - Some reports are superfluous because information is of no use to stakeholders or is provided elsewhere
 - Only a fraction of the reports can be submitted electronically
 - Companies need to invest time and employ staff to produce reports of questionable value
- International financial institutions also report problems regarding statistics in Moldova
 - Frequency of some data series not appropriate and thus provides little added value for their work
- All in all, practically all stakeholders agree on deficiencies of the current system
- **Aim of this study:** list of all reporting obligations for business, which is a necessary pre-condition for concrete and result-oriented work on the subject, including a list containing
 - Content of reporting: variables and information
 - Reporting entities: types of affected companies
 - Reporting frequency: monthly, quarterly, biannually, annually
 - Reporting channels: paper, online

Note: This report is based on the information available at the time it was completed (November 2019)

2. Regulatory framework

- Regulations based on 2 laws and 5 Government Decisions*
- Practical aspects of regulatory framework
 - The National Bureau of Statistics (NBS) is the central authority in the field of statistics, which collects data on request of other institutions
 - NBS decides on statistical methods, standards and procedures, as well as on the content and timing of the publication of statistical information
 - NBS drafts the annual research program, other institutions are able to comment and provide recommendations on indicators to be collected
 - Data can be provided by different means, but only paper and electronic submission are used in practice
 - Most types of reports are submitted on paper, there are 2 platforms for electronic submission:
 - www.raportare.gov.md, managed by the Centre for Information Technology in Finance (CTIF) - a public institution under the Ministry of Finance
 - www.raportare.md, managed by NBS

* Law 93/2017 on official statistics;

Law 186/2011 on ratification of International Labour Organization Convention no.160 on labour statistics.

Government Decision 935/2018 on organization and functioning of the National Bureau of Statistics;

Government Decision 244/2018 on the National Statistics Council;

Government Decision 1451/2016 on Strategy for development of the national statistical system 2016-2020 and the action plan on its implementation;

Government Decision 856/2010 on the Approval of the technical concept of the automated information system of the National Bureau of Statistics;

Government Decision 1226/2018 on Approval of the Statistical Works Program for 2019.

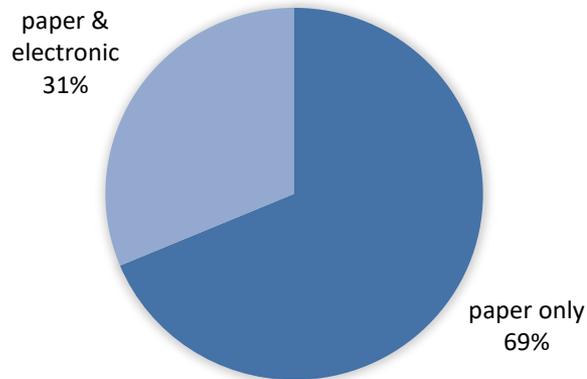
3. Number of reports and submission channels

Nr.	Field	Number of unique statistical forms	Number of forms by reporting format/channel		Number of total reports / year
			paper only	paper & electronic	
A.	Entrepreneurship	2		2	2
B.	Finance	5	2	3	19
C.	Import/export of services	2	2		10
D.	Import & export of electricity and natural gas	1	1		12
E.	Labor market	9	3	6	9
F.	Internal trade of goods	3	1	2	14
G.	Industry & energy	11	9	2	50
H.	Transport	15	4	11	74
I.	Agriculture	27	27		54
J.	Investment, construction and housing fund	6	2	4	15
K.	Information and communication technology	3		3	11
L.	Tourism	3		3	9
M.	Demography	1	1		12
N.	Justice	1	1		1
O.	Education	7	7		7
P.	Science	2	2		2
R.	Environment	6	6		6
S.	Public utilities	3	3		3
T.	Culture & sport	8	8		8
	Total	115	79	36	318

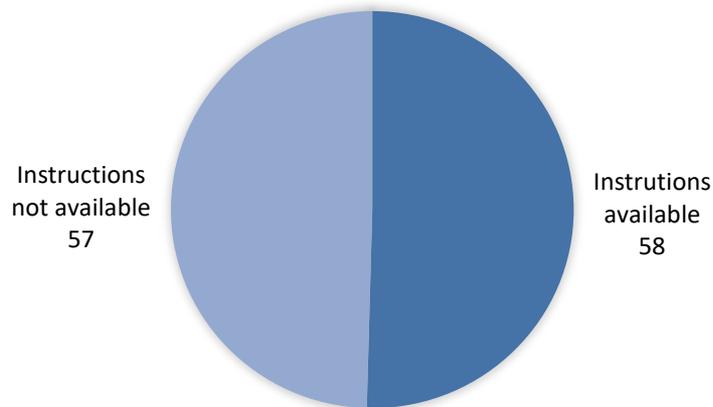
- NBS groups the reporting obligations into 19 fields (areas of activity or specific interest)
- There are 115 different statistical reports in total (excluding financial statements)
- 86 of them are to be presented annually 2 biannually, 27 quarterly and 10 monthly
- Most unique forms are in agriculture
- Highest number of reports provided by transport

Submission channels

Split of reports by available submission channels



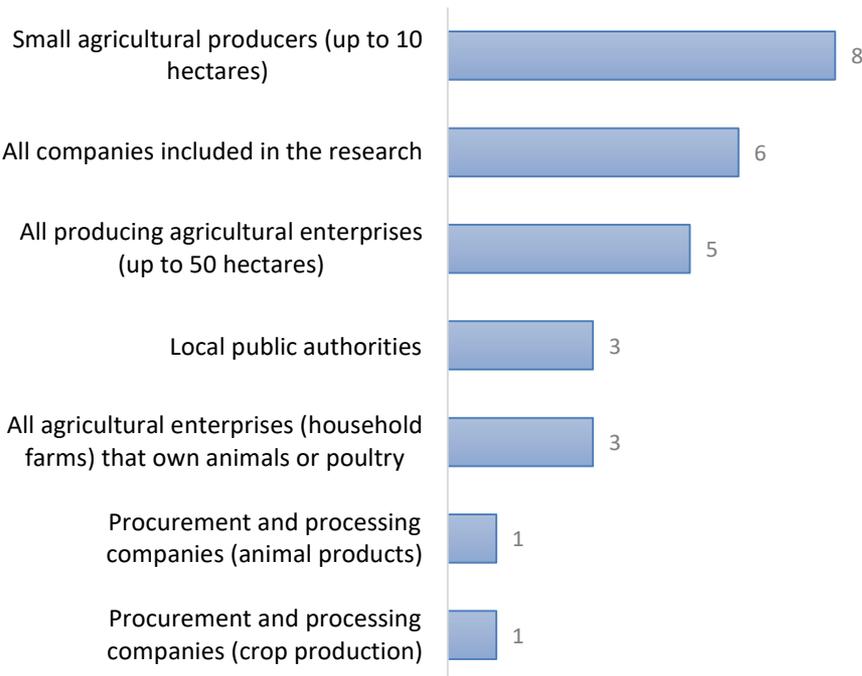
Distribution of statistical forms by availability of instructions



- Less than 1/3 of reports can be submitted electronically
- Many respondents prefer to fill in and send them on paper
 - Often, if a respondent has to submit several reports and one can only be submitted on paper, it is likely that all reports are submitted on paper
- Half of statistical forms (57 of 115) do not include online instructions for filling them in
 - This leads to errors, wasted time and effort of the reporting entities

Reporting in agriculture

Number of distinct forms by types of reporting entities for agriculture

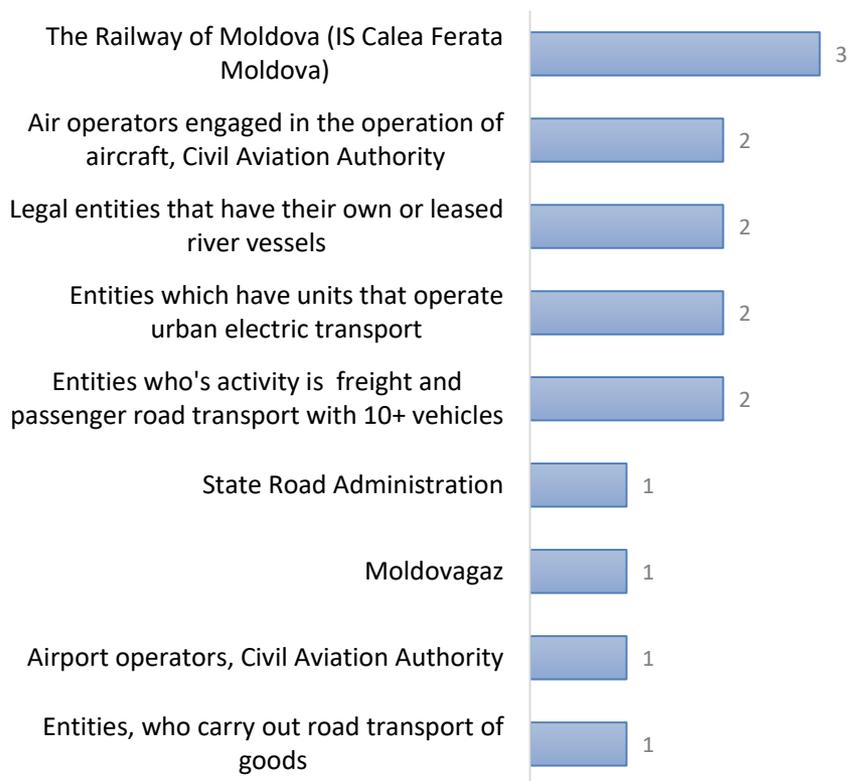


Source: German Economic Team

- Agriculture has 27 and thus the highest number of forms
- It includes 6 types of economic entities (some overlapping), as well local public authorities
- Reporting burden, thus, not as high as it seems at first glance
- However, there are problems
 - All reports can be submitted only on paper (some forms are available to be filled in electronically, but can only be submitted on paper)
 - Analysis highlights need to strengthen the inter-institutional relations, some requested data is available at other institutions

Reporting in transport sector

Number of distinct forms by types of reporting entities for transport



Source: German Economic Team

- Transport sector has the highest number of submissions per year
 - However, transport statistics involve 9 different reporting entities
 - 7 kinds of entities concern only very few companies (e.g. air, water, rail, gas).
 - The 3 reports that concern the largest numbers of entities (ground transportation of passengers and cargo) can all be submitted electronically
- Reporting burden not as high as number of forms indicates

4. Reporting burden by number of respondents

Top-5 reports by number of respondents

No.	Name of the report – types of respondents	No. of respondents	Periodicity	Online reporting
A.	Entrepreneurship			
	ASA (annual organizational survey of enterprises) – all enterprises >19 employees and a sample of enterprises <19 employees	13,000 (selective)	Yearly	Yes
E.	Labor market			
	M3 (salaries and cost of labor) – economic and social units with at least 1 employee	14,700 (selective)	Yearly	Yes
G.	Industry & energy			
	1-BE (energy balance) - entities producing, transporting and consuming energy resources	15,000 (exhaustive)	Yearly	No
K.	Investment, construction and housing fund			
	2-INV-yearly (investment in fixed assets, 2018) – entities investing in fixed assets, regardless of activity	43,000 (exhaustive)	Yearly	Yes
	2-INV-quarterly (investment in fixed assets, 2019) – entities investing in fixed assets, regardless of activity	17,600 (selective)	Quarterly	Yes

Source: German Economic Team

- There are at least 26 reports applicable to more than 3,000 entities
- Number of entities is the most important criterion for NBS for selection of reports to become electronically reportable
- From the top-5 reports with most respondents, all but one are already eligible for electronic reporting
- The largest number of respondents that do not have access to online reporting are in agriculture (5 reports with more than 3,000 respondents)
- Further fields with reports of more than 3,000 responders which do not have access to online reporting are industry & energy are import/export of services and environment

Reporting burden by number of reported pages

Top-5 reports by number of pages per year

No.	Name of the report – types of respondents	No. of pages per year	Online reporting
A.	Entrepreneurship		
	ASA - annual organizational survey of enterprises	104,000	Yes
F.	Internal trade of goods		
	SERV TS- Short term trade indicators, services	120,000	Yes
G.	Industry & energy		
	1-BE - Energy balance	105,000	No
J.	Investment, construction and housing fund		
	2-INV – Investments Details	211,200	Yes
	2-INV annual – Investments Details	310,000	Yes
	Total for all reports	1,972,679	

Source: German Economic Team

- As an additional indicator, we measure reporting burden by amount of information (number of pages)
- There are 21 reports with more than 30,000 pages of information per year
- The total number of reported pages per year amounts to almost two million (some reports not included)
- From top-5 reports by number of pages only one is not eligible for online reporting
- Fields with reports of more than 30,000 pages per year that are not eligible for online reporting are industry & energy, import/export of services and agriculture
- These reports should be prioritised for electronic reporting from our point of view

5. Conclusions

- Study provides overview of reporting burden for companies as a basis for further analysis
- We have shown that there are 115 different statistical forms divided in 19 different fields
- Most reports still can only be transferred on paper (79) and only a minority electronically (36)
- Some sectors are much more affected by this limitation e.g. agriculture than others
- Data show that there is a clear effort to enable electronic reporting for reports that pose the biggest burden - out of 2 million pages of information that need to be provided each year almost 1.4 million pages can already be provided electronically
- We see a need for prioritisation to allow online reporting for certain forms in the fields of industry & energy, import/export of services and agriculture
- Another problem is that almost for half of reports no online instructions are available, which also poses a burden for companies as clarifications require time and effort
- Study only first step on the way to reduce the burden for companies and improve the quality of statistics in Moldova

Outlook

We foresee a step by step approach for a reform of statistical reporting in Moldova, which should include:

1. Interviews with all relevant stakeholders to assess the need regarding statistics, including
 - Which information do stakeholders need regarding content, frequency, etc?
 - Which information is not necessary?
 - General comments on the current system
2. Recommendations regarding official business statistics,
 - Based on result of interviews a comprehensive list with reports should be elaborated
 - It should include content, recipient, frequency and recommended form of reporting
3. Implementation of recommendations
 - Assessment what is needed for the implementation of the provided recommendations, e.g. hardware and software
 - Assessment what is necessary if these preconditions are not given
 - Analysis whether enough staff with the necessary qualifications is available at NBS
4. Recommendations on how to draft and present statistical materials for the government
 - Consultation on how to prepare concise reports with less data, but more content, e.g. thesis-led reports

About the German Economic Team



The German Economic Team (GET) advises the governments of Ukraine, Belarus, Moldova, Georgia and Uzbekistan regarding the design of economic policy reform processes and a sustainable development of the economic framework. As part of the project we also work in other countries on selected topics.

In a continuous dialogue with high-level decision makers of the project countries, we identify current problems in economic policy and then provide concrete policy recommendations based on independent analysis.

In addition, GET supports German institutions in the political, administrative and business sectors with its know-how and detailed knowledge of the region's economies.

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CONTACT

Woldemar Walter, Project Manager Moldova
walter@berlin-economics.com

German Economic Team
c/o BE Berlin Economics GmbH
Schillerstraße 59
10627 Berlin

Tel: +49 30 / 20 61 34 64 0
info@german-economic-team.com
www.german-economic-team.com
Twitter: @BerlinEconomics
Facebook: @BE.Berlin.Economics

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