

## ANNUAL REPORT

STATISTICS ESTONIA 2006

# 2006

## **ANNUAL REPORT**

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STATISTICS ESTONIA, TALLINN 2007

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ISSN 1736-4051

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Published by Statistics Estonia  
15 Endla St, 15174 Tallinn

Printed by Ofset Ltd, 25 Paldiski Rd, 10612 Tallinn, Estonia

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## Dear reader,

You are reading an annual report of Statistics Estonia for 2006.

The main part of our work is realisation of the annual statistical program. In 2006 about 150 surveys were conducted, samples included slightly more than 46,000 enterprises and about 37,000 households. The data collected by Statistics Estonia reached the users of statistics through 30 statistical publications, more than 130 news releases and over 1,500 reflections in the media, as well as through almost 2,200 tables in the public database. Independent statistics equally accessible for all is a tool of democratic society. It is a pleasure to realize that more and more arguments based on numeric data are used in discussions concerning different fields of the country's development, and efforts are also made to analyse complicated relationships.

As we promised a year ago, a great emphasis has been laid on updating data collection. In February a new web-channel eSTAT was made available for enterprises and institutions. At the end of the year more than 3,500 enterprises had ordered the user's rights to eSTAT. We had expected even more active joining. At the same time it must be taken into consideration that respondents also use other possibilities of electronic data transmission they are accustomed to.

The quality of data submission is still one of the biggest threats to the reliability of official statistics — only every third questionnaire is sent for the due date. The recent user surveys indicate that entrepreneurs consider Statistics Estonia data collector. They do not value the statistical information that is created on the basis of the presented data. Thus it is natural that respondents do not take their responsibilities seriously — especially in a situation where the country and indirectly also the European Union put a great response burden to enterprises. Statistics Estonia has invested in data transmission channels and has established a Contact Centre for consulting the respondents. The investments are large in the conditions of scarce resources. Seeing that the situation is not improving Statistics Estonia with the Bank of Estonia initiated an amendment in the legislation, which provides the producers of official statistics in addition to the right of conducting extra-judicial proceedings on misdemeanours also with the right of penalty payment.

As previously, it was strategically important to reduce the response burden of enterprises on account of using the data collected by the state. Unfortunately it has to be stated that the problem of duplicated data collection system is not taken seriously enough partly because of technical inability, but also due to priorities. Consequently Statistics Estonia must continue dealing with this problem also in the nearest future.

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In 2006, Estonian statistics celebrated its 85th anniversary. Besides changes in data collection the following activities can be mentioned:

- As a result of integration of national accounts and supply-use tables, the time series of GDP were revised. Thanks to the preliminary work with main partners and clients the revision went smoothly.
- The vision of the next Population Census was compiled.
- Management system was analysed, organised and developed. The central department of support functions was established, application of quality management system was prepared, six-module training for managers was organised.
- Drafting the new Personal Data Protection Act, the regulation provides that official statistics as well as research activities differentiate from other fields.
- In order to serve better the users of statistics, a small Information Centre was opened in Tartu.
- Audits were conducted to monitor the conformity of price, foreign trade and government finances' statistics data and methodology with the international standards. Eurostat reports confirmed that Statistics Estonia is respected in the European statistical system.

Due to the delay in the transition to Euro, no preparatory work was needed in IT applications and databases.

Requirements to the European Union statistical system are continuously growing. Statistics Estonia has to keep and increase the capability of data processing and statistical analysis to fulfil these requirements, at the same time satisfying the continuously growing data need of its own country. In the previous year the labour turnover in our organisation was about 12% — this indicator is large. The year 2007 is not easier: the labour shortage in the country and the overall rise in the wages and salaries cause the competition for good specialists. We cannot be losers here.

I would like to thank clients, partners and employees of Statistics Estonia for co-operation and commitment.



Priit Potisepp  
Director General

### New data transmission channel — eSTAT

### eSTAT has 4,000 main users

## The best innovation in the public sector in 2006 – eSTAT

In 2006, 85 years passed since the State Central Bureau of Statistics was established on March 1, 1921. To celebrate this anniversary and stress the role of electronic data collection beside electronic dissemination of statistics, Statistics Estonia introduced a new visual identity and brand — Statistics Estonia.

The 85th year of the Estonian statistics is historic primarily for two events:

- Statistics Estonia implemented the Internet-based data collection channel,
- foreign experts evaluated the Estonian national statistical system.

On February 8, 2006 Statistics Estonia opened a new data transmission channel eSTAT — a channel for compiling and transmitting Internet-based statistical reports. Earlier the data necessary for producing national statistics was collected from economic units (companies, government and local government institutions, non-profit associations and foundations, and enterprises etc., henceforth — enterprises) mainly by means of reports on paper carriers. For that purpose Statistics Estonia sent by mail the report forms which were filled in at enterprises and returned. For some time already it was possible to submit the same reports on MS Excel forms, downloaded from the webpage of Statistics Estonia.

Since the year 2001 the web-based e-taxboard has been available to users, but eSTAT is substantially different. While all enterprises must submit data to the Tax and Customs Board every year, only part of them must submit data to Statistics Estonia since sample surveys are used in official statistics to diminish the burden of data providers. For that purpose, enterprises are divided into groups according to certain attributes (for example size and field of activity), and a random sample is made in each of the groups. The list is compiled again every year. When large enterprises are included in the list almost every year, medium or small enterprises may be accountable in one year but not in the following year. So only the enterprises which Statistics Estonia has informed of their accountability can use eSTAT as a data transmission channel.

In 2006 Statistics Estonia expected statistical reports from almost 46,000 enterprises, 17,000 of which were able to submit at least one of their reports in eSTAT. In total it was possible to transmit 21 statistical reports via eSTAT in 2006.

During the first working year (8.02.2006–31.01.2007) over 4,000 main users joined eSTAT, i.e. 24% of users who could submit at least one report via eSTAT. 60% of the users who joined are enterprises with up to 19 employees. In 2006, 12% of the total number of reports possible was submitted since not all the enterprises having joined eSTAT transmitted all the reports through the system. At the same time the number of received reports has been rising every month.

In the year 2007 it is possible to submit 77 statistical reports, including all monthly and quarterly reports. The system comprises 22,000 potential main users. The fact that by adding 56 reports only 5,000 potential users of reports in the system were added shows that in the first year reports with the largest number of data providers were selected into eSTAT. It will be possible to submit the rest of the reports via eSTAT in a couple of the following years.

#### **eSTAT is secure**

In eSTAT a data provider can see all statistical reports which must be presented to Statistics Estonia (the reports possible to submit via eSTAT and the reports impossible to submit via eSTAT yet). Apart from that it is possible to compile and transmit reports, check data in them and correct the mistakes made while filling them in, see the reports of their enterprises submitted via eSTAT earlier etc. For example it is possible to enter eSTAT either through Internet-bank or using the ID card, and the connection between the user's computer and eSTAT is encrypted. eSTAT is available on the front page of the Statistics Estonia website <http://www.stat.ee>.

Although an enterprise is the data provider, an individual must enter eSTAT. One person (a contact person) can submit reports of several enterprises (e.g. an accountant working at an accounting company) and reports of one enterprise can also be transmitted by several persons (e.g. the accountant, the personnel officer and the company manager compile different reports). The person commissioned to submit and change reports is assigned by the official representative of the enterprise. To enable the access to eSTAT for contact persons, Statistics Estonia appoints the so-called main user who in turn can delegate user rights.

#### **eSTAT is convenient and time-consuming**

In September Statistics Estonia studied the recognition of eSTAT in cooperation with the portal *raamatupidaja.ee*. The responses to the Internet-based questionnaire came mainly from those who had had contact with eSTAT before. Almost 94% of eSTAT users admitted that they prefer Internet-based data transmission to reports on paper carriers primarily for convenience. Saving time and expenses and a good overview of the reports submitted were also given as a reason. Reasons given for not using eSTAT comprised a habit of submitting reports on paper carriers, technical difficulties and the fact that it is impossible to transmit all data via eSTAT.

In December 2006 Statistics Estonia ordered a much more substantial eSTAT marketing survey from Faktum & Ariko to find out what is the present and future users' attitude to using the new data transmission channel. Over 503 organisations and enterprises participated in the survey — local administrations, governmental institutions, research and educational institutions and private enterprises.

The results confirmed that the designed product development is necessary from the data providers' viewpoint (e.g. reminder of the report's deadline due, preliminary filling in the data of earlier years etc.).

#### **Users know the possibilities of eSTAT**

Generally the users' awareness of the majority of eSTAT possibilities is high, which shows that promotion of eSTAT has reached the target groups. Still it is essential to continue promotion since low interest and motivation are often the reason for not using eSTAT.

#### **eSTAT — the best innovation in 2006**

eSTAT was awarded the main prize at the competition "The Best Innovation 2006" held by the State Chancellery. This gives evidence of the fact that Statistics Estonia has worked out something useful. Innovation of eSTAT is currently under way to make the system even more convenient for data providers. There are plans to transform eSTAT from a channel meant only for submitting reports into a means for disseminating official statistics which introduce statistical products of interest to definite fields of activities or size groups. Especially in case of bulky reports a possibility is added to generate the reports directly from the accounting system of the enterprise and transmit them through eSTAT to Statistics Estonia.

#### **The European Statistics Code of Practice ensures quality**

In 2005 the European Statistical Programme Committee adopted the European Statistics Code of Practice; the European Commission also gave some suggestions. The Code of Practice is also recognised by the United Nations and other international organisations. It constitutes 15 principles and also concrete indicators that the national institutional environment, statistical processes and their output must be pursuant to. The objective is to produce independent and reliable national statistics of high quality.



In 2005 the correspondence to the Code of Practice was self-assessed in the EU countries. In 2006 independent experts started carrying out evaluations which, until compiling the present report, had already been completed in the following seven Member States: Austria, Estonia, the Netherlands, Italy, Cyprus, France and the Czech Republic. The introduction of the Code of Practice will be monitored in the course of three years. In 2008 the European Commission will submit the final report on introducing the Code of Practice in the European statistical system to the European Parliament and the European Council.

### **Foreign experts evaluated Statistics Estonia**

In autumn 2006 independent experts evaluated the correspondence of the Estonian official statistics to the European Code of Practice. First a special user survey was carried out, pursuant to the principles common to all the Member States. Then the employees of Statistics Estonia put together the material available for experts on the Internet for two months. While self-assessment covered all 15 principles, expert evaluation was given to six of them. From 6 to 8 November the professional experts from German and Irish statistical offices and Eurostat visited Estonia to evaluate the professional independence of Statistics Estonia, authorisation for data collection, adequacy of resources, and pursuance to requirements of quality, statistical confidence, statistical impartiality, availability and clarity.

Beside specialists from Statistics Estonia the experts also met users of statistics from ministries, business circles, universities and the media. The open atmosphere of discussions was highly appreciated. The representatives of users confirmed the information given by the employees of Statistics Estonia. Every interviewee had a marvellous chance to meet the top specialists of the European statistical system, make suggestions and get instant feedback from experts. Ideas and proposals expressed in interviews formed the basis for codes of practice compiled at the end of the evaluation — Eurostat is going to monitor implementation of them.

### **In Estonia users get equal treatment but the resources are scarce**

Experts gave a very high evaluation to professional independence, authorisation for collecting data, pursuing statistical confidentiality, impartiality and objectivity. In general, availability and clarity also gained a good rating. Still some user groups pointed out some problems in using the webpage and some shortcomings or difficulties in the descriptions of methods. Although quality is considered very essential in Statistics Estonia at present as well, suggestions were made to create a system for collecting and regular monitoring of data on indicators of quality, to make planning more effective (transition from planning official statistical surveys for one year to statistical programmes for several years), develop the statistical register of the population etc. With regard to resources, possible problems were brought out in recruiting good specialists and motivating them in the fast changing labour market.

The legal background to using administrative data and equal treatment of all users in providing data were especially pointed out and emphasized as the best in the European statistical system.

Results of peer reviews are published for Estonia and other countries on the Eurostat webpage.



Tuulikki Sillajõe  
Deputy Director General

## Dissemination of statistics

### A year with a new visual identity

Introduction of a new visual identity in February 2006 signifies a new stage in data collection and satisfying the users' needs since Statistics Estonia offered a new data transmission channel and improved the quality of publications in contents and form. The message that the public sector is striving to serve people in the information society has been transmitted via several carriers of visual identity — Statistics Estonia Webpage, data transmission channel eSTAT and statistical publications. The representative materials of Statistics Estonia, data collection materials and publications have a new design and form an integral aesthetic system. Therefore Statistics Estonia has a completely new face. Consistent application of identity has an essential role in creating the Statistics Estonia image.

### What does a user of statistics need?

Every user can choose the most suitable from a lot of Statistics Estonia products. The so-called regular customer, who does not use statistics every day and requires instruction in finding data, can be considered the largest user. Generally they are unable to analyze information independently and prefer commentaries and analyses in addition to tables of data. Thus general users prefer analytical publications dealing with different fields but specialist-users take more interest in a definite field and need more detailed data in the field. They prefer to use databases independently, which enables them to make the necessary choices from large amounts of data. Researchers, who need more detailed information than published in publications and databases, form a separate customer group.

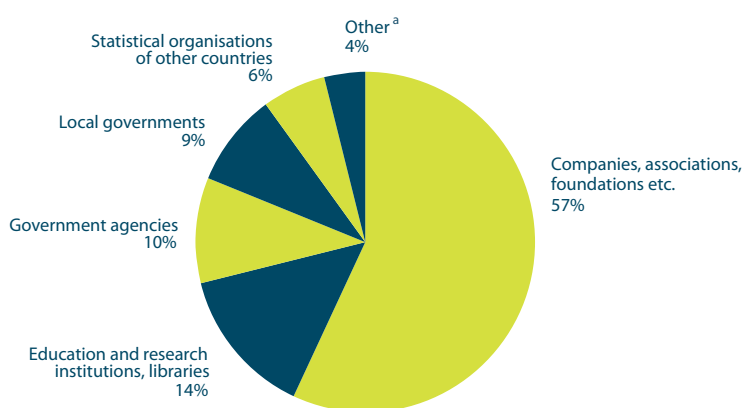
85% of the statistical publications subscribers are from Estonia. Also in 2006 companies, associations, foundations etc. making up over half of the total number of subscribers, were the most active. 377 new subscribers were added, 20 of whom from abroad.

### The proportion of analysis is increasing

The aim of Statistics Estonia is to offer the users more analyses besides numeric data. In the last years the proportion of analysis has been steadily increasing and every year new analytical publications are issued. In 2006 five new publications were published: "*Säästva arengu näitajad*. Indicators of Sustainable Development", "*Naised ja mehed*. Women and Men", "*Kultuur*. 1994–2004. Culture", "*Rahandussuhtarvud*. 1995–2004. Financial Key Ratios" and "*Põllumajanduslikud majapidamised*. 2005. Agricultural Holdings".

The catalogue "*Statistikaväljaanded*. 2006. Statistical Publications" included 34 titles. Most of the publications were available as printed publications, on CD-ROM and via e-mail. In 2006, over 21,000 copies of statistical publications were disseminated (over 2,600 more than a year before). Statistics Estonia showed more initiative than earlier in making products and services available to users — publications were offered to potential customers by e-mail and on the telephone. The customers' evaluation of such marketing tools was reflected in a larger dissemination of statistical publications.

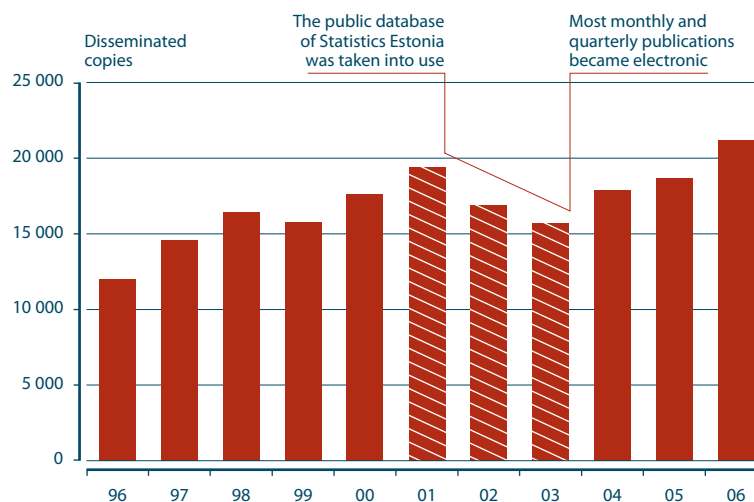
### Subscribers to statistical publications, 2006



<sup>a</sup> Press, international organisations, embassies and representations in Estonia.

Five more disseminated statistical publications in 2006 were almost the same as in the previous year. At the top of the list was again "Minifacts about Estonia" (incl. publications in Russian, French and German languages) — the number of disseminated copies accounted for over 16,000. The fifth on the list was a newcomer — the analytical publication "Naised ja mehed. Women and Men".

### Dissemination of statistical publications, 1996–2006<sup>a</sup>



<sup>a</sup> Excl. copies used at media events, fairs, advertising campaigns, in the work of Statistics Estonia etc.

### The webpage of Statistics Estonia is being visited increasingly more

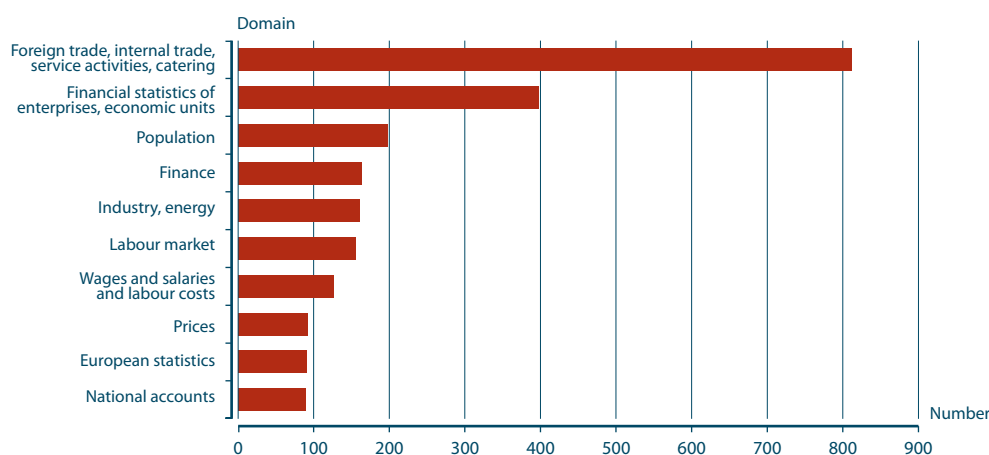
In the year 2006 there were half a million visitors to the Statistics Estonia webpage, pages were viewed 4.2 million times. The webpage, statistical database and questionnaire were visited the most frequently. The most popular from e-publications were "Main Social and Economic Indicators of Estonia", "2000. aasta rahva ja eluruumide loendus. 2000 Population and Housing Census" (part 1) and the information sheet "Child and Family".

Since 2001, the public database is available for users on the Statistics Estonia webpage. It consists of statistical and regional development database and involves information of all fields of statistics. From year to year the number of tables issued has been increasing, reaching to almost 2,200 tables at the end of the year 2006. The public database is the fastest and most comfortable way to find statistical information and the number of its users is steadily increasing. Last year the number of visits to the database exceeded 70,000 in some months.

### Information can be ordered at Statistics Estonia

It is possible to submit orders or requests for statistical information to Statistics Estonia. Published statistical materials and consultations can be ordered with requests for information to get information from the Statistics Estonia and Eurostat web pages. Placing an order makes it possible to get more detailed information than published in publications and database. In 2006 Statistics Estonia satisfied over 2,300 requests for information (over 700 requests for information and over 1,600 orders for information), compared to 2005 the number of requests for information increased by 131 and the number of orders decreased by 116. Like before the most popular domain was foreign trade: one third of requests were in this field.

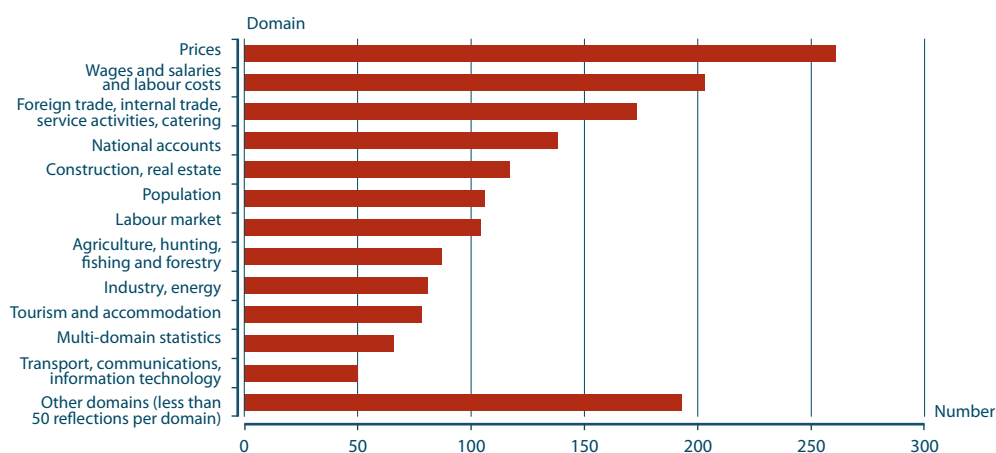
### Requests and orders for information by statistical domains, 2006



### The press is interested in national statistics

Since 2001 Statistics Estonia has been consistently monitoring 12 media channels — one new agency and 11 newspapers. The interest of the press in national statistics has been growing year by year. In 2001 media publications transmitted information about Statistics Estonia or national statistics for almost 1000 times, but in the year 2006 for more than 1,600 already — on average 138 references per month. Compared to the year 2005 the number of media reflections grew by 26%. Like before, prices, wages and salaries and trade accounted for three most popular statistical domains.

### Statistical domains reflected in the media, 2006



### News releases are compiled and presentations are organised

For years over half of media reflections of official statistics have been about news releases — in 2006 59%. 137 news releases (on average 11 news releases per month) were published. It is essential to note that 99% of news releases were reflected in the media. Record months were March and December, when 191 and 181 media reflections correspondingly were published on Statistics Estonia or the data published by Statistics Estonia. In March annual data of a lot of statistical domains are published.

The most interesting publications are presented to the public. In 2006 Statistics Estonia organised three presentations to journalists. At the beginning of the year, the publication “*Säästva arengu näitajad*. Indicators of Sustainable Development” was introduced, and based on the UN indicators of sustainable development an overview was given of the sustainability of Estonia against the background of other European countries. In summer the publication “*Eesti statistika aastaraamat*. 2006. Statistical Yearbook of Estonia” was presented, which offers essential annual statistics of the majority of spheres in life. At the end of the year Statistics Estonia revealed the results of the survey of earnings in the publication “*Töötasu*. 2005. Earnings”, analysing the wages and salaries of employees (including sex differences). On average ten journalists attended Statistics Estonia presentation and the topics introduced were reflected in media channels on average 12 times. In the future there are plans to hold more presentation because of high interest in them. Also via presentations it is possible to get feedback from users about the output of Statistics Estonia.

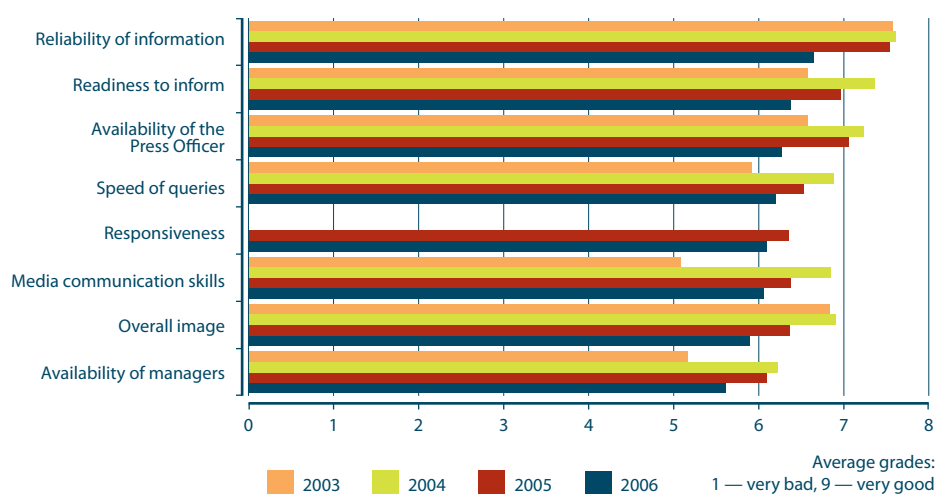
### Statistics Estonia among three best in communication with the media

At the beginning of 2007 Turu-uuringute AS conducted a survey among journalists to get an overview of media relations with government offices and enterprises. Statistics Estonia got the third place after the Estonian Rescue Board and Estonian Police. This time 85 journalists gave their assessments of Statistics Estonia, with the total grade of 6.03 for communication with the media — a little lower than in the previous year.

Compared with the previous year all the assessments were a little lower for all the enterprises. The results of Statistics Estonia were better than average in the group surveyed. Especially high evaluations are given to readiness to inform, speed of response, reliability of information and the responsiveness. Compared with the previous year higher evaluations are given to media communication skills, speed of responding to queries and availability of the management. The evaluation of the information reliability is a little lower.

Evaluations of journalists who communicate with Statistics Estonia more frequently are higher than average.

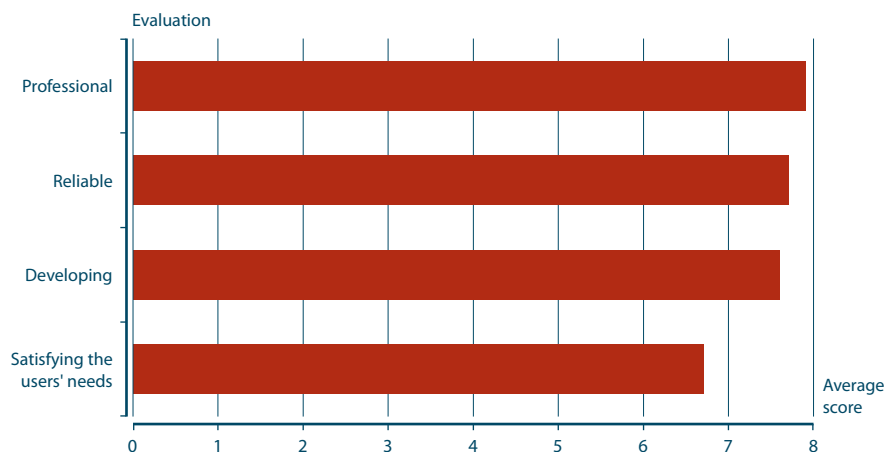
### Evaluations of the Statistics Estonia media communication in the years 2003–2006



### Customer satisfaction is important

To find out the level of customer satisfaction a survey of national statistics usage was carried out among main users in September. The objective of the survey was to learn whether and to what extent users are satisfied with the quality of national statistics. There were almost 200 respondents to the web-based questionnaire. The results reveal that users are quite satisfied with the work of Statistics Estonia. Still, it is necessary to develop the possibilities of informing the customers (including release calendars, methods etc.) They also wish to obtain data faster.

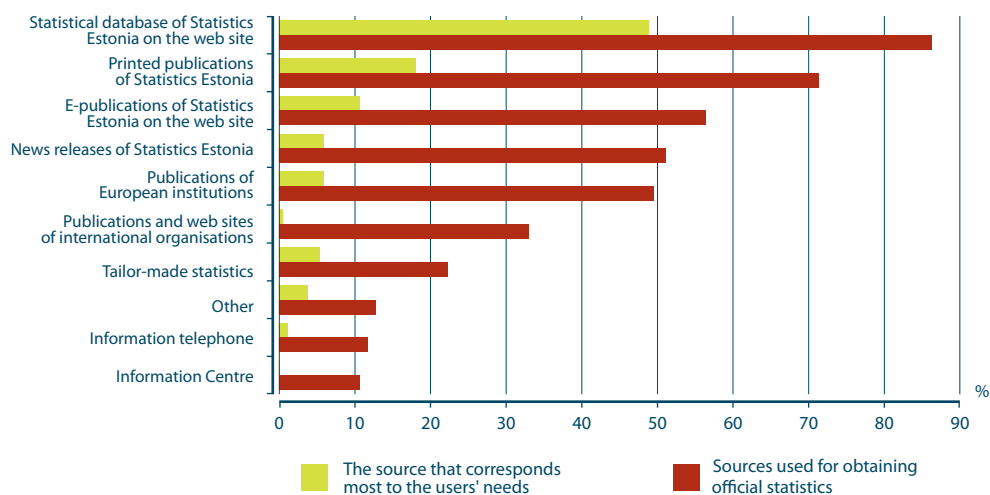
### Evaluation of Statistics Estonia as a provider of statistical information, 2006



Evaluation of the quality of data (considering the reliability, accuracy and relevancy of data) gave on average 7 points on the 10-point scale for most popular domains.

The most popular sources for statistical information were the Statistics Estonia database, printed publications, e-publications and news releases. Statistics Estonia database meets the customers' needs the best, then follow printed publications and e-publications.

### Sources of national statistics and their correspondence to users' needs, 2006



**Persons interested  
in statistics are welcome  
to information centres**

In 2006, over 4,700 persons visited the Information Centre of Statistics' Estonia. Within a year about 1,400 library units were added to the fund of the library. At present almost 22,000 library units are available to users, including statistical publications of Estonia, other countries and international organisations. In 2006 users of statistics made almost 4,000 calls on the information phone.

Since 2004 the Information Centre in Tallinn is also the centre for European Union statistics in Estonia. Their list comprises the largest choice of statistical publications of other countries and international organisations. Visitors can use Eurostat database and get information from the consultant about the availability of statistics.

**Statistical information  
is also available in Tartu  
now**

In November a new Information Centre of Statistics Estonia was opened in Tartu — statistics is now better available in the area of Southern Estonia as well. The user can get familiar on the spot with essential publications of Statistics Estonia published in the current year or earlier. It is also possible to buy publications and present requests for information and place orders. The consultant helps to find statistical information in the database and publications.



Tallinn Information  
Centre



Tartu Information  
Centre



### The conference of the Estonian Statistical Society focused on regional development

The 18th conference of the Estonian Statistical Society on the topic of „Regional development in Estonia“ was held at Paide cultural centre with Statistics Estonia in charge. The conference was targeted at specialists in regional development from local authorities, county governments and ministries, members of the Statistical Society and all those interested in statistics. Over 150 persons participated in the conference — a third of them were employees of Statistics Estonia. The work of the conference was organised in two plenary meetings and parallel sessions. The following topics were discussed in the sessions:

- measurers for monitoring regional development,
- development of urban regions,
- employment and income,
- maps and statistics,
- environmental and economic development.

### Statistics Estonia entertained disseminators of statistics from the Baltic States

A seminar of statistics disseminators, which is held by the statistical offices of three Baltic States by turns every year, was held in Tallinn in June 2006. The main topic of the year 2006 was marketing statistical products because statistical offices consider users' opinions important and are interested in publishing statistical products to satisfy their needs. Participants in the seminar shared their experience of disseminating statistical products in their country. Working with schools and universities was considered an essential trend in marketing in the future.

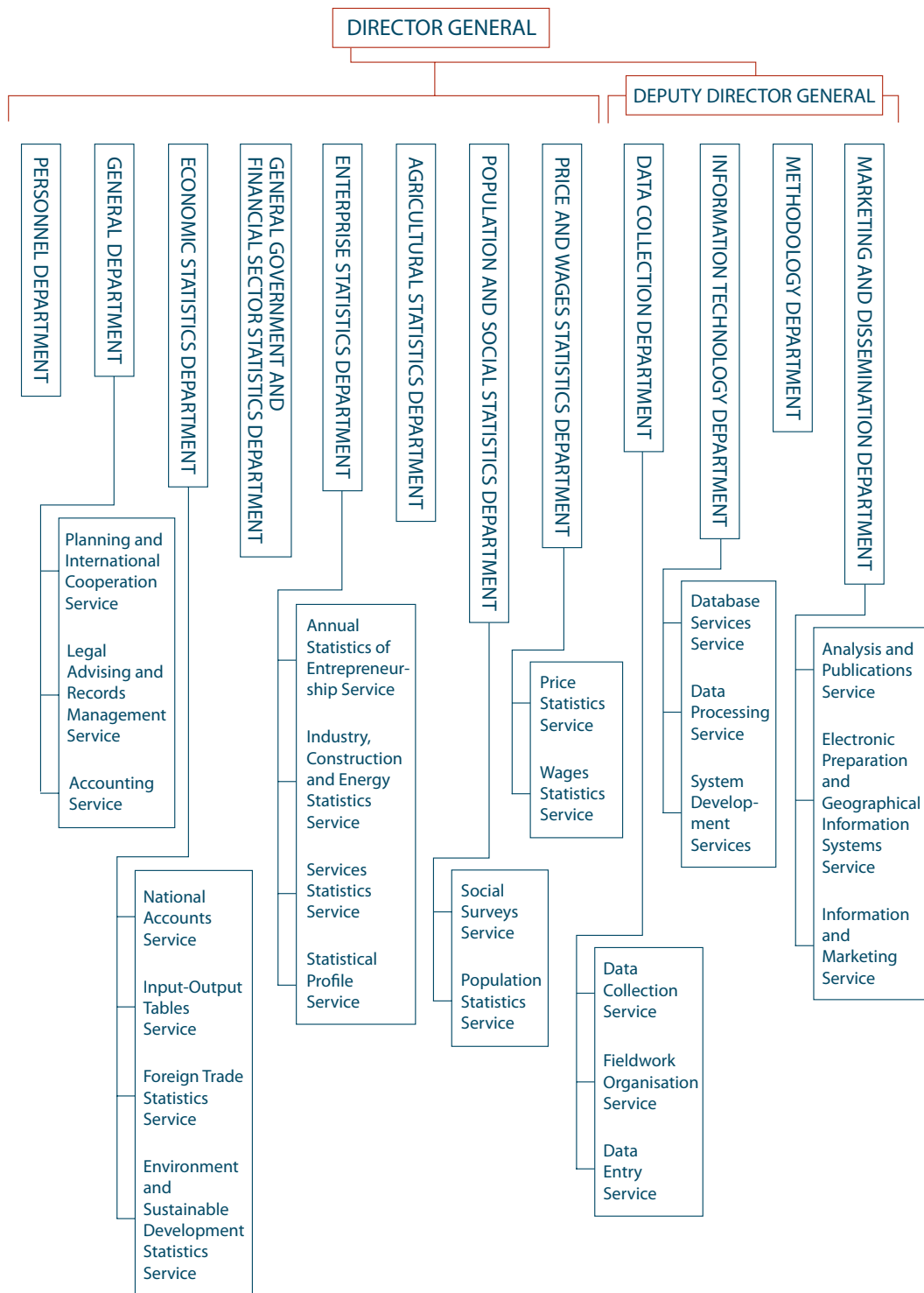
### Statistics Estonia shares experience in dissemination of statistics

Statistics Estonia is working on Eurostat project “Support to countries of Western Balkan to improve dissemination” from December 2005 until June 2007. In the course of the project seminars were held in Macedonia, Croatia and Tallinn to introduce the experience of Statistics Estonia in the field of dissemination (including geographical information systems and regional statistics) to the nine statistical organisation of six countries. At the end of the project the countries compile an innovated conception of their dissemination policy.



*Eesti statistika aastaraamat. 2006.*  
Statistical Yearbook of Estonia





## Population and social statistics

### The publications reflect what is taking place in the society

Publications of population and social statistics have become more analytical: more attention is paid to descriptions of social processes, less to presentations of large amounts of figures. External authors are also involved in order to add viewpoints of specialists in different fields. The annual publications "*Leibkonna elujärg*. 2005. Household Living Niveau" (overview of households, their occupation, living conditions and expenditures) and "*Tööturg*. 2005. Labour Market" (with the special focus on the quality of labour market) were issued in 2006. "*Kultuur*. 1994–2004. Culture" describes trends in the field of culture and sports. A publication reflecting population developments "*Rahvastik*. 2003–2004. Population" was also published. The data on two years was collected into one issue because in 2003 the publication failed to appear at a planned time because of the data protection problems. From this time onward there are plans to issue a similar general publication every two years alternating with an analytical publication dealing with population by separate topics.

### New topics in social statistics

Besides annual publications there were issues dealing with new topics — "*Mehed ja naised*. Women and Men" provides an overview of the situation of women and men in the present Estonian society. Besides bulky publications shorter analytical summaries were issued in the monthly magazine and issue of information sheets continued. "The Estonian entrepreneur and his earnings" dealing with entrepreneurs and their economic situation was compiled in 2006. During a couple of last years the topic of social exclusion has been actual in Europe (including Estonia) therefore the corresponding paragraph was added to the statistical yearbook in 2006. In addition, Laeken indicators, which show poverty and inequality in the society, were published in the public database for the first time.

### Partners' day

The partners' day of social surveys took place in autumn. "The Statistics Estonia survey: to whom and why" with the objective to introduce survey encourages the consumer to utilize the collected information to a larger extent, help the consumer to operate the data and reinforce the partnership relationships. On the partners' day surveys in seven fields were introduced. Apart from that general information was given about national surveys, their organisation and the opportunities to use the data. Attendance was active and lively discussion arose. Participants involved people using the survey results every day and also the ones who heard about surveys for the first time. A lot of them noted that they obtained essential information and the partners' day encouraged them to utilize the survey data to a larger extent. The partners' paper introducing the Statistics Estonia interview surveys was published on the occasion of the event.

### Essential surveys continue

In 2006 more essential official surveys continued — Labour Force Survey, Household Budget Survey, social surveys and tourism surveys. The surveys are internationally harmonised. The results of Labour Force Survey and social surveys are regularly transmitted to Eurostat, which gives internationally comparable data about Estonia.

Every year the main survey focuses also on some other essential topic besides the main target — in 2006 it was social participation and retiring from work to pension. Preparations were made to collect data in 2007 about occupational accidents and health disorders related to work and also about living conditions and production for oneself.

#### **Organisation of new surveys was planned**

Last year two new surveys were developed: general survey of households, which was based on modules and was arranged as a telephone interview and a border census. The adult education survey was compiled for enterprises to find out the training policy of enterprises and the principles of the employee development. Adult pilot interviews were also carried out at the level of an individual which should offer a good survey of the training demand.

#### **Data methodology work has intensified**

Since every year new sources of information are added, one of the directions of Statistics Estonia involves comparative analysis of the same outcomes of different data sources. For example, the input components in the Social Survey and Household Budget Survey were compared in 2006.

It is worth mentioning that in 2006 the formation of the population and social statistics system was started on the basis of data sources. The aim is to use excerpts from more essential databases in order to produce more regional statistics and improve the quality of statistical databases. The project is in its starting period but further on the quality of background attributes (field of activity, education, etc.) should improve considerably. Likewise implementation of administrative data enables to produce essential socioeconomic statistics at the level of regional public authorities. Apart from Population Register the data from the Citizenship and Migration Board, the Information System of Estonian Education, Database of Taxpayers and the Register of Construction Works have been used. Wider utilization of administrative sources of information decreases the number of the questions in survey questionnaires or the burden of respondents — thus less time and labour is used in compiling the standard outcome of regular statistics.

#### **Improvement of the data quality**

To ensure the data quality in population statistics regular cooperation is carried out with data providers — registry offices and local governments. In March 2006 they were sent a brief instruction on how to fill in statistical data, in which main errors were pointed out. Diagrams on the quality of data in registry offices and local governments were also added by counties. Later analysis showed a considerable improvement in the quality of data.

#### **Data are published faster**

Introduction of the interviewee's electronic work statement formed the last step in transition to utilisation of laptop computers in interviews, which decreases the working process of surveys. Until now the quarterly data of labour surveys have been published at the latest 55 days after the end of the quarter and annual data in March of the following year. Since the second quarter of 2007 it is possible to publish information 10 days earlier than before — 45 days after the end of the quarter. The mean annual data for 2006 were presented in the statistical database in February 2007 together with the data for the fourth quarter of 2006.

#### **Preparations are made for the Population Census in 2011**

Although it is impossible to arrange the next Population Census totally register based, Statistics Estonia plans to utilise four main registers in its preparation period:

- Population Register and Taxpayers' Register together with the personalised database of the census in 2000, in order to form the aggregate or the database of permanent residents of Estonia;
- Register of Construction Works with the data on buildings and dwellings for 2000 in order to form the aggregate of buildings and dwellings;
- Information System of Estonian Education to provide access to data about students and renew the data on the educational level of residents.

Utilising personalised data of the 2000 Population Census enables to cut the costs of carrying out the new census and improve its quality. Likewise in this case the quality of regular population statistics will already be better before the next population census. Population is going to be interviewed first via Internet (e-census), and then interviews by means of laptops follow. Attitude to e-census has become more positive, especially among elder people. The latter can be explained by improvement in computer skills and the increase in the number of e-services users, and also by more accessible Internet connection.

### Problems related to migration statistics

One of the fields developed in Statistics Estonia is migration statistics. It is possible to analyse tendencies in migration according to the data of the Population Register. At the same time it is known that it does not reflect migration events adequately: the data on actual changes in the place of residence are deficient. In 2006 introduction of migration data in counting the population in the region and corresponding recalculations starting from the year 2000 were under consideration. Analysis has shown that adding migration data to the division of population by sex and age does not improve the population accounting in the region. Unfortunately the personalised database of the 2000 population census is unavailable to specialists because of legal restrictions. In order to improve the quality of data on external migration, co-operation has started with the Citizenship and Migration Board and the data exchange agreement has been renewed with the Population Register. The most essential is still registration of the individuals' actual place of residence in the Population Register. For that purpose people's attitudes and the importance of the registered place of residence should change in official procedures.

### Statistics Estonia helps to establish the Death Register

In 2006 preparations were started for transferring death data from Statistics Estonia to the Death Register established at the National Institute for Health Development. For that purpose co-operation is carried out with the Ministry of Social Affairs. The Death Register should start work at the beginning of 2008. Last year inserting the data on deaths in the previous years continued. The database of the causes of death was supplemented with the data on the years 1986–1988, resulting in time series data for the years 1983–2005.

### More thorough culture statistics

One of the priorities of population and social statistics is also faster and more complete publication of culture statistics on the web site. Until now information was only presented on cultural institutions and enterprises (theatres, museums, film production), soon the database is completed also with data from official surveys of individuals (possession of cultural goods, participation in cultural life, etc.) In order to exploit and understand cultural statistics better, methodology descriptions were added to the tables of databases.

### Population and social statistics publications in 2006

*Kultuur.* 1994–2004. Culture

*Leibkonna elujärg.* 2005. Household Living Niveau

*Naised ja mehed.* Women and Men

*Rahvastik.* 2003–2004. Population

*Tööturg.* 2005. Labour Market



## Price and wages and salaries statistics

### The number of price indices is increasing

In 2006 Statistics Estonia continued to publish the following price indices: consumer price index, producer price index of industrial output, export price index, import price index, construction price index, repair and reconstruction work price index, agricultural output price index and agricultural input price index. Out of business services producer price indices, the production of the accounting services price index was started first and preparations were made for production of price indices of legal services and cleaning services.

In 2006 Estonia continued to transmit the Harmonised Index of Consumer Prices (HICP) to Eurostat on all the obligatory subdivisions. To receive the comparable indices of the states, the calculation of the Harmonised Index of Consumer Prices is strictly regulated by the Legislation of the European Union.

In October 2006, the Harmonised Constant Tax Rate Index (HICP-CT) which reflects the change of Harmonised Consumer Price Index (HICP) in case taxes are kept constant during a year, was introduced into regular production. Time series start from January 2003.

### Wages and salaries statistics are still calculated

In 2006 Statistics Estonia continued publishing data by economic activity, county and kind of owner on the following indicators: average monthly gross wages and salaries, average monthly gross wages and salaries in cash, average monthly net wages and salaries, average monthly labour costs per employee, average hourly gross wages and salaries, average hourly labour costs and hours worked per employee. Publishing hourly wages and salaries by occupations and sex, by economic activity and by major groups of occupations also continued. Statistics Estonia also continued the calculation of labour cost indices, labour cost indices without irregular bonuses and allowances, wages and salaries indices and social contributions indices by economic activity and aggregated economic activities. For comparability between countries, the calculation of indices is strictly regulated by the legal acts of the European Union.

The results of the quarterly survey "Labour turnover and job vacancies survey" and the annual survey "Job vacancies by major groups of occupations", conducted in 2005, enabled to start regular production of the relevant statistics from 2006.

Arrangement of the database of the survey "Labour costs", carried out every fourth year, was completed and the results of the year 2004 were transmitted to Eurostat. The data were compared with the results of the labour force survey, the annual structural business survey and macroeconomic statistics, and data quality was analysed. On the basis of the results a quarterly report was completed and also transmitted to Eurostat.

### Earnings deciles and median were calculated for the first time

The results of the survey "Structure of Earnings 2005" were published in the publication "Töötasu. 2005. Earnings", which had a lively response. For the first time, the survey covered all the activities and as a result it was possible to calculate earnings, earning deciles and median for all Estonia.

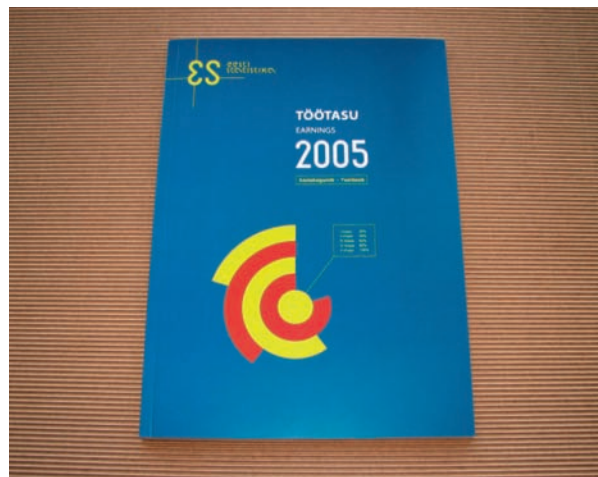
### Comparison programmes were attended

Like in the previous years Statistics Estonia collected and transmitted the data required to participate in the European Comparison Programme (ECP) to Eurostat. Participation in the International Comparison Programme (ICP) under supervision of the World Bank was new capacious work. States participating with a full programme are representatives of their region and integrate the remaining countries into the International Comparison Programme. The world is divided into six regions. Estonia together with the United Kingdom, Slovenia and Japan are representatives of the Eurostat/OECD region.

### Wages and salaries statistics publications in 2006

*Ehitushinnaindeks.* Construction Price Index (electronic quarterly bulletin)

*Töötasu.* 2005. Earnings



## Macroeconomic statistics

### **GDP accounting methodology was updated**

The supply and use tables form a coordinative framework for the regular Gross Domestic Product (GDP) accounting according to the European Union requirements. Therefore Statistics Estonia updated thoroughly the GDP accounting methodology according to the supply and use table system and revised GDP accounting since the year 2000. The GDP change covered specification of methodology and use of more detailed administrative sources of information. The GDP calculated by new methodology increased by 2.7–4.9% between 2000 and 2005 in current prices and 2.7–6.0% in constant prices.

In 2007 revision of time series is continuing for the years 1995–1999. The supply and use tables are also composed in current prices for the years 2003 and 2004 in order to release final GDP for these years in current prices.

### **The GDP of counties was published**

In 2006, Statistics Estonia published the GDP of counties (in current prices) for the first time for the years 2000–2004. It was presented in aggregated forms, i.e. by primary, secondary and tertiary sectors.

### **GDP is published faster**

In order to meet the wishes of statistics users and take into consideration the EU requirements, preparations were started in 2006 to shorten the GDP publication deadlines — going over to publication of quarterly GDP flash estimates on the 45th day after the reference period instead of the 65th day valid until now. Also the publication deadline for quarterly GDP is shortened to 70 days instead of 90 days until now.

### **Reorganisation in foreign trade statistics**

In 2006 two years passed from the accession of Estonia to the European Union and from large reorganisation in producing foreign trade statistics. Customs declarations in trade between Member States were replaced by an Intrastat report, which enterprises started to submit directly to Statistics Estonia.

### **Not all the Intrastat reports are submitted on time**

In two years data providers have got quite a good imagination of what the Intrastat report is and why it is necessary to submit data. Since February 2006 it is possible to submit Intrastat report electronically via eSTAT (the previous MS Excel-based report form also remained). There are still problems with sticking to deadlines and the quality of data submitted. As a result the published preliminary foreign trade statistics is not always very precise. The main target of the forthcoming years is to improve the data quality and increase the number of reports submitted on time.

### **The system for sending reminders improved**

In 2006 there was introduction of a new system to send reminder letters, which was developed by the data collection department in cooperation with the foreign trade statistics service. Now the reminder letters are sent to the e-mail address of the data provider — this enables to save on paper and postage. Two electronic reminder letters are sent per every missing report: the first about 5 days after the deadline



for submitting the report (around the 20th) and the second on the 10th of the following month. Since some enterprises do not have a valid e-mail address, the traditional reminder letters on paper, covering all missing reports, are sent once per quarter. Hopefully the new system will help them to fill their accountability and stick to submission deadlines.

### **Intrastat became simpler**

In 2006 there was a considerable change in statistical thresholds which the Intrastat accountability is related to. When in 2004 and 2005 the statistical threshold was a million kroons, in 2006 it was two million kroons. The companies whose trade turnover with the European Union countries did not reach two million kroons were not obliged to submit the report. Compared with the year 2005, over 1,200 companies less were obliged to submit the report about arrivals, the report about dispatches was not obligatory any more for over 900 companies with smaller turnover.

Statistics Estonia did not apply the possibility of giving up collecting data on net weight for goods which had an additional measurement unit in the combined nomenclature. With the disappearance of net weight several statistical time series would have broken and publication of data would have become more complicated in aggregate. This would definitely not have satisfied the customers, the change would not have reduced the number of reports or entries.

### **Intrastat is developed in cooperation with Eurostat**

Eurostat is developing and coordinating the Intrastat system in Member States and is publishing the aggregate statistics for the European Union according to data submitted by Member States. In 2006 the Head of the Foreign Trade Statistics unit visited Statistics Estonia to become familiar with the organisation of the Intrastat system in Estonia. Besides Statistics Estonia visits were made to the Tax and Customs Board to get an overview of collecting information about foreign trade through customs declarations information. As a result of the visit a report was completed in which, among other matters, proposals were made to develop and improve the system of foreign trade statistics production.

Like before Statistics Estonia participated in work groups within the Eurostat system. In 2006 they joined a work group which takes up simplifying Intrastat because the present system is too complicated and therefore quite a burden to data providers.

### **Sustainability of Estonia is measured**

In 2006 an aggregate of indicators was worked out on the basis of the Estonian National Strategy on Sustainable Development "Sustainable Estonia 21" to measure the sustainability of Estonia. This presumed cooperation between sociologists, ecologists, economists and Statistics Estonia. Estonia is among the few countries whose objective is to also ensure vitality of the cultural sphere — a great challenge was also defining indicators for the cultural sphere. The priority of the environment and sustainable development statistics service remains work on methodology and data on indicators of sustainable development.

### **New illustration methods**

In visualising sustainable development focus was on regional dimensions due to the annual conference of the Statistical Society. Two new illustration methods were worked out in 2006 beside traditional programmes for the dashboard of sustainability, which is used to display superiority sequences, consolidated indexes, and relationships and controversies in achieving different targets. First, local government units were placed on the so-called sustainability landscape according to environmental and socio-economic indicators. Secondly, animation was used to visualise relationships between socio-economic conditions and criminality in the Estonian counties for the last decade.

### **Fulfilling the waste regulation**

In the last five years the Environment and Sustainable Development Statistics Service has participated in working out the Waste Statistics Regulation in the Eurostat work groups and task forces. A long-expected regulation has been adopted and the year 2006 was the first accounting year. To meet the requirements of the regulation and develop the methodology four pilot surveys have been carried out. So last year a great challenge was production of all data required by Waste Statistics Regulation — generation of waste by categories of waste and economic activity of generation; treatment of wastes by waste categories and treatment types and number of waste treatment facilities by capacities. Data were submitted to Eurostat in time and experts gave a positive evaluation to the quality of data and methods applied.



### Macroeconomic statistics publications in 2006

*Eesti rahvamajanduse arvepidamine. 2004.* National Accounts of Estonia

*Keskkond. 2005.* Environment

*Keskkond arvudes. 2005.* Environment in Figures

*Keskkonnakaitsekulutused. 2004.* Environment Protection Expenditures (electronic publication)

*Säästva arengu näitajad.* Indicators of Sustainable Development

*Väliskaubandus. 2005.* Foreign Trade



## General government and financial sector statistics

### Public finance statistics became more available

In 2006 the availability of public finance statistics improved considerably. In the Statistics Estonia database the tables of data were sorted out in the finance domain under the subdivision of economic statistics, and more detailed data were added: so it is possible to view data on taxes received in central and local budgets by month, quarter and year. Apart from that the tables of data on general government financial statistics within the framework of national accounts system were supplemented. It is possible to view general government revenues and expenditures by different features: sub-sectors, quarter or year, general government function or consolidated. Likewise, the tables of data, describing formation of one of the more essential indicators — the debt level, are more detailed than before.

In addition, full data on the government financial quarterly account can be found in the statistical database. According to the European System of Accounts (ESA95) transaction codes are added to all indicators in financial statistics tables, which make it easier for users of statistics to find relevant indicators and make international comparisons.

### Public finance statistics is introduced more extensively

In October the subdivision of general government finance was placed on the webpage, where materials are presented on the excessive deficit procedure: reports to the European Commission with appendixes and instructions for writing reports; in addition there are a lot of references to legislation and the corresponding Eurostat topics.

### Plans for future

In 2007 there are plans to add some materials to the general government finance webpage to illustrate how the general government revenue and expenditure were accounted and the national accounts were formed. Furthermore, there are plans to start publishing twice a year a regularly updated list of the general government economic units and also present materials on the webpage to introduce financial statistics. Additionally, in cooperation with economics statisticians, general government and financial sector indicators for the years 1995–1999 are being audited in national accounts and also development of the methodology is being carried out to reflect the Gross Domestic Product (GDP) indicators in constant price using the chain-linking method. All the audited data are being added to the statistical database, which will extend the data series published until now and improve the quality of analysts' work.

## Enterprise statistics

### Two new publications were issued

In 2006 two new publications were published in the field of enterprise: a pocket-sized reference book "*Ettevõtlus Eestis. Business in Estonia*" and a jubilee publication "*Rahandussuhtarvud. 1995–2004. Financial Key Ratios*". The pocket-sized reference book offers interest to all those who to some extent have to deal with business. Besides general indicators it involves more complete information about fields of activity essential for Estonia. The pocket-sized reference book also reflects a lot more interesting, like demographics of enterprises, development of information technology, research and development expenses, ownership of enterprises etc. An analogous publication is on the plan again in two-three years.

The publication "*Rahandussuhtarvud. 1995–2004. Financial Key Ratios*" was completed in cooperation with emeritus assistant professors and is above all meant for specialists. It deals with median ratios, which characterize economic activity of enterprises from different aspects — growth, cost effectiveness, economic activity and liquidity with financial leverage.

### Enterprise statistics is also introduced in another way

In 2006 the business demography data by counties was produced and published for the first time in the statistics database and it was presented at the 17th regional conference of the Estonian Statistical Society on the topic "The regional development of Estonia". The report found a lively response. Work on making the tables of the statistical and regional development database more user-friendly continued — tables were supplemented with methodical additional information and the terms were specified. In several fields of activity, like energy, transport and service, new tables were added to the database.

In July, at the press presentation of the publication "*Eesti statistika aastaraamat. 2006. Statistical Yearbook of Estonia*" a presentation was made on the topic "Development of the Estonian construction market in the last decade", which dealt with construction and real estate statistics. In October a presentation on the topic "Which support is offered by enterprise statistics in planning marketing activities?" was made at the training session of "Marketing budget 2007" at the Äripäev training centre. It gave a brief overview of the statistical data, which marketing specialists could utilize in planning their activities. In November an article was published in Äripäev "Äripäev exaggerated in the conclusions", in which the principles of statistics about real estate contracts, and utilisation and interpretation of them were explained to the consumers.

### The objective is to decrease the burden of data providers

Increasingly more data is needed in order to evaluate the changes in the world market and the influence of the extending European Union on the economy. The target of contemporary statistical system is to produce statistics of high quality without increasing the burden of respondents. Thus the Member States of the European

Union (including Estonia) proceed from the principle that in the first place already collected data and data from official registers and databases should be exploited. Still in enterprise statistics it is not possible to go completely over to administrative data sources because the objectives of data collection are different. Furthermore, administrative registers do not collect all necessary indicators.

Active cooperation continued with the Tax and Customs Board in order to use taxing data in enterprise statistics. Relying on the experience of our Northern neighbours the statistics production method is being worked out on the basis of the survey "Sales revenue in retail trade", using the turnover declarations data of the Tax and Customs Board. Negotiations have started over using the data of the Estonian National Communications Board. For that purpose the Electronic Communications Act must be amended so that Statistics Estonia could get a permission to utilise corresponding data. In 2006 information was exchanged with the Estonian Land Board with the aim to start production of real estate statistics on the basis of the real estate transactions database of the Estonian Land Board. Thereby notaries would be exempt from the obligation to present the report "Real estate". A bulky source of data in annual enterprise statistics is made up of commercial undertakings annual reports on their business activities, which is presented to the Centre of Registers and Infosystems (RIK). At present it is not possible to use widely the data of these annual reports to produce statistics: the time spent on transferring data to the electronic form does not meet the needs of Statistics Estonia, besides, complete information is not inserted in the databases. A cooperation agreement has been signed with RIK (Centre of Registers and Infosystems) to eliminate these shortcomings.

#### **Transport statistics developed**

In the second half of the year 2006 the pilot project of transport statistics was undertaken with the aim to improve the quality and distribution of road transport statistics. Furthermore, Statistics Estonia participated in several surveys of transport statistics organised by Eurostat. For example, questionnaires were answered in sea transport statistics and methodological overview was written on production of sea transport statistics. Among other things Enterprise Statistics Department helped to introduce the Aviation Statistics Act in cooperation with the Estonian Civil Aviation Administration and Tallinn Airport. In addition Statistics Estonia took part in working out a new version of the classification of goods for international transport statistics (introduction in the year 2008). On the proposal of Eurostat Estonia tested a new version of data processing programs for sea transport statistics in 2006, which enhances the data control, enabling to improve the quality of published statistics and reduce the time period of publishing the data. After testing the program was introduced in the Member States of the European Union.

#### **Enterprise groups form a new topic**

Last year work was carried on with a new and fast developing field — enterprise groups. A prerequisite for its successful development is again good cooperation with administrative sources of information. For that purpose Statistics Estonia signed an agreement on data transmission with the Estonian Central Register of Securities. Together with the Dutch colleagues data coverage and quality in the statistical register of economic units was evaluated for domestically and foreign controlled enterprise groups. Results show that in the future it is possible to provide Eurostat with adequate information about enterprise groups operating on the territory of Estonia.

#### **Further training and projects were attended**

To keep up and develop their competence enterprise statisticians attended further training (in micro- and macroeconomics, statistical models and computers, time management and also in accurate usage of the Estonian language). They attended the conference „The Estonian Car of the Year 2006“, the information fair on information technology and telecommunications “Kontakt 2006“, the annual accounting conference „Aktiva 2006“, the seminar of Äripäev „Annual report 2006“ and building conferences “How to build well” and “What is actually going on at the real estate markets?”.

Cooperation with colleagues from the Baltic States is continuing. In May 2006 an extraordinary meeting took place in Riga to discuss the registers of economic units established for statistical purposes. Special focus was on the development of business demography, introduction of measuring the quality of register data and preparation for transition to the new version of classification by fields of activity of economic units.

In September a meeting took place in Jurmala, where they exchanged experience in the field of information technology and telecommunications.

### Experience was shared

In the year 2006 consulting the Balkan countries continued in the field of enterprise statistics in cooperation with Statistics Sweden. In May colleagues from Montenegro, which had become independent lately, visited Statistics Estonia. They were given an overview of the organisation of work on annual enterprise statistics and the statistical profile. In September a two-day seminar organised by Statistics Sweden took place in Belgrad for statisticians from Albania, Montenegro and Serbia, who gave an overview of their success in introducing the annual enterprise statistics. In the days after the seminar the statisticians from Albania and Montenegro were advised on working out the report forms and instructions.

### Enterprise statistics publications in 2006

*Energiabilanss.* 2005. Energy Balance

*Ettevõtete majandusnäitajad.* 2004. Financial Statistics of Enterprises

*Ettevõtlus.* Business (electronic quarterly bulletin)

*Ettevõtlus Eestis.* Business in Estonia

*Rahandussuhtarvud.* 1995–2004. Financial Key Ratios

*Teadus- ja arendustegevus.* 2004. Research and Development

*Transport.* Side. 2005. Transport. Communications

*Turism.* Majutus. 2005. Tourism. Accommodation



## Agricultural statistics

### The results of the Farm Structure Survey were published

In summer 2005 Statistics Estonia conducted the third Farm Structure Survey which involved agricultural holdings with at least one hectare of utilised agricultural land or with a Standard Gross Margin (SGM)(the value of agricultural products produced minus specific costs) accounted for at least one European Size Unit (ESU) (18,800 kroons). The results of the survey were published in the analytical publication "*Põllumajanduslikud majapidamised. 2005. Agricultural Holdings*". In the publication holdings are dealt with according to their economic size, the size of utilised agricultural land, ownership of utilised agricultural land; main indicators of organic farming, the agricultural training of managers, farming types of holdings, also their other gainful activities. In addition, the efficiency of agricultural production by economic size of the holding has been analysed and compared according to the economic size of holdings with other EU Member States. In the chapter on labour force description is given of other gainful activities of the sole holder's family members. Also the data are compared with the results of the Agricultural Census and the Farm Structure Survey 2003.

### The availability of agricultural statistics improved

In 2006 the supplementation of the statistical database continued. In production statistics quarterly data about livestock production, monthly data on purchases of livestock and milk, data on sown winter crops and use of fodder in the last three years were first presented. The recalculated results of the Agricultural Census 2001 were also published in the database together with the data of the Farm Structure Survey 2005. Surveys are comparable because the definition of the European Union is applied to the agricultural holding.

Statistics of the economic indicators for agricultural, forestry and fishery enterprises was published in the statistical database, quarterly electronic bulletin "*Ettevõtlus. Business*" and the annual publication "*Ettevõtete majandusnäitajad. 2004. Financial Statistics of Enterprises*". The majority of the Estonian agricultural statistics are available in the Eurostat database as well.

### Annual statistical surveys continued

Agricultural producers provided data on agricultural land in use, the number of livestock and poultry, produced agricultural products and use of fertilizers and fodder. Agricultural, forestry and fishery enterprises provided data on economic indicators, but enterprises processing agricultural products provided data on purchases of livestock, poultry, milk and cereals.

### Better cooperation with providers and users of data

More exhaustive cooperation was started with providers and users of data in order to find out their needs and introduce the working principles of Statistics Estonia. Henceforth the priorities of the agricultural statistics department involve informing providers and users of data of the existence of agricultural statistics, offer analysis, actively participate in information days and meetings of associations etc.

### Data collection is developed

To produce agricultural statistics data are collected via sample surveys, so the precision of statistics depends substantially upon the quality of the statistical database of agricultural holdings. In 2006 the proportion of using administrative data rose considerably and updating data according to sample surveys also continued. Within the frames of the project TAPAS 2005 queries were conducted among holdings which had been left out of samples in the last five years (or had not responded) and whose data were not found in administrative data sources.

Almost 95% of the data of the Farm Structure Survey are collected via interviewers. In order to improve the quality of data and enhance security Statistics Estonia commenced introduction of laptops. This enables to unify data collection for the structure survey with data collection for the survey of sown area of field crops, which reduces the burden of data providers and costs of data collection. Possibilities to submit data through eSTAT have extended — in 2006 it was possible to transmit three agricultural reports via eSTAT.

### Experience is exchanged with other countries

The Agricultural Statistics Department participated in four projects financed by the European Union. By means of the project the methodology utilised was improved, an overview was given of the quality of data collected so far and the statistical database of agricultural holdings was arranged. The statisticians of agricultural statistics attended Eurostat working meetings where organisation of the Agricultural Census 2010, draft legislative acts for regulating statistics etc. were under discussion. In October 2006, a working meeting was held within the frames of the Baltic cooperation, where production of agricultural statistics in three Baltic States was under discussion. They also attended a working meeting in Latvia where participants from the Nordic countries and the Baltic States (Denmark, Sweden, Finland, Latvia, Lithuania and Estonia) discussed actual problems of agricultural statistics.

### Publications of agricultural statistics in 2006

*Kevadkülvipinnad 2006* (electronic publication)

*Loomakasvatus* (electronic quarterly bulletin)

*Põllumajandus. 2005. Agriculture*

*Põllumajandus arvudes. 2005. Agriculture in Figures*

*Põllumajanduslikud majapidamised. 2005. Agricultural Holdings*





## Regional statistics

In 2006 at least two essential events can be brought out in regional statistics. Besides it is also worth mentioning that after several years' interval the county Gross Domestic Product was published again.

### The essentiality of regional statistics is rising

The most essential for regional statistics is definitely the fact that meeting the domestic users' needs at a higher level was considered one of the priority development tendencies in working out the new middle-long strategy for Statistics Estonia. With that substantially wider perspectives are created for the development of regional statistics. In the work plans for 2007 of the Statistics Estonia departments production of regional statistics is reflected more substantially than earlier and the number of employees directly related to this field increased from three to four employees in 2006. This may be taken as recognition of the regional statistics producers' work.

The main event to celebrate the 85th anniversary of the Estonian national statistics was the conference "The regional development of Estonia" organised by Statistics Estonia and the Estonian Statistical Society. Active participation of statistics producers and users showed that interest in regional statistics is high.

### Regional statistics publications are popular

Publications of regional statistics had as warm welcome as earlier — this shows viability of the field. In 2006 two publications were issued: „*Maakonnad arvudes. 2001–2005. Counties in Figures*” and „*Linnad ja vallad arvudes. 2006. Cities and Rural Municipalities in Figures*”. The positive sides of the publication „*Eesti piirkondlik statistika. Regional Statistics of Estonia*”, published for the last time in 2005, were substantially applied in the changed publication „*Maakonnad arvudes. 2001–2005. Counties in Figures*” with the increased capacity of the analytical part. For the first time a CD was also added to the publication.

The publications of 2006 reflected several actual topics in the society that Statistics Estonia had not treated earlier or for a long period, for example employees' gross income in the units of local governments, migration trends in Estonia in the years of 2000–2005 and sustainability of energy consumption. A traditional overview of regional development appeared, giving information about fulfilment of measurable targets, established in the Estonian regional development strategy.

### Prognosis of changes in the Estonian labour market was compiled

In addition to regional statistics publications a comparative section of countries is being added to the Statistics Estonia representative publication „*Eesti statistika aastaraamat. Statistical yearbook of Estonia*”, which has already been compiled for several years. In the world context Estonian statistics as a whole is regional statistics. The year 2006 was special because on the basis of collected international data a prognosis was compiled of possible changes in the Estonian labour market;



it was introduced at the presentation of the yearbook and published in the issue of the Estonian Statistics monthly bulletin *Monthly Bulletin of Estonian Statistics* (3/06 and 9/06). Making prognoses is infrequent in Statistics Estonia but the fact that *Eesti Päevaleht* ordered an article about the prognosis shows that the topic is necessary.

### Successful international cooperation

In 2006 participation in international cooperation was vigorous — four projects were participated with a leading role in three of them. A meeting to exchange experience with Lithuanian and Latvian colleagues took place again (such a meeting took place last in 2003). On the one hand, it may be admitted that we could be satisfied with the things done, but on the other hand, it appeared that our colleagues are ahead of us in several fields. For example, Lithuanian colleagues have a great lead in presenting maps in the public database.

### Essentiality of statistical literacy

Last year confirmed once more that the growth of the statistical literacy in the Estonian society is necessary for successful development of statistics — thus it is necessary to continue organising events in this sphere. In the last two years regional statisticians have educated future accountants at Suuremõisa Technical School. Several enterprises have been consulted on the development of measurement systems for development plans.

At the end of 2006 an overview was compiled of the current situation in the regional development database — the main output of regional statistics. We can certainly give a promise that in 2007 we will please the users of regional statistics with new data — for that purpose we are working in close cooperation with colleagues, data providers and users.

### Publications of regional statistics in 2006

*Maakonnad arvudes. 2001–2005. Counties in Figures*

*Linnad ja vallad arvudes. 2006. Cities and Rural Municipalities in Figures*

GIS-day in the National Library



## Mapping activities in Statistics Estonia

These days the information related to the location in different areas gains more and more popularity. That is the reason why digital maps and geographical information systems (GIS) are widespread.

### Digital maps are widely used

The digital maps made during the preparation period and in the course of the 2000 Population and Housing Census are in use at several levels and for several purposes in Statistics Estonia. Spatial data collected by the Estonian Land Board and Ministry of the Environment are also applied. Also in 2006, grid-based data were transmitted to internal and external users on the bases of digital maps and Census results.

Pursuant to the licence agreement concluded with Statistics Estonia, 113 local governments and nine county governments have applied digital Population Census maps. Updating digital maps and connecting them with general registers (Register of Construction Works, Population Register, Business Register) is a problem.

In the course of preparation work for the new Population and Housing Census the possibilities of updating the digital maps of the 2000 Population and Housing Census and connecting them with registers were analysed. The work will be continued in co-operation with local governments.

### The main output of thematic maps is publications

One of the outputs of thematic maps made in Statistics Estonia is statistical publication. In 2006 thematic maps were compiled for the publications *“Eesti statistika aastaraamat. 2006. Statistical Yearbook of Estonia”, “Maakonnad arvudes. 2001–2005. Counties in Figures”, “Linnad ja vallad arvudes. 2006. Cities and Rural Municipalities in Figures”, “Keskkond. 2005. Environment”, “Keskkond arvudes. 2005. Environment in Figures”,* for pocket-sized reference books *“Estonia, Latvia, Lithuania in Figures 2006”* and *“Minifacts about Estonia 2006”*, and for monthly bulletins. The maps rubric of the web site of Statistics Estonia was also complemented. Employees of Statistics Estonia use thematic maps in their presentations, map orders made by internal and external users are satisfied.

### Projects and events related to mapping activities

The work in the framework of Urban Audit II continues. Statistics Estonia also took part in the activities of GIS Day in the National Library. It is remarkable that in the 18th Conference of the Estonian Society of Statistics the section *“Maps and Statistics”* was initiated. The number of participants was high and all presentations were welcomed with great interest.

The employees of Statistics Estonia are interested in self-development. They participated in seminars of GIS-area in Estonia once more and took part in geostatistics forum of the Nordic countries in Norway. The poster of the Nordic countries about population density was presented there (grids 1km x 1km), with Estonia on the map for the first time. At the meeting of Eurostat working group in Luxembourg, the web-based map applications were presented, prepared in co-operation with the Estonian Land Board.

## Methodology

### Metadatabase provides data about data

Metadata or data about data have an essential role in producing and understanding statistics. To administer these data Statistics Estonia established a metadatabase some years ago, which comprises classifications, terms and descriptions of statistical surveys. In the methodology department these domains are actively developed, including improvement of the availability to users.

### Classifications need updating

Classifications (or nomenclatures, lists) help to produce and present comparable statistics. The most important activities in this field in 2006 were related to updating and harmonising the Statistical Classification of Economic Activities in the European Community (NACE) and Statistical Classification of Products by Activity in the European Economic Community (CPA) with international classifications. Compared with the year 2003, changes were much more radical. As classifications have been developed as an integrated system in Europe since 1990-s, alterations in NACE as one of the basic classifications have an impact on other economic and social classifications.

Classifications need updating because economic structures are steadily changing and new activities and products are being generated as a result of the development of technology. The updated classifications reflect the growth of importance of service activities and development in information and communication technology. The period between audits cannot be too long because the adequacy of the classification decreases in time, or too short because then the comparability of data suffers.

The Estonian Classification of Economic Activities (EMTAK) needs amending according to changes in international classifications. For that purpose a work group was formed in Statistics Estonia and a cooperation agreement was signed with the Centre of Registers and Infosystems by the Ministry of Justice. Since the new version of NACE is considerably more detailed than the previous one, there are fewer domestic codes in the new EMTAK. According to preliminary calculations, it is possible to recode almost 70% of activities without using additional information since EMTAK is so detailed.

### The system of concepts and terms is essential

In using terms Statistics Estonia holds quite a peculiar position compared with enterprises and public institutions. In other words, we face a wide range of terms every day, starting from cultivating corn and finishing with boilers for power plants. For all users to comprehend statistics in the same way, essential terms are added to the tables published on the web. Thereby the set of terms presented in the detailed information of the table of public statistical database is changing in time. For example, the term "digital-TV" was introduced lately in information technology. At the same time such a term as "ISDN" can disappear from the list of essential terms in a year due to technological development. A large part of a terminologist's work involves auditing, unifying and making suggestions for amendment of terms used for presenting statistics in different domains.

A separate group of terms, not used by subject-matter statisticians and users of statistics every day, is terminology of statistical metadata. Existence of the regulated system of these terms is essential primarily from the methodological-theoretical point of view. In the year 2006 several essential steps were taken in the methodology department to sort out such terms.

#### **Active cooperation with other institutions**

A productive cooperation developed with the translation department of the Council of the European Union Translation Centre. An opportunity to participate in choosing statistical terms in the direct translating process definitely helps to enhance the unambiguous comprehensibility of the Estonian acts of law. In every field it is essential to establish relationships with organisations and specialists having similar targets. So, regular information exchange with the Institute of the Estonian Language Terminology Centre was carried out in 2006. A representative of Statistics Estonia participated in devising a program for developing terminology in Estonian under supervision of the Estonian Ministry of Education and Research.

At the meeting



## Data collection

The task of Statistics Estonia is to describe the environmental, demographic, social and economic situation and trends in Estonia. To accomplish the task, Statistics Estonia conducts official statistical surveys, i.e. collects and processes data and publishes national statistics in the amount approved by the government and by the time fixed in advance, pursuant to the internationally accepted quality criteria.

In the last years Statistics Estonia has had four development objectives beside the main objective:

- to expand electronic data collection,
- to prepare the use of administrative data,
- to improve the quality of client service,
- to improve the quality of management in Statistics Estonia.

Work and activities of the data collection department whose task is to collect survey data from enterprises-organisations and the population are tightly connected to the first and third objectives. The year 2006 was the time of mastering for two large electronic data collection projects.

### Survey data are collected from enterprises

It is possible to monitor inflow of all reports (there were 173 reports in 2006), independent of arrival by mail, fax, e-mail, Internet or in any other way. All the contacts with data providers are administered. For example the data collection department has an overview of agreements on postponing the deadline for presenting reports, which in turn allows considering this in sending out reminder letters (information letters which are sent to an enterprise or organisation which has failed to submit the report on the deadline fixed on the report form).

As you know, a new Internet-based electronic data submission channel eSTAT was introduced in February to transmit official statistical reports. Unlike reports submitted via other channels, it is possible to process data, received via eSTAT, without any additional manual work (it is not necessary to type in information).

### Contact centre for data providers

In Statistics Estonia servicing data providers had been report-based for a long time — it was possible to contact the statistician of the domain to ask questions about each statistical report. Thus professional servicing was ensured within one report. Introduction of eSTAT has had a large impact on the organisation of work at Statistics Estonia since the contact centre for respondents and the central customer service unit were established to the data collection department. Now telephone number +372 625 9100 and e-mail address [klienditugi@stat.ee](mailto:klienditugi@stat.ee) are available where data providers can get information about all the reports on enterprises independent of the field.



### Data are also collected from the population

In 2006 Statistics Estonia transferred fully to electronic data collection from the population. Instead of questionnaires on paper interviewers use laptops and the collected data are transferred to Statistics Estonia twice a week via Internet (interviewers mailed questionnaires on paper twice a month).

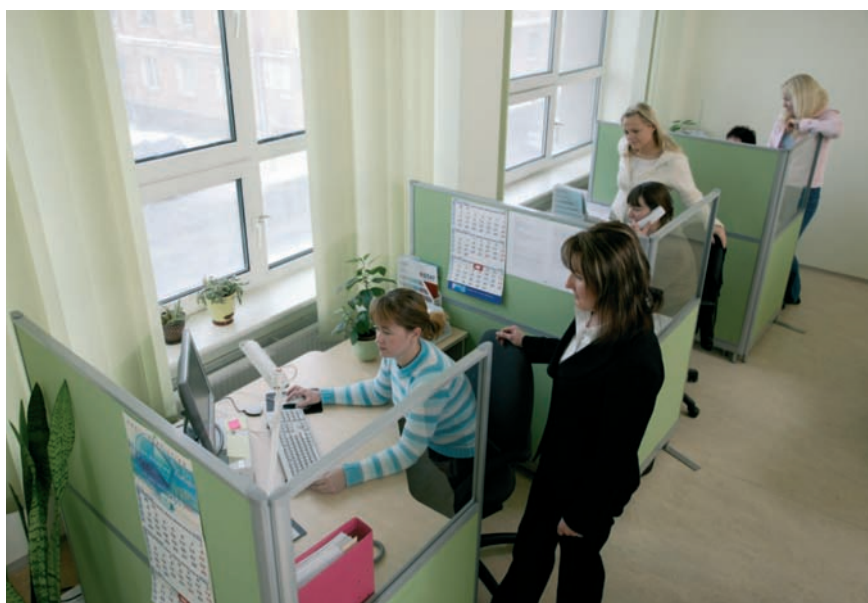
Electronic data collection cuts the time spent on data collection and processing since parallel to interviews data are inserted and different relationships between separate parts are checked. Interview coordinators have an overview of data collection by the interviewers under them since the finished interviews are regularly passed on to them. This ensures operative administering of data collection from the population, monitoring the interview methodology and eliminating possible mistakes in the so-called active collection period. Previously mistakes only became obvious after the active collection period finished, and the so-called error correction was carried out mainly in the coordinators' individual communication with the interviewers or in training interviewers.

### Introduction of laptops changed work organisation

Like eSTAT, introduction of laptops had an impact on office routine in Statistics Estonia. Instead of labour intensive and time-consuming feeding questionnaires on paper in, it is only necessary to code the so-called open questions (verbal answers) of electronically received questionnaires. For that purpose a central unit for coding personal interviews was established to the data collection department.

Transition to using laptops in data collection has raised the self-consciousness of interviewers. The quality of data and the speed of data inflow have improved, which enables to put together the outcome of the analysis in a shorter time and cut costs (printing costs and mail expenditures of questionnaires). A system, similar to eSTAT, is being worked out and completed in the year 2008, which will enable monitoring the inflow of reports from the population.

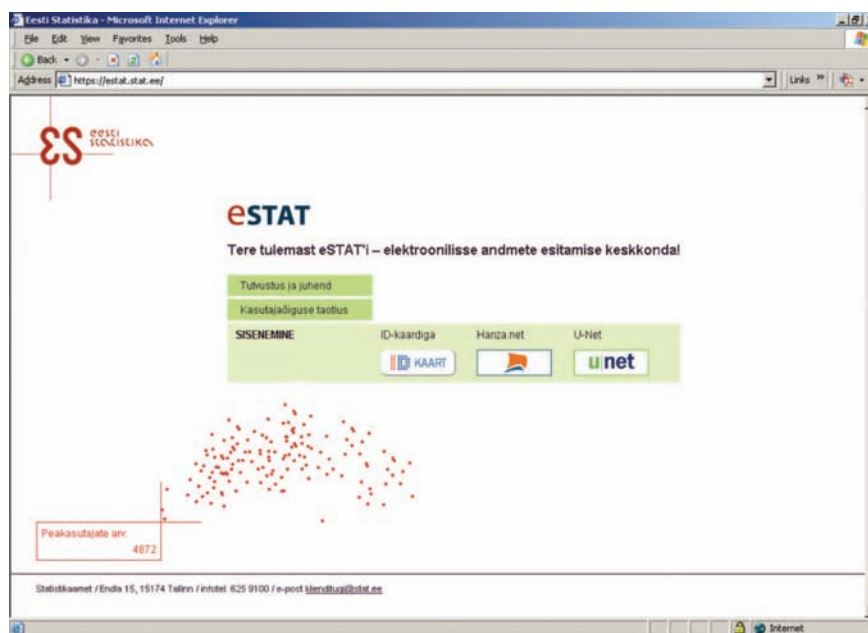
Service of data providers is more operative than before



## Information technology

### Improvement of eSTAT in the foreground

An information collection system eSTAT was officially opened in February 2006, making it possible for enterprises to fill statistical reports. Apart from other things, application of eSTAT should decrease the capacity of data entering — this is dependent upon how fast the data providers adopt a new channel. Fast spreading and popularity of Internet give grounds to reckon that eSTAT is sustainable.



eSTAT home page

Parallel to introduction, eSTAT was also improved. The view on the screen for data providers was made more convenient and some additional functions were added, e.g. possibility to print the report, automatic summing up the rows, improvement of orientating in voluminous reports, etc. In 2007 work continued on satisfying the users' wishes, like preliminary filling in the reports, presenting the subscription form on the webpage, etc.

### More data from administrative sources

A very important data collection method is utilisation of administrative sources of information, which allows decreasing the burden of data providers considerably. Statistics Estonia has been working for years to receive more data from administrative

registers. Regular data exchange has been established with some of the registers; however, it has failed in case of several more essential registers. Despite that there is still some improvement in dealing with the taxpayers' register since there have been agreements on data exchange principles and the first requests for information have been tested. At the same time exchange of data does not work because of a failure to sign the official agreement.

### Information system was developed

The first stage of the information system for administering the network of interviewers was completed in 2006 and supplementation of the information system of foreign trade statistics also reached an end. Within the frames of metaweb project a module was completed in classifications (available on the Statistics Estonia webpage) and another module of the products of the customer relationship management system (also introduced in 2006), customers and orders. The module in analysis and marketing is waiting for its turn. To plan and manage better the statistical production process, involving almost all departments and about 150 surveys, an information system Korraldaja (Organiser) was created, the first stage of which was introduced in the last year already. In 2006, a work group was put together to compile a new vision of the data processing information system. First it was targeted at creating a vision for the new data processing information system of economic units. According to the preliminary plans it should be completed in the first half of 2007.

### Statistics Estonia contributes to information security

To enhance the information security the information technology department organised an in-house training cycle which consisted of twelve lectures. Interest in the topic was great and there arose a lot of questions which were discussed together. A lecture on information security was also switched into the training programme for new employees.

Beside regular quarterly security audits, security incidents have been systematically registered and analysed since March 2006. Without exception there was a problem with availability, e.g. webpage was not accessible, it was impossible to log onto eSTAT. The security chief analyses every case and compiles the report, which also includes suggestions on how to avoid similar situations in future.

In the second half of the year thorough revision and harmonisation with the international standards of the security regulation was commenced.

### Trainings year

The year 2006 can be considered a year of trainings. In the first half of the year the Ministry of Finance organised a training cycle of several modules for people related to software development in their field. The topics discussed included service-orientated architecture, system analysis, configuration administration, databases and storage. In the second half of the year training in communicative skills was organised for IT managers by the Ministry of Finance.

Despite interesting and voluminous trainings, the work plan was fulfilled and the projects initiated at the beginning of the year completed.

SAS software seminar in KUMU





## Staff

### Personnel department as an independent structural unit

On January 1, 2006 a separate personnel department was established in Statistics Estonia. Four new office workers were employed: training chief, chief specialist in personnel, personnel specialist and the head of department.

### Employee satisfaction survey gave essential information

The first task of the established structural unit was to find out the level of satisfaction of employees and collect information about the necessity to develop and train the staff. In cooperation with Resta AS a survey on employee satisfaction was carried out in February-March. Out of 350 employees of Statistics Estonia 251 responded to the questionnaire. The survey was based on the internationally applied ESI (Employee Satisfaction Index) methodology. As a result it was found that the general satisfaction was at a good level in the organisation. The main strengths of Statistics Estonia were highly dedicated employees and strong middle managers. Job security and management were also highly appreciated. Still the image of the organisation and valuation of work were given low estimates.

According to the survey, very well functioning internal communication, training possibilities, interesting and developing work can be considered the strengths of Statistics Estonia. A flexible system of incentives for sporting, which started in 2005, was mentioned most frequently out of incentives offered to employees.

Methodology applied in analysing the responses allowed to find out the most essential factors for employee satisfaction. It appeared that although the general satisfaction of employees was at a good level, there are still essential spheres which have a great impact on satisfaction, at the same time receiving low evaluations (internal career opportunities, competitiveness of wages and salaries on the market, satisfaction with business premises and conditions of work, reasonable workload, and feedback of the performance). Thus these fields had to be dealt with urgently because it could be assumed according to the survey that otherwise the general level of employee satisfaction will be decreasing which in turn would bring about the rise in staff turnover. The survey confirmed that the development trends of the personnel department in Statistics Estonia are relevant — to analyse the work of positions, start the staff performance appraisal interviews between managers and subordinates, improve career planning and sort out the system of wages and salaries.

### Revision of the wages and salaries system started

To prepare for revising the wages and salaries system the personnel department started a project in 2006 to analyse and appraise the positions. A factor method to evaluate the positions was adjusted for public service by the State Chancellery, Fontes and the Ministry of Finance. More thorough evaluation of positions and revision of the planned system and level of wages and salaries were started in autumn 2006. The completion of the project was planned to the second half of the year 2007.

In 2006 the wages and salaries level sprang by about 15%. In February 2005, the wages and salaries level in Statistics Estonia increased but due to scarcity of finances remained below the average median level of the wages and salaries market. In 2006 the personnel budget of the organisation did not allow a comprehensive pay rise which inevitably resulted in the rise of labour turnover — almost 12% in 2006 (10 % in 2005). But it was gratifying that turnover of higher officials remained under 3% (8% in 2005). At the same time the rise in the turnover of senior officials and employees in auxiliary services is worrying — correspondingly 13% (10% in 2005) and 14% (8% in 2005) in 2006 correspondingly. The mobility of auxiliary service officials was due to quitting interviewers.

Working in the statistical system as a specialist requires good knowledge of the field and methods of mathematical statistics. Therefore it is assumed that a person who has at least five-year experience in the professional field in addition to the Master's degree (or corresponding to it education) can become a good specialist in statistics. Thus in order to produce high quality statistics it is most essential that specialists with a long record of work in the field should be kept and motivated. In the condition of scarce resources the focus was on immaterial incentives. More attention was paid to creating facilities for health sport and organising events.

### The year of colourful events

At the beginning of 2006, a winter sports day was organised in Nelijärve under the leadership of the administration, where all the employees of Statistics Estonia were invited with their families.



Celebration of the 85th anniversary in Lillepaviljon

The top event of the year was celebration of the 85th anniversary of Statistics Estonia in Lillepaviljon with a party in the style of the 1920s. This event in May broke the myth of statisticians as mild passive nerds, deep in numbers. It was a really busy cheerful party where it was sometimes difficult to recognize the colleagues who wore clothes of the time and acted their roles accordingly. On the occasion of the 85th anniversary of Estonian Statistics the producers of regional statistics had compiled the publication of jokes "Aegrivitult" ("Without time series") in which statisticians are making jokes about themselves.



Stylish costumes and elevated atmosphere



Summer Days 2006 in Soomaa

In summer the Economic Statistics Department organised summer days in Soomaa, which were rich in information and action with several excursions and hiking trips, where again all the employees were invited with their families.



**The employees of Statistics Estonia are active in their leisure time**

At the end of 2006 the Information Technology Department organised a very cheerful Christmas party in the Puppet Theatre which gave a very positive feedback. The employees enjoyed two theatre performances "Ladybirds' Christmas" and "The Fir Tree" during the busy night.

There are always groups of people in large collective bodies who share common interests. So there are at least two touring circles in Statistics Estonia who have travelled together since 2000: discovered small islands and organised canoe trips.

More serious volleyball practising of the employees of Statistics Estonia can be related to the year 1994 when they started to practise for the volleyball tournament in Stockholm, held in 1995. Anyway, some of the beginners of that time can consider themselves capable volleyball veterans. Friendship games with Statistics Finland and Central Statistical Bureau of Latvia have also become a tradition. Competitions do not simply mean an active sports day but attending the sports day offers a marvellous opportunity to communicate directly with colleagues from other countries and enter into friendly working relations. In 2006 Statistics Estonia participated in the traditional volleyball tournament of the European statisticians, which was held in the Czech Republic. A friendship tournament between the Baltic States and Finland which was neglected for some time was also taken up again.

**Training employees is a priority**

Management was one of the most essential fields in training activities. Great changes are under way in Statistics Estonia, e.g. introduction of a new management system and organisational culture, utilisation of eSTAT. This has caused a necessity to improve and update the knowledge and skills of middle managers. Due to changes in external and internal environments their accountability is extending and cooperation in achieving common targets is getting even more essential than before. Good professional knowledge is insufficient now because managers must cope with people and strategic management. Therefore management training involving all people in the organisation was carried out in 2006.

The training programme targeted at the managers of Statistics Estonia "Efficient management in Statistics Estonia" (supported by the European Social Fund) took place from February to September. Knowledge was updated and experience exchanged in the fields which help the managers to relate their everyday work to the strategic objectives and organisational values of Statistics Estonia and cooperate more efficiently with structural units in implementing the projects. The topics which are necessary to apply the employees' potential to the full and direct their activities were also dealt with in trainings.

One of the priorities in 2006 was development of knowledge and skills related to information technology. Training in this field was targeted at improving the computer skills of using office programmes and knowledge of programmes necessary to produce statistics. Management trainings held by the Ministry of Finance were of great help. Common training programmes were compiled for IT managers and developers of the Ministry of Finance, the Tax and Customs Board and Statistics Estonia. One of the most voluminous projects was a six-module programme for IT managers, facilitated by the European Social Fund. It concentrated on developing communicative competence and teamwork skills.

Beside the fields mentioned above, a lot of trainings to support production of qualitative statistics were held — from economics to customer service, statistical models to teamwork. Seminars and conferences were attended in Estonia and abroad. To develop employees it is definitely essential to participate in work groups of the Statistical Office of the European Communities, present reports there and represent the standpoints of the Estonian state or share the experience of Statistics Estonia with other countries.

In 2007 the keywords in training activities were organisational culture and cooperation. With the support of the European Social Fund there are plans to organise cooperation training, which would deliver the management principles of Statistics Estonia to employees in their everyday work.

## International cooperation

### Close international cooperation like before

In 2006, 103 employees of Statistics Estonia participated in 178 international conferences and courses in 40 different destinations, 134 of these events were in Eurostat, Luxembourg. Beside Europe the statisticians also visited the USA for three times — the UN/ECE Working Session on Statistical Dissemination and Communication in Washington, a seminar on Export-Import Price Indices (XMPI) Manual held by IMF and the 37th Plenary Session of the UN Statistical Commission in New York. Of the new visit destinations Kongsfjorden and Steinkjer in Norway, Avila and Cáceres in Spain, Reykjavik in Iceland and Portorozh in Slovenia can be pointed out. Last year the number of foreign experts and consultants visiting Statistics Estonia was moderate — two from Finland, two from the Netherlands and one from Great Britain.



The annual meeting of PC-AXIS software users in Reykjavik on 21–23 August 2006

### Statistics Estonia has two experts in Eurostat

Participation was active in the European Statistical Training Programme (ESTP), started by Eurostat, where the following topics were discussed: nomenclatures, classifications and their harmonization, quality management in statistics, European statistical user support, European Union trade statistics, national accounts in practice etc.

Of two national experts one's traineeship was completed and he quitted Statistics Estonia, continuing work in Luxembourg. At the same time in autumn 2006 another employee had an opportunity to start working as a national expert. Thus Statistics Estonia has two so-called own people in the headquarters of the European statisticians.

### Active consulting of other countries

In cooperation with the International Consulting Office of Statistics Sweden, Statistics Estonia organised two trainings to colleagues from Serbia and Montenegro on structural business statistics, management issues and international cooperation. Employees of Statistics Estonia also travelled to Serbia and Montenegro to consult on the spot.

Intensive cooperation programme including the Baltic States continued. Workshops were organised in all three countries. Main topics involved information technology applications in statistics production, information society statistics, agricultural statistics, statistics dissemination, population census and improvement of the quality of the research and development statistics. Apart from that several topics of the business register, rural statistics, labour costs and structure of earnings statistics, samples in enterprise surveys and grant management were dealt with. The annual conference of the Baltic Steering Committee, (consisting of statistical authorities of the Baltic States) was held in May in Lithuania this time.

### **Eurostat supports Statistics Estonia**

In 2006 Statistics Estonia applied for a Eurostat grant for Assistance to Western Balkan countries for improvements in the area of dissemination for the Western Balkans. Within the framework of this project seven experts from Statistics Estonia were sent to the Western Balkan countries and one training of the Balkans was held in Tallinn. The project is also continuing in 2007.



Experience in statistics dissemination was shared with the representatives of the Western Balkan countries

In 2006 Statistics Estonia applied for a grant "Transition Facility 2004", which is partly as capacious as previous Phare grants. It is too early to speak about the results of this two-year contract (involves 19 subprojects) but undoubtedly participation in such a large project gives extremely good experience.

In 2006 Statistics Estonia and Eurostat signed ten new contracts on grant projects to carry out statistical work in different fields. In addition to these projects work continued on 18 contracts signed in the previous years.

## Financing

### Operating expenses and investments of Statistics Estonia (thousand kroons)

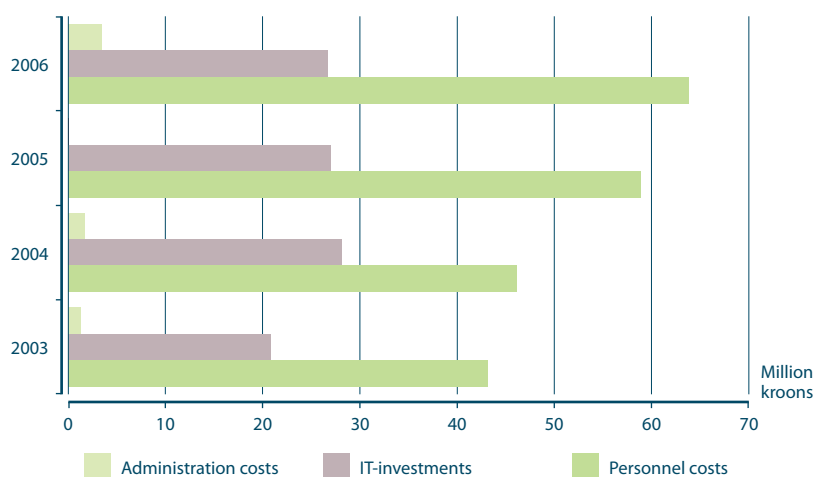
	2003	2004	2005	2006
<b>Total expenditure</b>	65 242,5	75 910,7	85 861,5	93 921,9
Operating expenses	64 009,1	74 192,4	85 861,5	90 521,3
IT-investments	1 233,4	1 718,3	0,0	3 400,6
<b>Expenditure from the state revenue</b>	58 123,6	62 536,5	69 843,4	80 145,1
Operating expenses	56 890,2	62 378,9	69 843,4	76 744,5
Personnel costs	40 883,2	42 976,9	50 413,8	56 695,7
Administration costs	16 007,0	19 402,0	19 429,6	20 048,8
IT-investments	1 233,4	157,6	0,0	3 400,6
<b>Expenditure from revenue of economic activities</b>	945,4	883,2	944,0	911,4
Operating expenses	945,4	883,2	944,0	911,4
Personnel costs	293,5	360,3	186,5	597,2
Administration costs	651,9	522,9	757,5	314,2
<b>Expenditure from EU subsidies</b>	6 173,5	12 491,0	15 074,1	12 865,4
Operating expenses	6 173,5	10 930,3	15 074,1	12 865,4
Personnel costs	1 984,8	2 758,3	8 272,4	6 534,2
Administration costs	4 188,7	8 172,0	6 801,7	6 331,2
IT-investments	0,0	1 560,7	0,0	0,0

In 2006 the operating expenses of Statistics Estonia accounted for about 94 million kroons. Compared to the previous year, the expenses increased by 8 million kroons or 9%. Expenditure from the state revenue was about 80 million kroons, compared to the previous year 10 million kroons or 14% larger. Expenditure from revenue of economic activities was about million kroons or at the level of the previous year. Expenditure from foreign aid or from the European Union subsidies totalled 13 million kroons (the decrease of 2 million kroons or 13% compared to the previous year).

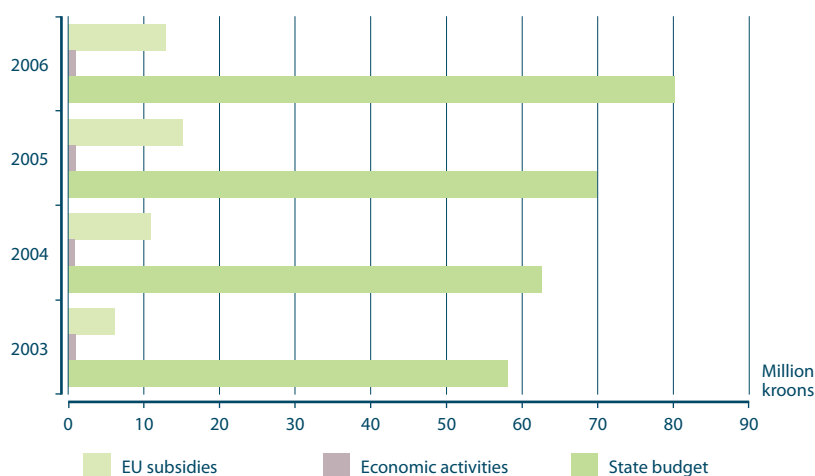
In 2006 the personnel costs accounted for 64 million kroons or 68% and administration costs 27 million or 29% from the operating costs. Compared to the previous year the personnel costs increased by 4 million kroons or 6%, by 18 million or 28% compared to 2004. The increase in personnel costs was subject to the necessity to ensure the competitive salary to our employees on the labour market — for that purpose the wages and salary adjustment and restructuring, started in 2005, were continued. Administration costs have remained at the same level for three years running.

2.4 million kroons of IT-investments were used to supplement the customer administration system and million kroons to develop the metaweb.

### Operating expenses by type, 2003–2006



### Sources of financing, 2003–2006





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