

## THE INTEGRATION OF STATISTICS OF KAZAKHSTAN WITH THE EUROPEAN STATISTICAL SYSTEM

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### ABSTRACT

1. Legal basis of integration of the Agency of Statistics of the Republic of Kazakhstan (further – ASRK) with international statistical community:
  - law «About the state statistics», principles, positions, international agreements;
  - strategic plans for development.
2. General information on interaction of ASRK with international statistical community:
  - global estimations;
  - agreement with World Bank;
  - cooperation with international organizations and national statistical offices.
3. Activity of ARKS on harmonization of standards, qualifiers and methodology with the international analogs:
  - Harmonization of statistical qualifiers.
  - Introduction of the international standards in statistics branches:
    - national accounts;
    - price statistics;
    - manufacture and others (according to information of departments).
4. Introduction of the modern technologies in processes of gathering, processing and distribution the data on the basis of international experience.

Let me present you the report about the **integration of statistics of Kazakhstan with the European statistical system**.

It seems appropriate to begin with information about the **legal basis** for the integration of the Agency of Statistics of the Republic of Kazakhstan with international statistical community.

On March 19, 2010 a new **Law of the Republic of Kazakhstan "On State Statistics"**, corresponding to modern realities was adopted. This Law regulates public relations arising in the process of state statistical activity and aims to meet the needs of society, state and international community in official statistical information.

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Article 9 of the Law defines a general procedure for international cooperation in the field of statistics. In particular, it establishes the right of state statistical bodies on dissemination of statistical information and exchange of experience in statistical methodology in the framework of cooperation with foreign partners.

Article 5 sets out the principles of state statistics. One of the main principles is to ensure consistency and comparability of state statistics with internationally accepted standards, classifications and methods.

Thus, we can say that in the basic document of the statistical system of the Republic there is a necessary mechanism for its harmonization with European and international standards.

International agreements have an important role in establishing and expanding partnership relations. Thus, the Partnership and Cooperation Agreement signed in 1995 is the basic document upon which the partnership of European Union and Kazakhstan is based. Article 67 of this agreement is devoted to cooperation in the field of statistics.

In addition, in 2010 a Memorandum of understanding between the Agency of Statistics of the Republic of Kazakhstan and Eurostat was signed. The Agency also has cooperation agreements with national statistical offices of many European countries.

For effective and progressive implementation of state policy in the field of statistics the Agency prepares the **strategic plans**. Strategic plan of the Agency of Statistics of the Republic of Kazakhstan for 2010-2014 identifies *obtainment of international experience in the field of statistics* as a priority area of activity. Through the achievement of target indicators in this area it is planned to increase the degree of integration of Kazakhstan statistics into international statistical space.

Speaking about long-term development plans, the assistance provided by international institutions in the analysis of statistical system of the country should be noted. In particular, in 2002-2003 Eurostat and UNECE and in 2007-2008 UNECE and ESCAP conducted a **global assessment** of the statistical system of the Republic of Kazakhstan. The report of the assessment of 2007-2008 marked a good level of cooperation of the Agency with national statistical offices and international organizations aimed at improving the quality of statistical information and introduction of international standards.

**Interaction of the Agency of Statistics of the Republic of Kazakhstan with international statistical community** is implemented through continued **cooperation with international organizations and national statistical offices** in such areas as introduction of international statistical methodologies, standards and classifications, development of modern tools, information and communication technologies, improvement of knowledge and skills of personnel and their professional competencies.

One of the brightest examples of such cooperation is the European Union TACIS program. In 1993-2007, during implementation of the TACIS program in Kazakhstan dozens of projects in areas such as statistical infrastructure, economic

and social statistics were carried out. In the course of the program, European experts have made a significant contribution to the harmonization of the statistical system of Kazakhstan with European counterparts.

It is necessary to mention also the efforts of organizations of the United Nations system and Interstate Statistical Committee of the CIS on assistance in introduction of the international standards in Kazakhstan, and in the whole region. Thus, during the period since 1992 to 2010 569 recommendations, instructions, classifications and other methodological materials were developed by the CIS Statistical Committee in line with international standards.

At the present time the Agency of the Republic of Kazakhstan on Statistics is carrying out a preparatory work for the implementation of **a wide scale project with the World Bank on strengthening the national statistical system of the Republic of Kazakhstan**. It is planned to start the implementation of this five year project since the beginning of 2012. In the nearest future it is planned to announce the international competitive bidding on twinning-partnership with the Agency for rendering the consulting services.

Dear colleagues, further, let me turn to review of Kazakhstan experience on **harmonization of national standards, classifications and methodologies with international analogs**.

**Classifications** are a basis on which all information systems are constructed. They are considered as basic tools used for maintaining of many various state databases.

In order to ensure statistical data comparability and harmonization with the international classifications, since 1997 the Agency of the Republic of Kazakhstan on Statistics has been carrying out a work on developing and maintaining statistical classifications in line with international recommendations. The state classifications of economic activities (based on NACE) and of products by activity (based on CPA) were the first classifications developed according to the international standards. It should be noted that NACE classification of the European Community is more preferable to Kazakhstan than ISIC classification of the United Nations, because it provides more detailed distribution of the enterprises in mining and manufacturing industries. Also, in the European classification system more convenient for users coding system is used.

In 2006-2008, in connection with the revision of NACE and CPA classifications in the European Community, the transition to new system of international statistical classifications has begun in Kazakhstan. At present, Kazakhstan is one of the first CIS countries which have passed to new system of international classifications.

In 2007-2008, new versions of classifications of economic activities and products by activity were adopted as the state standards.

To the present time the Agency has revised sectoral statistical classifications of goods and services used in industry, agriculture, forestry, fishery, trade, construction, tourism, and service statistics.

Introduction of international classifications into statistical practice is one of the priority directions of development of statistics in Kazakhstan.

Also the Agency widely uses the experience of the European countries on **statistical registers**.

As an example, structure and content of our Statistical business–register were defined according to the standards and recommendations of the European Union in the field of enterprises statistics.

In its turn, structure and content of being created statistical population register are defined taking into account the experience of the North European countries. In particular, recommendations named «Statistics on basis of registers in the European countries. Review of advanced techniques with paying major attention to population and social statistics 2008» have been used.

We permanently work on **introduction of international standards into all areas of statistical activity**.

Great attention is paid to the improvement of **national accounts**. In the frameworks of TACIS program the projects on non–observed economy and quarterly calculations of gross regional product have been implemented. In cooperation with Statistics Norway the process of formation of “supply-use” tables is being improved. And it is not casually that in the Strategic plan of the Agency the necessity of accelerated development of national accounts system is especially mentioned. In particular, special attention will be paid to introduction of new international standard “SNA 2008”, to improvement of the comparability between separate calculations within SNA and to transition to more detailed calculations of intersectoral balance.

**Price statistics** also has a high importance. In many European countries along with a consumer price index also a harmonized consumer price index is calculated, which is formed according to the coordinated approach and on the basis of a uniform set of definitions. According to the Eurostat Guidelines on harmonized CPI, basic requirements to construction of this indicator are the inclusion of such services, as public health, education, insurance, financial and social protection services, as well as housing expenditures in the CPI structure. Since January, 2011 CPI of Kazakhstan includes the all list of the named services.

«Guidelines on producer’s price index: theory and practice» developed by international organizations are used by the Agency as a methodological basis for the construction of a PPI. According to this Guidelines and the «Methodological manual of Eurostat on constructing the producer’s price indexes on services 2005», along with estimation of prices movement in the production, the price changes of the services of productive character should be also considered. At present, in Kazakhstan the services of productive character are partially considered in the CPI structure, and also independent price indexes on freight transport and communication services are calculated. Since 2011, index of commercial real estate rent price is being constructed.

In the future, construction of a number of price indexes on services in the field of accounting, audit, consulting, computer facilities, scientific research and developments and others in line with the Eurostat methodology is planned.

According to the studied European experience the Agency has formed a system of indicators of fixed capital **investment statistics**, improved **construction statistics**, introduced a classification of construction products on the basis of CPA 2008.

**Energy statistics** is also formed in line with the international standards. In 2002, according to the Eurostat recommendations the «Methodological provisions on definition and formation of indicators of energy statistics» were developed and adopted, in 2008 the indicators of output (consumption) of electricity by kinds of activity were revised and introduced, in 2009 in line with the Guidelines on energy statistics of Eurostat and International energy agency 2007, the Methodical explanations of indicators of energy statistics were revised.

At present, the Agency implements a Plan of actions on development of **ecology statistics** for 2010-2012; and with a view of its implementation, on the basis of UNECE recommendations the «Ecological indicators and reports based on them for EECCA countries (the Eastern Europe, Caucasus and the Central Asia)» the «Methodical recommendations on formation of indicators of environment statistics» were prepared. In 2011, in the framework of implementation of this plan, the Classification of kinds of activity and expenditures on protection of the environment were developed based on the CEPA 2000 international standard (Classification of Environmental Protection Activities and Expenditure).

In **domestic trade** and **commercial services** statistics area, indicators of volumes of retail trade, services by kind of activity, physical volume indexes are developed in line with the Eurostat methodical manual on short-term enterprises statistics 2006. In domestic trade statistics, the introduction into the national practice of the United Nations domestic trade methodical recommendations 2008 is also among planned actions.

According to the OECD Guidelines on measuring non-observed economy, in order to ensure completeness and quality of the service statistics data, the estimation of volume of **non-observed economy** is carried out.

In **foreign merchandise trade statistics**, the Agency since July, 2011 carries out the surveys on mutual trade statistics of participants of external economic activities of the customs union of three countries – Republic of Kazakhstan, Republic of Belarus and the Russian Federation. Thus, in practice the experience of the EU countries on the formation of foreign trade statistics in line with the international merchandise trade statistics methodology is used, and also, introduction of the UN methodology of 2008 is planned.

In **trade markets statistics**, taking into account the international practice and recommendations of the International energy agency, a fuel–energy balance of the country and energy intensity of GDP are calculated annually. In connection with the ratification by Kazakhstan of the Kyoto Protocol to the United Nations

Framework Convention on Climate Change, new methodical recommendations on fuel–energy balance were developed, including the provisions on calculation of energy and carbon intensity of GDP.

Agency also constantly studies the international experience on **tourism statistics**. On the basis of international recommendations on tourism statistics 2008 the Agency has developed the methodical recommendations on formation of tourism statistics indicators. Sample surveys of visitors (tourists) and households for formation of the Satellite tourism account are carried out in line with international experience.

In **information-communication technologies statistics**, on the basis of the «Guidelines on estimating access to ICT and their use by households and separate persons» and «Guidelines on information economy statistics» of UNCTAD (United Nations Conference on Trade and Development) and International telecommunication union the sample surveys about level of use of information-communication technologies in enterprises and households are carried out. In 2012 it is planned to conduct a new survey in the area of secondary education prepared on recommendations of the International telecommunication union and Partnership on ICT estimation for development. On the basis of this survey the indicators characterizing availability of means of interactive training, share of students using computers and the Internet will be formed.

In formation of indicators of **science and innovation statistics** the methodological approaches based on Frascati and Oslo Manuals are used. On annual basis the indicators about level of innovative activity, expenditures on technological innovations, on scientific research and developments, administrative innovations and others are formed. In 2009 the methodical recommendations on innovation statistics which allow forming internationally comparable indicators of innovative activity have been developed taking into account the international standards.

In **statistics of culture**, according to the recommendations of the UNESCO Institute of Statistics 2009 new indicators on objects of the film industry, such as number of created national films, national films with participation of other countries, with prevalence of national or foreign financing and others are formed. Further introduction of UNESCO methodology on the system of culture statistics 2009 in Kazakhstan is planned.

In **demographic statistics** calculations of all indicators are based on methodological recommendations of the UNECE and Eurostat. Currently, we develop a "Methodology of predicting the number and sex composition of population" using the UN guidelines («United Nations Manual III: methods for population projections by sex and age»).

Thus, the 1999 and 2009 population censuses were conducted using UNECE guidelines. The "Recommendations of the Conference of European Statisticians on Population and Housing Census Round 2010" prepared in cooperation with Eurostat were used in developing the toolkit of 2009 Census.

At present, the formation of indicators of **employment, wages and living standards statistics** in Kazakhstan is carried out in line with the recommendations and standards of the International Labour Organization, the UNECE and the World Bank.

Key labor market indicators are collected through the quarterly Labour Force Survey (LFS), which was organized with the support of Eurostat and statistical office of Germany.

In 2010 the Agency studied and applied experience of the national statistical office of Poland in terms of constructing and calculating the index of labor cost.

Ladies and gentlemen, in conclusion, let me comment briefly on the **introduction of modern technologies by the Agency into the processes for collection, processing and dissemination of data on the basis of international experience.**

As part of the government program for the development of "e-government (electronic)" and for improvement of the information infrastructure, in 2010 the project of Integrated information system "e-Statistics" (hereinafter – IIS "e-Statistics") of the Republic of Kazakhstan has been launched.

IIS "e-Statistics" is designed for automated collection and processing of primary statistical data, storage of statistical data, compilation of statistical materials and implementation of statistical data inquiries.

One of the main components of IIS "e-Statistics" is the information system "Metadata" (hereinafter – IS "Metadata"). The main purpose of IS "Metadata" is managing the Agency's information systems, as well as satisfaction of the needs of different groups of statistical information users.

Close internal integration of the IS "Metadata" and IS "CLASS" is provided. IS "CLASS" is designed for automatization of the processes of design, implementation, maintenance and dissemination of statistical classifications, nomenclatures and reference books.

Data from the sources of statistical information are collected in the IIS "e-Statistics" by means of the database "Administrative data" and information system "Storage of primary statistical data."

In IIS "e-Statistics" data collection in the production of statistical information is done by information system "On-line data collection".

To ensure timely and high quality processing of primary statistical information and compilation of statistical indicators in IIS "e-Statistics" the information system "Processing of primary statistical and administrative information" is provided.

In IIS "e-Statistics" the process of dissemination of statistical information is supported by the database of aggregated indicators and information-analytical system.

Last year the work on creation of information-analytical system "Taldau" (hereinafter – IAS "Taldau") has begun. In the current year IAS "Taldau" was put into trial operation and access is granted to all users without restriction. The implementation of this system is aimed on providing access to a wide range of statistical data users at a convenient for them format.

To date, more than 600 key statistical indicators are uploaded into this system. The system includes three main modules – "Section", "Regions" and "Catalog".

"*Catalogue*" is a hierarchical structure of all statistical indicators that are uploaded into the system and formed on the basis of classifier of statistical indicators.

"*Section*" is a list of statistical indicators, grouped by sector.

On page of the "*Regions*" module the user can view the map and brief details on the selected region (area, administrative center, population, etc.), as well as to analyze the development of regions through statistical indicators.

This year as part of IAS "Taldau" the module "Analytics" is planned. It will contain several models of analysis, presumably:

- correlation analysis;
- comparison of indicators with international statistics;
- producing predictive data;
- cross analysis.

Another planned module is "My Account". Personal account of the user will allow system users to create ad hoc reports and store them on their page.

Within the "e-Statistics" project the "On-line data collection" information system is developed using the modern information technology, which allows respondents to submit the reports in real time without leaving the office. This system allows automating the process of completing and submitting the required statistical reports by respondents using the digital signature. The following year, respondents will be given an opportunity to submit reports through this system for 65 statistical forms. By 2013 it is planned to introduce all statistical forms into this system.

Dear colleagues, thank you for your attention. I hope that this report has been useful to you.