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**Present state of the business tendency surveys
conducted by the Central Statistical Office of Poland**

Introduction

Business tendency surveys are conducted by the Central Statistical Office of Poland from the beginning of 1990's. Manufacturing industry survey was introduced as the first one in June 1992. After that, a year later the other surveys were undertaken in construction and in retail trade. In January 2003 the last new survey in services was introduced.

The first questionnaires of manufacturing industry, construction and retail trade were based on the harmonized business tendency questions for Eastern European Countries the list of which was accepted by these countries in the cooperation with the European Commission and OECD in early 90-s. Some additional questions specific for the economic and legal situation of the country were added too. Later on, Joint Harmonized EU Questionnaires for member states were introduced and specific "national" questions were modified, excluded or moved – as in investments – to a separate questionnaire. In the latest case, situation in the field of investment activity of industrial and construction enterprises was observed in the past in quarterly industrial and monthly construction questionnaires. Separate investment survey, based on the Joint Harmonized EU Questionnaire was introduced in March 1999. At the same time it was decided to continue to conduct the investment survey not only in manufacturing industry but also in construction even if the EU system does not require it.

In the process of full harmonisation of the Polish business tendency surveys the following elements are taken into account:

- scope of the surveys,
- list of variables (questions),
- organisation of the surveys (time table),
- outcome aggregates.

The above mentioned four main elements of harmonisation are discussed in this paper.

1. Scope of the surveys

Taking into account main activity of surveyed enterprises, scope of each survey is harmonised with the EU system. It means that according to the Nace classification, the population of the surveys is the following:

- Industry – divisions 15 – 36 from section D
- Construction – groups 45.1 – 45.4 from section F
- Retail trade – classes 50.10B, 50.30B, 52.11 - 52.61 from section G
- Services – sections H - K and M - O
- Investments – the same as in industry and construction

Taking into account size class of surveyed enterprises, in industry and construction enterprises with 10 and more employed persons are included into the frame of each survey. For trade and services micro-enterprises are also surveyed. The structure of samples for each survey is the following:

- Manufacturing industry: all enterprises with 250 and more employed persons (exhaustive survey) and a sample for smaller units (10-249); the size of the sample is 3500 enterprises.
- Construction: all enterprises with 50 and more employed persons and all public sector enterprises (exhaustive survey) and a sample for smaller private units (10-249); the size of the sample is 3500 enterprises.
- Retail trade: all enterprises with 50 and more employed persons and all enterprises from Nace classes 52,41-52,45 of 10-49 persons employed (exhaustive survey) and a sample for smaller units (up to 49); the size of the sample is 5000 enterprises.
- Services: all enterprises with 50 and more employed persons and all enterprises from Nace classification 61, 62 and 91 of 10 to 49 persons employed (exhaustive survey) and a sample for other smaller units; the size of the sample is 5000 enterprises.
- Investments – the same sample as for manufacturing industry and construction.

Each sample is stratified according to the Nace classification on the basis of the EU recommendation of the Joint Programme of Business Tendency Surveys. Additionally to the Nace classification, samples for manufacturing industry and construction are stratified according to the ownership sectors (public and private units) and size classes (10-49 employed persons, 50-249 employed persons, 250 and more employed persons). In trade and services an additional stratum for micro-enterprises (up to 9 employed persons) is distinguished in trade and services. On the other side, no ownership sectors are

distinguished. The reason of it is very low percentage of public enterprises in both sectors.

In 2003 in construction survey the Classification of Constructions was added and according to that classification construction data are sent to the European Commission. The Nace classification is still used in the construction survey.

In grossing-up procedures, value of turnover is used as weights for all questions.

The response rate in September 2003 for manufacturing industry, construction and services was about 50%. It was lower for retail trade which could be caused by the structure of units in this sector: very high number of very small natural persons units, unwillingly in general cooperating with the statistics. Because of that the bigger sample is prepared for retail trade and service sectors every year in order to avoid too big loss of respondents (every year from January to December there is the loss of about 10% of respondents).

Samples for retail trade and services are sampled once a year as there is a biggest dynamics in closing and opening new units, especially the smallest ones. The samples for manufacturing industry and construction are updated once in two – three years. All enterprises that regularly replied to the survey enter the next sample.

2. Questions and variables

From the viewpoint of list of obligatory questions, the harmonisation of the surveys with the requirements of the Joint Harmonised EU Programme of the Business Tendency Surveys is very high. From January 2004 there will be all questions from the Joint Harmonized EU Surveys in the Polish questionnaires. In questionnaires of 2003 there are some differences in wording of some questions. The main reason of it is that in the past the time table of the Polish business tendency surveys was not the same as in the European Union. As a consequence, there was and still there is no questions from the Harmonized Questionnaire asked on the last three months. Instead of that there were questions on the present situation. From the beginning of 2004 questions with the proper wording will be added. One exception will be manufacturing industry survey where question No 1 on the development of production over the past 3 months in the Polish questionnaire will be asked only for “last month”. We assume it would be helpful in avoid breaks of the time series as previously (before 2003) the question was asked on

present production. There are added Polish questions that concern among others financial situation of the enterprise and in retail trade survey - limits to the activity of the enterprises.

3. Organisation and time table of surveys

In general, statistical survey in Poland are conducted on two levels, central and regional. The same organisation concerns business tendency surveys. Methodology, samples for surveys and questionnaires are prepared in the Central Statistical Office by the Unit of Business Tendency Surveys of Enterprises Statistics and Registers Division. Questionnaires printed by the Statistical Printing House are sent to 16 regional offices. They send them by mail to the respondents in the last week of the preceding month or quarter. The answers are to be sent back to the regional statistical offices before 10th of each month. There the questionnaires are registered with the use of the automatic reading system. The files with sets of individual answers are sent by e-mail to the Central Statistical Computing Centre in Warsaw where the indicators are calculated according to the fixed grossing up procedures. Primary results are obtained about 17th day of the month and about 21st day of the month published by the Division of Enterprises Statistics and Registers in the monthly information which is sent to government and journalists. It is also presented at the monthly press conferences with other current statistical data for Poland.

A few days later, not later than 22nd day of the month final results are calculated. Final results are based on about 200 - 400 more answers for each survey that were late in the regional offices mainly because of the delays of the post. The final data are sent to the European Commission about 23rd – 25th day of the month.

4. Publication of the business tendency surveys results

There are three main publications based on the business tendency survey results:

- *Business tendency in manufacturing industry, construction and retail trade* – above mentioned monthly information for the government and press based on the primary results,
- *Manufacturing industry, Construction and Retail trade* – three separate monthly and quarterly publications for respondents of each sector based on the primary results,
- *Business tendency survey in manufacturing industry, construction and retail trade* - quarterly publication for all receivers based on the final results.

Up to now no information on services sector is published. It's planned to begin to publish results of this survey next year only. The results of the business tendency surveys

are published by press and used by the government, Central Bank of Poland and commercial banks, high schools, scientific institutes, firms and individual users.

In all these publications, aggregated national business tendency indicators are presented. Besides, on the basis of sample stratification methodology, indicators for Nace aggregates, size classes and ownership sectors are published. The two last groupings are not distinguished in the EU system, but they are important for national users because of different situation of still existing in the Polish economy public sector and because of high need on information of SMEs.

In quarterly publication the most detailed data are presented, including simple indicators for each diagnostic and prognostic questions for the whole sector, Nace groupings, size classes and ownership sectors. The main composite indicator for each Polish business tendency survey is calculated as arithmetic mean of two indicators: diagnostics and prognostics of the economic situation of the enterprise. All indicators presented in this publication are not seasonally adjusted.

Business tendency surveys results are also used in other publications of the Central Statistical Office, e.g. in the *Monthly Statistical Bulletin*, where some prognostic indicators from manufacturing industry, construction and retail trade surveys are published seasonally adjusted with the use of Arima X11.

5. Planned works

Although the present system of the Polish business tendency surveys will be very soon fully harmonised with the EU system and preparatory works on this are finished already, there are still areas where modification or new works should be done in the nearest future. Among them the most important are the following:

- in construction survey continuation of the use of the Construction Classification with still remaining Nace classification,
- more detailed use of the results of business tendency survey in services as the time series are getting longer,
- analysis of the time series the wording of which has been changed recently because of the harmonisation with the Harmonized EU Questionnaires

Additionally, the future works will be connected with dealing with detailed problems that are presented in the paper *Methodological problems encountered in the business tendency surveys conducted by the Central Statistical Office of Poland*.