



## DEAR READER,

You are reading an annual report of Statistics Estonia for 2005. The current annual report is published for the first time under the new trademark *Eesti Statistika*. Statistics Estonia. The new visual identity is designed to introduce freshness and energy into our activities, as well as to support necessary changes in the future. However, more important than renewing appearance is to maintain as well as further enhance the quality of statistics.

A number of data published by Statistics Estonia indicate that Estonia's first year in the European Union proved to be a success. The substantial economic growth as well as increase of average wages and salaries allow conclusion to be made that life in Estonia has improved. Low unemployment rate confirms this. Structural labour shortage made the society talk about the outflow of labour force from Estonia and the discrepancy between the demand and supply of labour. However, the results of basic social surveys which were published and introduced to the public in 2005, indicate that we are still far from a balanced development of the society. We hope that those who form policy have enough strength and discipline to use valuable data and information in shaping policies and making crucial decisions.

High total demand caused by economic growth, increase of individuals' income and aggressive inflow of loan money has created the so-called inflation problem for Estonia at such an inconvenient time. Estonia's target is changeover to the euro. The fulfilment of criteria characterising stability, incl. price stability, has been set by the European Union as a prerequisite for joining the Monetary Union. Being producers of price statistics, we bear a great responsibility in that matter, as it is our data on whose basis a decision will be made on Estonia's preparedness to join the European Monetary Union. During the last year we noticed an elevated interest in the methodological problems of price

statistics in our country, but we can assure we have been neutral and independent as is appropriate for official statistics.

The objectives of Statistics Estonia for 2005 were to work out the technological possibilities of electronic data collection, increase the use of data already collected by state agencies and offer good service. In February 2006 a new electronic data submission channel eSTAT was placed at enterprises' and institutions' disposal. Data submission and processing will become more rapid, easier and cheaper. Using the data collected in other state databases (e.g. the Tax and Customs Board's) will make it possible to reduce the amount of data collected directly from enterprises, which in turn alleviates the administrative burden of the latter. Unfortunately we did not achieve the desired breakthrough in this field last year, thus the subject will remain topical also in 2006 and the years to come.

2005 was the year of breaking the deadlock in population statistics. The production of vital statistics was suspended in 2004 by data protection authorities that necessitated performing the work of the suspension period posteriorly. The after-effects of the cessation will be liquidated by autumn 2006. But so far Estonia's vital statistics in European population statistics are outdated or are missing at all.

We dare say that the society is eager to use the data of official statistics. Media monitoring indicates that statistical data are being increasingly used to reflect events and trends in the society.

In the current year the most important task is to put into practice preparations for electronic data collection. We hope that the respondents will readily adopt the electronic data transmission channel. Statistics Estonia in turn will make every effort to achieve this goal. We will also keep reducing the burden of respondents. There are many possibilities for this.

I would like to thank respondents of ours, users of statistical data and employees of Statistics Estonia for co-operation and commitment.



Priit Potisepp  
Director General

## FULFILMENT OF THE MAIN DEVELOPMENT OBJECTIVES FOR 2005

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

In 2005 besides the main objective there were four development objectives:

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

### Electronic data collection developed in two directions

During the year laptop computers were applied for collecting data for all personal surveys, except diaries for food expenditure and diaries for income and non-food expenditure. The interviewers of Statistics Estonia started to use laptop computers while interviewing persons, entering all answers into the laptop computer which also performs logical controls. In case of need the interviewer can make adjustments at once. The filled questionnaires reach Statistics Estonia quickly and statisticians can start processing the data at once. Thus the time needed for data collection has significantly shortened and the data quality has improved. Paper questionnaires have remained in reserve in case laptop computers cannot be used for some reason.

A new electronic data submission channel eSTAT was placed at enterprises' and institutions' disposal for compiling and transmitting statistical reports. eSTAT makes data submission more rapid, easier and safer. eSTAT was made available for respondents on 8 February 2006. In 2006, reports are expected from 32,000 enterprises, of whom 17,000 can submit at least one of reports via eSTAT. Altogether 21 statistical reports can be submitted via eSTAT in 2006. As reports with larger number of respondents have been chosen to be submitted via eSTAT, more than half of respondents have a possibility to join eSTAT.

Although an enterprise is respondent, a private person has to enter eSTAT. One person (a contact person) may submit reports of many respondents and reports of one respondent can be submitted by several persons. To enable the contact persons of enterprises to submit data via eSTAT, Statistics Estonia creates the so-called main user who in his turn has the right to create users.

The implementation of eSTAT should reduce the volume of data entry in Statistics Estonia. How fast it happens depends on the circumstance how fast the respondents switch over from using paper questionnaires (the main data collection method up to now) to a new data transmission system.

### No results in reducing the response burden of enterprises and institutions

The response burden would decrease most if there were more possibilities to use administrative databases and registers. Thus, using the administrative data, some reports could be eliminated or the amount of data collected by some questionnaires could be reduced. This would alleviate mainly the response burden of small enterprises. It is important to mention that there will never be bilateral data exchange between Statistics Estonia and administrative databases and registers. The data can be transmitted only to Statistics Estonia, not vice versa. The principle resulting from the international code of practice of producing official statistics and from the Official Statistics Act states that the data collected for producing official statistics can be used only for producing official statistics, the data are confidential and the employees of Statistics Estonia are subject to the duty of confidentiality. Using of data for any other purposes will be prevented and it is punishable by law.

Statistics Estonia worked hard to alleviate the enterprises' response burden. In 2005 the preparatory work for concluding the data transmission contract with the Tax and Customs Board continued. Discussions were held with the Ministry of Justice Centre of Registers and Information Systems to shorten the period of electronic data submission (from the present 1.5 years to the time necessary for producing official statistics). At present a co-operation contract is under conclusion with the Centre, pursuant to which entry operations would be, for the time being, funded from a Eurostat grant.

To alleviate the response burden of large enterprises, Statistics Estonia together with accounting software suppliers has taken steps to enable compiling of more complicated statistical reports directly from the electronic accounting systems of the enterprise. This is a longer process demanding a thorough preparation from Statistics Estonia and software development from accounting software suppliers, but also close mutual co-operation from both of them, as well as with enterprises supplying data. In 2005 a software was introduced which enables to receive files automatically generated from respondents accounting in XML-format according to the fixed scheme. In autumn 2006 co-operation will continue with accounting software suppliers who should provide the respondents with the possibility to generate automatically the reporting files with the software introduced by them.

However, the statistical reports will never disappear, on the one hand in many cases official statistics are meant to be published earlier than administrative records reach Statistics Estonia. On the other hand, definitions differ significantly. Besides, all the information needed for producing official statistics can never be available in administrative records. Thus, Statistics Estonia works hard in order to make the submission of statistical reports as convenient for enterprises and institutions as possible.

**Contact Centre  
for respondents  
from enterprises and  
institutions was  
established**

For a long time the respondents' service in Statistics Estonia was report-based, i.e. in order to ask questions on each statistical report, it was possible to turn to the statistician of the special field of statistics. Thus a very professional service was guaranteed within the framework of one report. In 2005 the principles of Contact Centre were worked out which had been tested with a couple of employees since February 2005. In connection with the implementation of eSTAT the telephone system of the office was supplemented with the integrated call centre. Now respondents have at their disposal the telephone number +372 625 9100 and the e-mail address [klienditugi@stat.ee](mailto:klienditugi@stat.ee).

Respondents are  
advised by employees  
of the Contact Centre



Besides establishing an up-to-date Contact Centre, the Customer Relationship Management system (CRM) was developed by updating the software and adding functionality. In 2005 the analysis of product module was completed and programming started, the analysis of customer register module also began. During the year the employees of Statistics Estonia improved their service skills participating in several trainings.

**Quality was considered important**

In 2005 Statistics Estonia took steps to improve the management quality. The mission of Statistics Estonia was updated and the development vision was specified up to the year 2007. The common values of the organisation — quality, openness, transparency and co-operation — were determined. The tasks of Quality Manager were specified. Since the beginning of 2006 the post of Quality Manager was created in the office and the respective specialist was engaged.

An important milestone was carrying out the first self-assessment questionnaire (Code of Practice) on the European statistics. Code of Practice was adopted in February 2005 by the European Statistical Programme Committee and it applies to all Member States of the European Union. Code of Practice provides principles and indicators for the institutional environment, for statistical processes and outputs in order to produce objective and independent official statistics. The similar self-assessment questionnaire was carried out in all Member States and in Eurostat. Eurostat will make a relevant report to ECOFIN (European Union Council of Economic and Financial Ministers) in May 2006. Thereafter, mainly during 2006, partly in 2007, statistical offices of the Member States will be assessed by the independent experts of other Member States (peer reviews). The implementation of the Code of Practice will be monitored during three years. The European Commission will present the final report on the implementation of the Code in the European statistical system to the European Parliament and Council of Europe in 2008. For Statistics Estonia, the results of the self-assessment serve as an input for planning strategy and improving quality management.

**At a meeting**





As a result of the re-organisation of the working process in 2004 Statistics Estonia had managed to economise, thus in 2005 it was possible to adjust the wages and salaries for better motivation of the employees. The concept of in-training and training principles of the office was worked out. Within the framework of the management training subaction of the action "Increase of the administrative capacity" European structural funds were allocated for the training programme of middle managers "Efficient management". Extensive training programme started in January 2006. A system for supporting sports was introduced for the employees of the office. The principles for calculating incentive pay were worked out.

The quality of official statistics is greatly influenced also by all respondents. Most official statistical surveys are sample surveys. Sample survey means that statistical reports must be submitted only by a part of enterprises operating in a certain field of activity. Thus each enterprise chosen to the sample represents other enterprises with similar indicators, e.g. turnover or number of employees. Besides, a part of enterprises are chosen to the sample according to the size of the enterprise or to the share in a concrete economic activity. If an enterprise chosen to the sample does not submit the necessary data, false conclusions can be drawn on the whole economic activity the enterprise is representing. This kind of statistics (information) is of no use to anybody. The same applies to personal surveys which are also sample surveys.

**There are still unsolved problems concerning the use of personal data**

From year to year, Statistics Estonia pays more and more attention to the protection of personal data. In 2005, the processing of personal data was registered by the Data Protection Inspectorate to enable the conduct of population and social surveys. This brought the production of personal statistics into compliance with the relevant legal acts and the production of population statistics that had been suspended in 2004 by the Data Protection Inspectorate could continue. The processing of personal data of Estonian Family and Fertility Survey conducted by the Institute of Estonian Demography was not registered. The use of the data of the 2000 Population and Housing Census for conducting the statistical surveys is also not registered, as the required proceedings for the amendment of the Population and Housing Census Act are still in process.

**At the General Meeting of the employees**

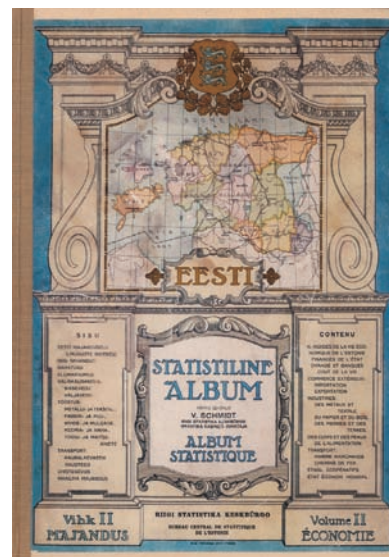


## ABOUT THE HISTORY OF ESTONIAN STATISTICS

As in 2006 Estonian statistics celebrates its 85th anniversary, it is a proper time to look back at the history.

First statistical records about the territory of Estonia date back to the distant past. The Danish Estimation Book (*Liber Census Daniae*) compiled in the second half of the 13th century comprises exact data about the agricultural land use of Northern Estonia.

During the Czarist period the collection of statistical data was carried out by the Statistical Committee of the Estonian Province (Gubernya) which had been founded on 10 May 1863. On the initiative of the secretary of the Committee, Paul Jordan, two first population censuses were organised in Estonia: in Tallinn in 1871 and in the whole Estonia in 1881.



Statistical album from the year 1926

In the Republic of Estonia, on 1 March 1921 the State Central Bureau of Statistics (CBS) was established, headed by Albert Pullerits. This date may be considered the birthday of Estonian statistics. CBS took orders from the Secretary of State. Several county governments had their own statistical services. Most important fields of statistics were population, industrial, foreign trade, transport, price and financial statistics.

At the beginning of the Soviet occupation, the State Accounting Board was established at the State Planning Committee with the Regulation of 25 October 1940 of the Soviet of People's Commissars of the Estonian SSR. In March 1941 it was changed into the Board of Statistics of the ESSR, later into the Central Board of Statistics which was subordinated to the Central Board of Statistics of the USSR. The war between Germany and the USSR put an end to the work of the Central Board of Statistics which had existed for a short time, the employees were relieved of service and the activities were evacuated to Chelyabinsk. The Board of Statistics of Estonia was established on 1 September 1941. Albert Pullerits was reappointed the head of the organisation.

In 1944–1990 the Estonian statistical organisation was a part of the statistical system of the Soviet Union. Thanks to perestroika the control of Moscow had considerably decreased by the year 1989, the dependence on the Statistical Committee of the USSR was quite insignificant and it was possible to develop an independent statistical system of Estonia. Adoption of the Statistics Act in 1990 was a remarkable event. It was the first legal act of this kind in the Soviet Union. In 1990 the State Statistical Committee of the Estonian SSR was renamed the State Statistical Office of the ESSR.

After Estonia regained its independence in 1991 the statistical system had to be created on new foundations based on the needs of an independent country. Estonian statistics entered a new, transition period. The most important task of the first stage of the transition period was to create such conditions and infrastructure that could enable to harmonise Estonian statistics with the requirements of the European Union and of international statistics. For this purpose in 1993 radical reforms were carried out in Statistics Estonia. On 1 September 1993 the re-organised Statistical Office started to create up-to-date statistical system.

## PRODUCTS AND CONSUMERS

### Statistics are published according to definite principles

An important principle of publishing the official statistics is that all the completed statistics will be made available at the same time for everybody, announcing the time of release in advance.

Statistics are published in the public database, news releases and in electronic or printed publications.

The public database has changed quite a lot in the publication of statistics. The statistical publication as “a database on paper” consisting of numerous tables has lost its importance as the main publication place. The database has become the first place of publication of statistics. Electronic database includes fresh official statistics as well as statistics of the previous periods, as far as it is possible to go back in time.

The database is available for the user since 2001. It is continuously supplemented with new statistics and by now it includes a great amount of statistical information — about 2,000 data tables. The users of statistics who need numeric data can find them most quickly in the database. Those who wish to interpret the data will be provided with analytical overviews as articles and as separate publications. The monthly bulletin, the statistical yearbook, pocket-sized reference books and analytical publications are published as printed matter. The content of the publications is continuously being improved, and their design becomes more attractive.

These two trends — publication of numeric data in the database and publication of analyses in printed publications — are actual in short as well as in long perspective.

News releases are compiled in connection with statistics which are more interesting for the public, reflecting for instance price indices, economic growth, gross domestic product, population number, foreign trade, employment, household income and expenditure, average wages and salaries, etc. The news release is made public at the time the respective tables are published in the public database, i.e. at 9 a.m. on the date announced in advance in the publication calendar.

Publication calendars of the statistical database, of news releases and statistical publications provide information on the publication of statistics. Each Friday the publication calendar for the next week is published. Publication calendars are available on the web site under the heading “Services”.

In 2005 a new visual identity of Statistics Estonia was developed, being for the first time available for the public at the beginning of February 2006. The change in the visual identity also means that Statistics Estonia wants to be a user-friendly open institution trying to satisfy the customers' needs better.

### Numbers talk

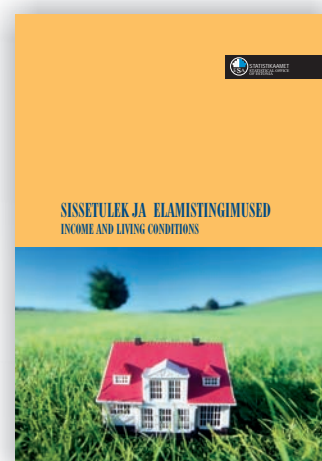
One of the aims of Statistics Estonia is to develop into the provider of information service, i.e. that besides numeric data also analysis is offered. During last years many analytical statistical publications have been published, discussing population, living conditions, education, regional problems, etc. In 2005 several analytical publications were published. Two of them “*Linnad ja vallad arvudes. 2005. Cities and Rural Municipalities in Figures*” and “*Sissetulek ja elamistingimused. Income and Living Conditions*” were presented to the journalists; representatives of several TV channels, radio stations and newspapers were present. The publications were reflected in the media, they are also very popular among users of statistics.



The publication "*Linnad ja vallad arvudes. 2005. Cities and Rural Municipalities in Figures*" analyses the development of local government units and presents comparative data on them. The following topics are discussed: the sprawl of Tallinn into Viimsi rural municipality, child-friendliness in local governments, distribution of population, viability in local government units, etc. The analysis is illustrated by numerous coloured thematic maps and diagrams.

The publication "*Sissetulek ja elamistingimused. Income and Living Conditions*" is based on the survey which for the first time measured the annual income of households. The publication provides an overview of the income level in different social groups and about risks of poverty. The living conditions, health, access to health care and safety of household members are analysed.

For satisfying the different needs of the users, in 2005 Statistics Estonia offered a new product for the first time — information sheets (at first only in Estonian). For Mother's Day the information sheet "Child and Family" and for Child Protection Day "Child and Social Environment" were issued. For Citizenship Day the information sheet "The Composition of the Population by Citizenship in Estonia and other European Countries" was published. In the field of economy the information sheet "Enterprise Groups in Estonia in 2004" was released. All these were reflected in newspapers. Information sheets are available on the web site under the heading "Statistics/Statistical Publications".



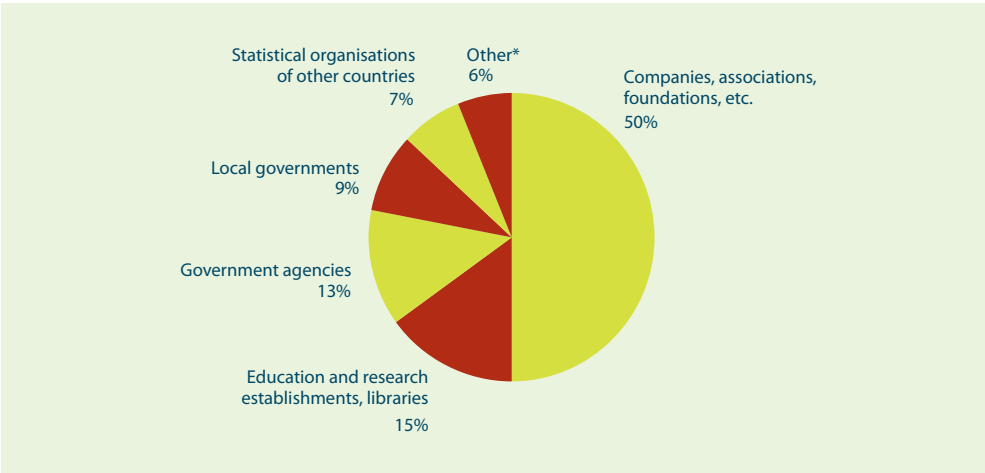
In addition to the aforementioned Statistics Estonia has published other interesting and necessary publications. The catalogue of statistical publications for 2005 presents 32 printed or e-publications published in the same year. Pocket-sized reference books and the Statistical Yearbook are most popular among the users. All these bulletins are available on the web site and in the Information Centre of Statistics Estonia.

In 2005, 32,000 copies of statistical publications were disseminated (as printed publications, on diskettes, on CD-ROMs and via e-mail). 78% of the subscribers to statistical publications were from Estonia, 22% from foreign countries. In 2005 316 new subscribers were added, of which 40 from abroad. As in the previous year, also in 2005 most active subscribers to the statistical publications were companies, associations, foundations, etc. who accounted for a half of the total number of subscribers.

Statistical Office's  
openness  
in dissemination  
of information

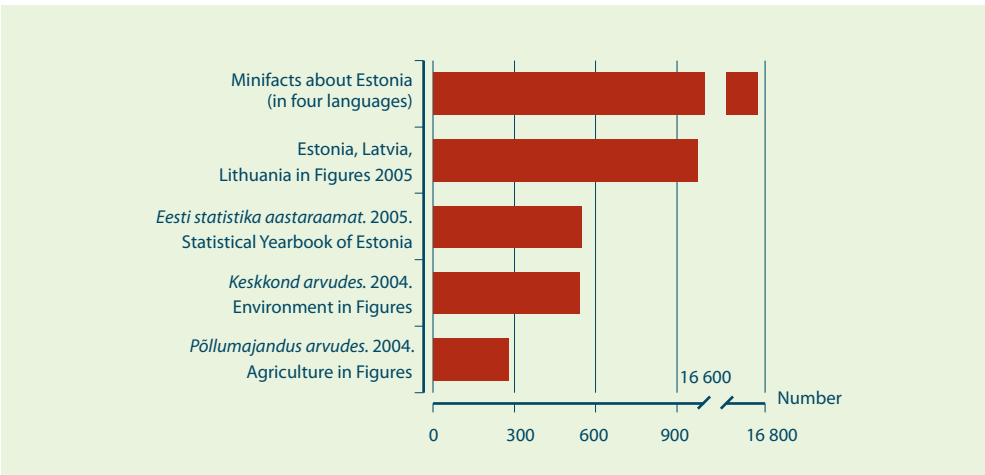
In January 2006, Turu-uuringud Ltd conducted a survey among journalists to get an overview of government agencies' and enterprises' communication with the media. 56 journalists assessed the relations between Statistics Estonia and the media. The rating of Statistics Estonia was 6.52, which was slightly higher than the corresponding average of government agencies and enterprises covered by the survey. It was also higher than the rating of the similar survey conducted in the previous year (6.85).

Subscribers to  
statistical publications,  
2005



\* The press, international organisations, representations, foreign missions.

Statistical publications  
disseminated most,  
2005



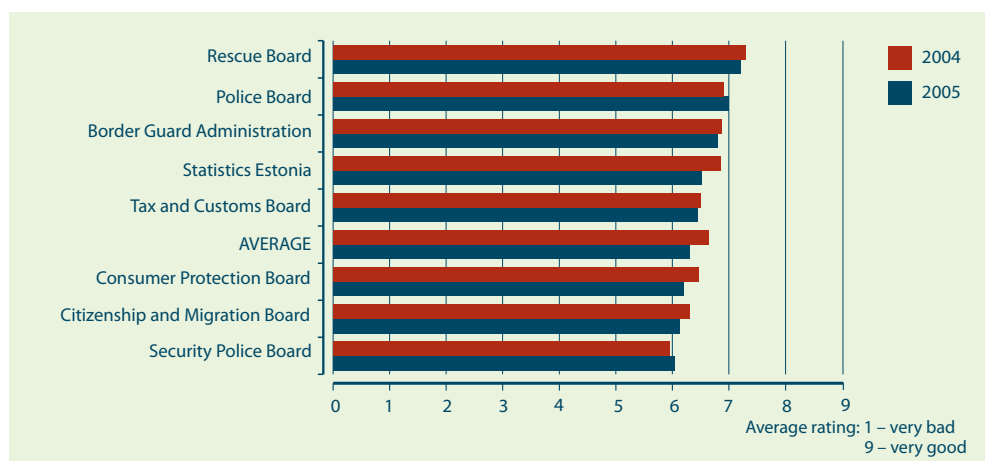
Compared to other surveyed institutions the results of Statistics Estonia were higher than the average. Openness and reliability of information were rated particularly high. Compared to the previous survey, the rating was lower concerning the openness of information, the speed of satisfying the queries, skills of communication with the media and the image of the office. In other aspects the rating was on the same level as in the previous survey.

Official statistics were  
presented to the public  
through media  
channels

In 2005, Statistics Estonia or the data published by it were reflected for 1,317 times in different media channels (1 news agency and 11 newspapers), it is 202 more than in the previous year (growth 15%). During the year the number of neutral and positive reflections increased and that of negative ones decreased.

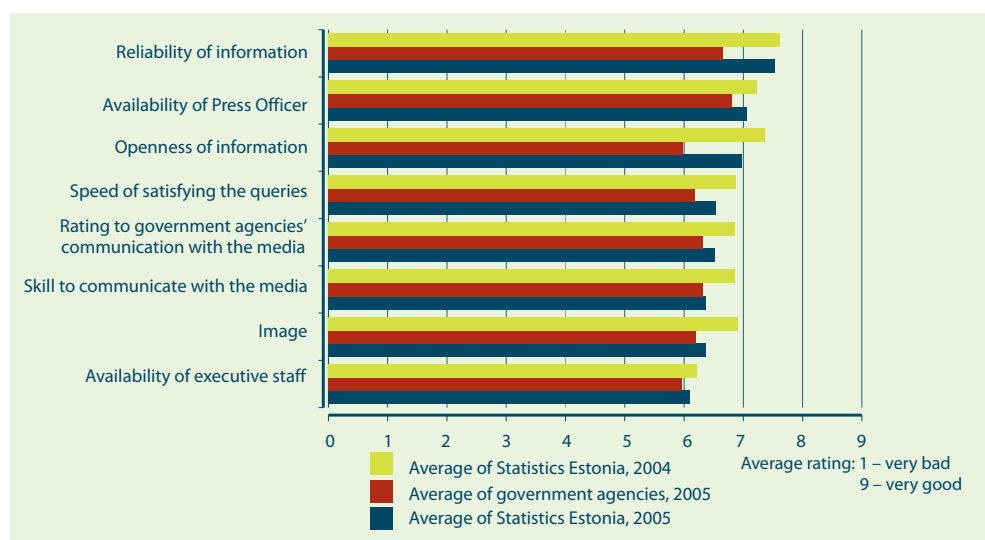
The three most popular statistical domains were prices, wages (salaries) and trade.

### Rating to government agencies communication with the media, 2004–2005\*



\*Survey of Turu-uuringud Ltd 2006.

### Distribution of ratings to Statistics Estonia, 2004–2005\*



\*Survey of Turu-uuringud Ltd 2006.

### The majority of news releases of Statistics Estonia were reflected in the media

In 2005 Statistics Estonia published 141 news releases, i.e. on an average 12 news releases a month. Compared to the previous year, the number of news releases increased by 12%.

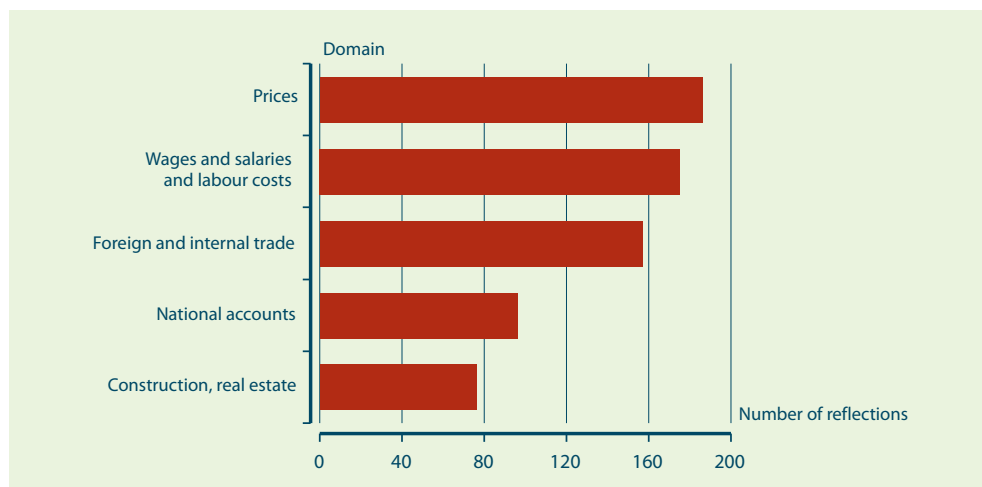
134 news releases published by Statistics Estonia were reflected in media channels (95%). News releases on prices, trade and wages (salaries) were reflected most.

### All persons interested in statistics are welcome to the Information Centre

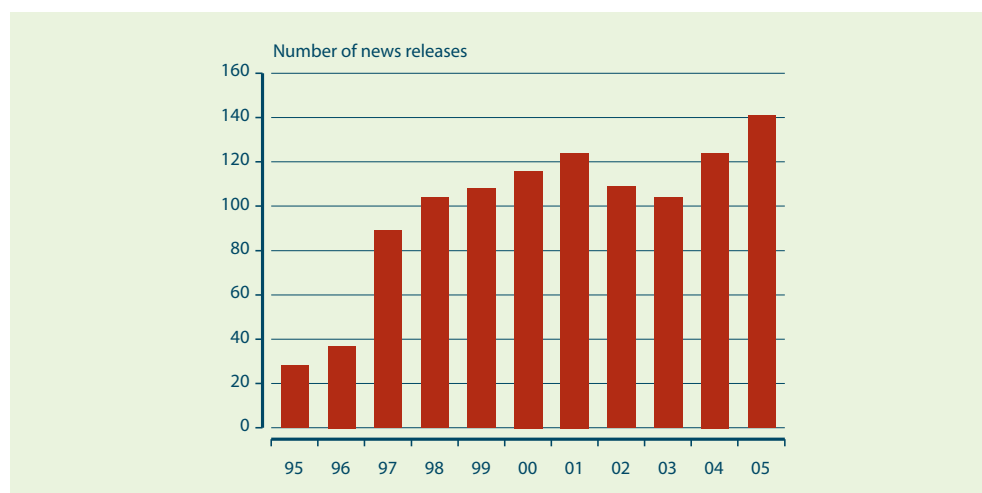
In 2005, about 4,000 persons visited the Information Centre of Statistics Estonia. The library of the Information Centre has the largest collection in Estonia of statistical publications issued by other countries and international organisations. In 2005, about 1,700 library units were added to the fund of the library, at the end of the year the library comprised 20,500 library units. The list of library units is available in the electronic catalogue of the library on the web site of Statistics Estonia [www.stat.ee](http://www.stat.ee). The statistical publications are available in the reading room of the library, it is not possible to borrow the publications.

It is possible to buy publications of Statistics Estonia in the Information Centre. A short overview of the published publications, prices and publication dates is available on the web site of Statistics Estonia.

### Statistical domains reflected in the media most, 2005



### News releases, 1995–2005



The Information Centre also provides free of charge consultation about the availability of statistics of the European Union countries, about finding information on Eurostat web site <http://europa.eu.int/comm/eurostat> and about the use of the database on Eurostat web site.

### Statistical information is available by telephone +372 625 9300

In 2005, the users of statistics made over 4,300 calls to the information telephone. Statistical information was asked on Estonia, consultation about finding the information on Eurostat web site was needed, publications of Statistics Estonia were ordered and orders and requests for information were submitted. The users of statistics were most interested in foreign trade, prices, wages (salaries) and labour costs.

### Trainings help the users of statistics to find the necessary information quickly

In 2005, Statistics Estonia organised six trainings to the users of statistics. The aim of the trainings was to teach the users to find statistical information in statistical publications, in news releases, on the web site and from databases.

Co-operation with the National Library started. The employees of Statistics Estonia participated in trainings for library employees organised by the National Library. Librarians were taught to find statistical information and to use Eurostat web site and databases. The participants of the training could also visit the Information Centre of Statistics Estonia.



**Customer-oriented day improved co-operation with respondents**

In May 2005 Statistics Estonia organised a customer-oriented day "Respondent is a key person" for respondents of foreign trade statistics. In May a year passed from accession to the European Union and implementation of the new system Intrastat in foreign trade statistics. The aim of customer-oriented day was to improve co-operation with respondents and provide them with feedback of Intrastat project. 136 guests participated in the customer-oriented day. Within the framework of the customer-oriented day a book exhibition "Statistical books from all over the world" was organised in the National Library.

**Persons interested in regional statistics met in the fair "Cities' and rural municipalities' days 2005"**

In February Statistics Estonia participated in cities' and rural municipalities' days with the aim of introducing the possibilities of using regional statistics to the employees of local governments. Three lectures on regional statistics were held, statistical products were displayed in a separate box of Statistics Estonia. The visitors were most interested in the database of regional statistics and publications of regional statistics.

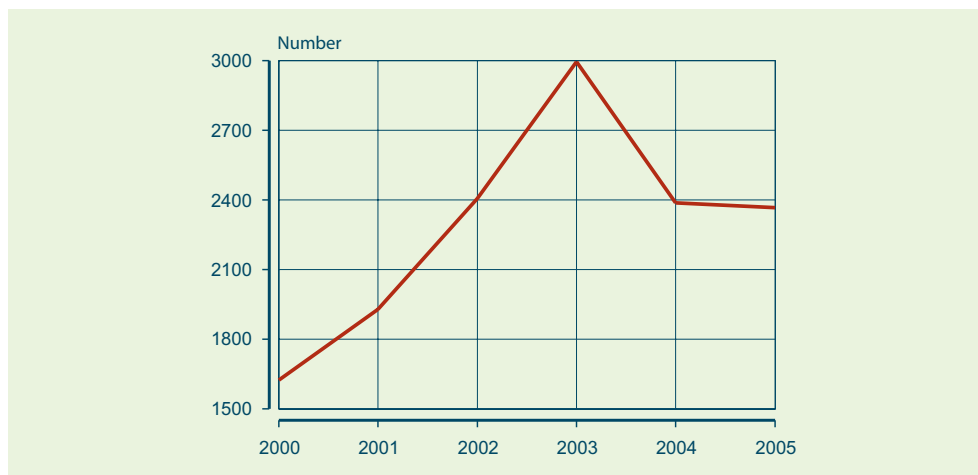
**Customer Relationship Management (CRM) reflects customers' needs**

In 2005 Statistics Estonia started to create a new Customer Relationship Management system, which gives an overview of the products, customers, orders of statistical products and other contacts with Statistics Estonia. Customer Relationship Management reflects the need for customers' statistical information as a result of which each customer is provided with products necessary for him/her. The first stage of CRM will be implemented in 2006.

**Orders and requests for information are used to obtain statistical information**

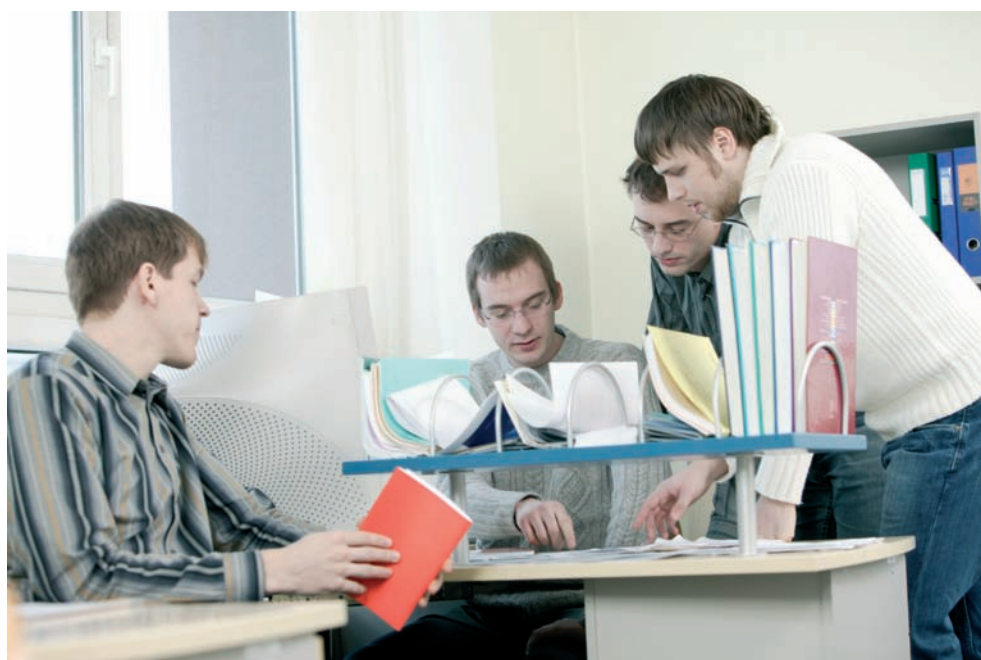
Users of statistics submit orders or requests for information to Statistics Estonia if the data required by them are not published in the statistical database, publications or news releases. In 2005 as in the previous year about 2,400 orders and requests for information were satisfied, one third of them were about foreign trade statistics.

**Information Centre**

**Satisfied orders and requests for information, 1999–2005****Standards of services inform the users of statistics about the availability of services**

Standards of services provide overview about the services in Statistics Estonia. Standard of services informs the user of statistics how fast it is possible to satisfy queries and about the prices of paid services. One of essential goals of standards of services is to get feedback from customers, which helps to improve the quality of service.

At the end of 2005 Statistics Estonia had worked out standards of services for several services: information telephone, Information Centre, request for information, news release, order for information, web site, public database, ordering financial key ratios, foreign trade data, industrial statistics, etc.

**The design of publications is under consideration**

## POPULATION STATISTICS

### Production of population statistics is continuing

Statistics Estonia compiles statistics on births, marriages, divorces, migration, deaths and causes of death, population number, population composition, etc.

As a result of long-term work, at the beginning of 2005 the Data Protection Inspectorate registered Statistics Estonia as a processor of personal data. The production of population statistics continued after a yearlong pause. A great amount of data had to be checked and organised posteriorly. This meant intensive and hard work. In 2005 the population number for 2004 and 2005 was published in the public database as well as the data of vital events for 2003 and 2004. Work started with the publication "*Rahvastik. 2003–2004. Population*" which will be published in April 2006.

### Statistics Estonia starts to produce health statistics

One part of population statistics is health statistics. The majority of health statistics is now compiled by the Ministry of Social Affairs, but it should be done by Statistics Estonia as the producer of official statistics. Long discussions with the Ministry of Social Affairs resulted in a strategic decision — official health statistics will be produced by Statistics Estonia. The efficient work organisation of this field presupposes redistribution of resources and good co-operation with the Ministry of Social Affairs.

### The work for publishing migration statistics continues

One of the subject areas being developed is migration statistics which are based on the data of the place of residence in the Population Register. Due to unreliable data migration statistics have not been published since 2000. Pursuant to the Population Register Act, the obligation to register the place of residence has been in force since July 2005. As the legal basis for registration of the place of residence was weak until 2005, the reliability of the migration data for 2005 is not adequate for publishing immigration and emigration statistics. Statistics Estonia has asked the Ministry of Internal Affairs and the Citizenship and Migration Board to transmit the data on the changes of the place of residence for 2005 collected in their registers to Statistics Estonia. Migration statistics can be published again after the analysis has proved the reliability of the data.

### Preparations for the Population and Housing Census started

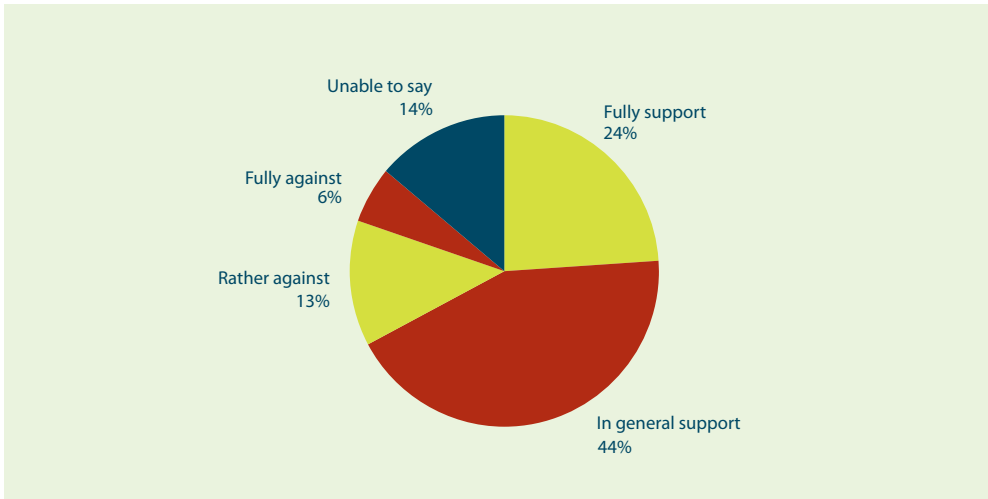
Besides periodical data collection the task of Statistics Estonia is to conduct population and housing censuses. The census provides the data for population and housing, which also serve as a basis for continuous statistics (including population accounting).

In 2005 preparations for the next Population and Housing Census started, likely to be conducted in 2011. Compiling of the time schedule and census budget started. At the end of the year the objectives and data collection methods for the next census had been co-ordinated in Statistics Estonia. The relevant material was transmitted to the expert group of researchers for expert evaluation. The expert group recommended to apply e-census as well as questionnaires filled in by the enumerators. While interviewing people and transmitting information it is optimal to use laptop computers and the Internet. According to the survey of Turu-uuringud Ltd conducted in October 2005 about 70% of the population is in favour of e-census. In five years this number will probably be even higher.

To agree on the topics covered by the census, in 2006 it is planned to start co-operation with different interest groups.

As the results of the census are needed by many authorities, the expert commission of the Government of the Republic will be established for better organisation of the census.

**Attitude to e-census  
(share among the  
persons interviewed),  
2005\***



\*Survey of Turu-uuringud Ltd 2005.

**The interest of users  
in the data  
of the previous  
Population and Housing  
Census has not  
decreased**

Although in March 2005 five years passed from the last census, the census data are still eagerly used. This is proved by a great amount of queries which number did not decrease significantly in 2005. The need for grid-based census statistics has even increased, this is greatly due to the good marketing work of Statistics Estonia. The users were informed about the possibilities of using the census data during various information days and within the framework of user satisfaction survey.

**Problems in using  
the personal data  
of the Population and  
Housing Census**

In May 2005 the Data Protection Inspectorate prescribed Statistics Estonia to suspend the processing of personal data of the 2000 Population and Housing Census. Although Statistics Estonia had planned to establish a database of population statistics on the basis of these data to enable the production of population statistics as well as organisation of the census, the plans were not carried out due to legislative problems. To solve the problem Statistics Estonia prepared a draft of the Amendment of the Population and Housing Census Act providing the rules of using the personal data of the census. The draft has been co-ordinated with all ministries except the Ministry of Internal Affairs whose decision was based on the opposition of the Data Protection Inspectorate.

**The user satisfaction  
survey was conducted**

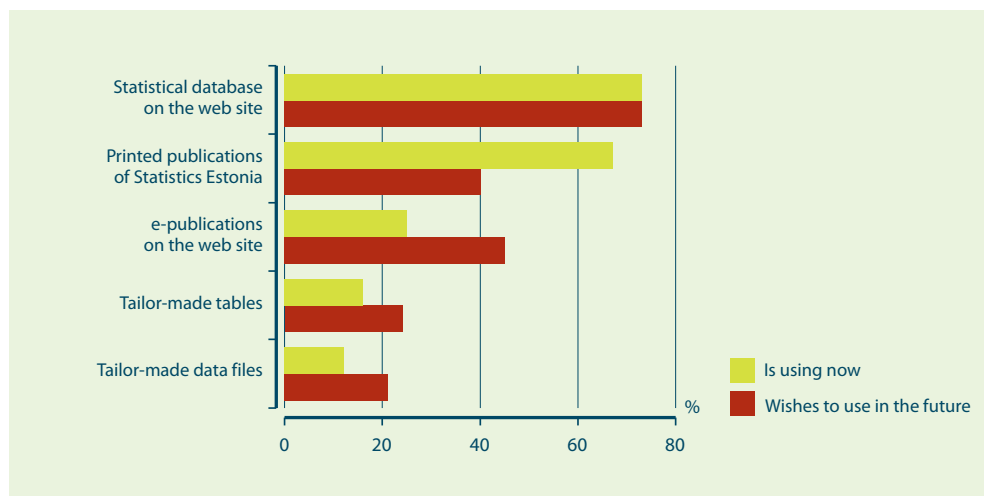
In April 2005 Statistics Estonia conducted a web-based survey among the users of population statistics the aim of which was to find out the satisfaction with the services and products and to get an overview of the users' needs. The survey covered ministries, county governments, local governments and submitters of requests for information of population statistics. More than 200 persons responded.

Among the users of population statistics, the users of regular population statistics accounted for the largest share (76%), more than half of the persons interviewed (55%) used census statistics. The data of regular population statistics were more often needed for compiling development plans (43%), for background information (36%) and for making prognoses for enterprises or institutions (33%).

The following chart presents which data sources were used by the persons interviewed, and which were their wishes. The majority of information (73%) was received from the statistical database. Two thirds of respondents (67%) used printed publications and a quarter (25%) preferred e-publications.



### Use of data sources of population statistics, 2005\* (share among the persons interviewed)



\* User Satisfaction Survey 2005.

The database was mainly used for research and making prognoses. Printed publications mostly provided background information and information for development plans, the latter mainly due to analytical overviews in the publications.

In the future the users wish to use the database in the same amount as before, but most likely the share of e-publications will increase and that of printed publications will decrease. The users wished more tailor-made tables (each fourth client used this possibility) and data files (each fifth client).

Although orders have been presented by a small number of clients, they are satisfied and the orders were up to their expectations (the average rating 8.1–8.8 in ten-point scale). The clients were very satisfied with the service as well as with the knowledge of population statisticians. The clients were also content with the speed of orders being satisfied and following the deadlines.

### Data publication widens and is being updated

In 2005 Statistics Estonia started to publish a new product — information sheets. Two information sheets about population statistics were published, on Mother's Day about fertility and on Citizen's Day about citizenship. As news releases were also issued about these topics, the published statistics were reflected in the media as well.

It is planned to develop the publication of population statistics, the aim is to make the published material more user-friendly. For this purpose the share of analysis will increase — besides tables more analytical overviews are offered to the users of statistics. More data will be published in the public statistical database, first and foremost on regional level as the demand for such data is increasing.

## SOCIAL STATISTICS

### **New surveys started**

The volume of official surveys is increasing as the users of statistics wish to receive more and more statistics of individuals. In 2005 new projects were started: Continuous Vocational Training Survey (CVTS) and Adult Education Survey. These are surveys of the whole Europe, the results of which allow to compare our enterprises' and people's readiness and capability for training with that of other countries, as well as to compare the results with the similar surveys of the previous years. These surveys are essential means for measuring targets set in Lisbon strategy. In the situation of flexible economy and fast developing technology the continuous training of employees is inevitable for the enterprise to be competitive. Employees have to obtain the principles of lifelong training in order to maintain the satisfactory position in the labour market.

### **Modules allow more flexible production of statistics**

Some data were received by modules. In 2005 such topics as matching work with family life, social status, youth moving to the labour market and trade unions were treated as modules.

Modules allow more flexible production of social statistics and be more focused on the user, i.e. the user's needs are primary.

### **Official surveys enable objective assessment of the society**

More important official surveys are quarterly Labour Force Survey, Household Budget Survey and Social Survey. Official surveys enable to assess society objectively and impartially. One of their outcome is quality report which provides the user with a feeling of confidence because the quality of statistics is good. The main results of the surveys are available in the public database as well as in analytical publications.

### **A meeting of social statisticians**



### New methodology of interviewing

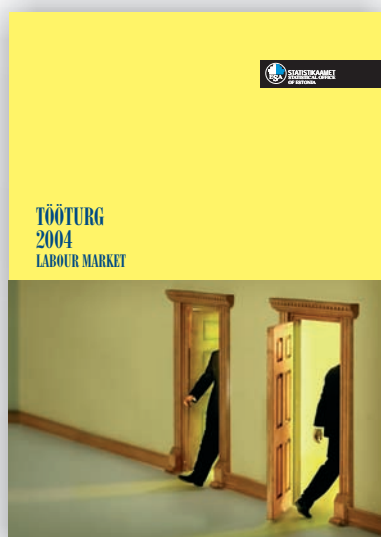
Statistics Estonia introduced a new methodology of interviewing which was a voluminous project and besides personal surveys included data collection and information technology solutions. A very important step was application of laptop computers in data collection process. The aim of using laptop computers was to accelerate the work, improve its quality and use the resources more efficiently. Using laptop computers shortens the time spent for interviews, and logical controls in data entry programmes enable to solve most of problems during the interviews.

### The system of collecting education statistics was reorganised

The system of collecting education statistics was completely reorganised. Estonian Education Information System has been established, administered by the Ministry of Education and Research. This is an electronic register centralising the majority of education data. Thus education statistics becomes register-based and Statistics Estonia will receive the data from the register. This reduces the expenditure on statistics and accelerates the process of getting the results. Statistics Estonia continues to collect data on education expenditure of private schools and public universities. Measuring of education expenditures of private sector fills an essential blank as previously only education expenditures of public sector were collected.

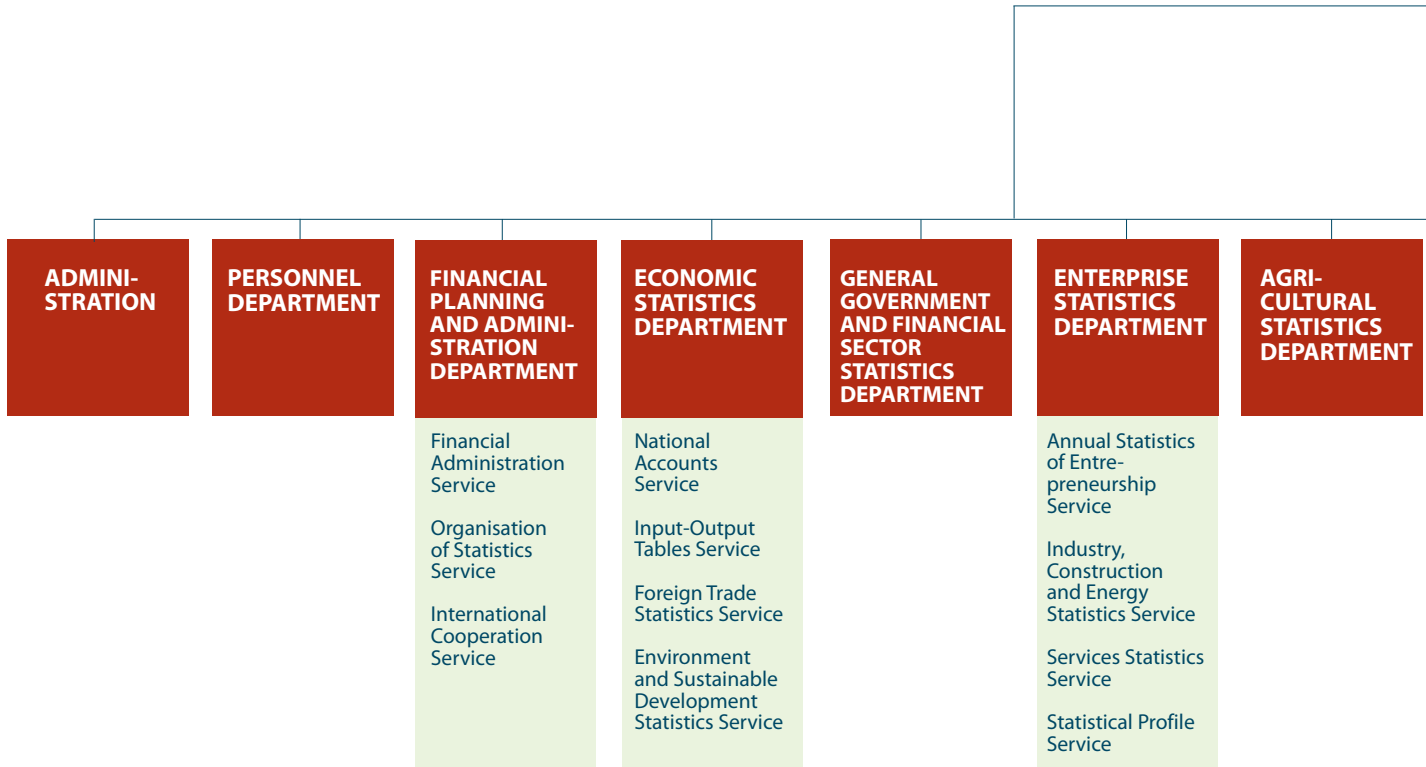
### Research Council of social statistics was established

In December 2005 the Research Council of social statistics was established. This is an important milestone for Estonian as well as international user of statistics. The Research Council helps to develop methodology and solve methodological problems. The aim is to develop systems of more essential indicators. Statistics Estonia will proceed to the statistical institutions of European countries where in social statistics more attention will be paid to the improvement of methodology and process-oriented analysis.



### Publications of social statistics in 2005

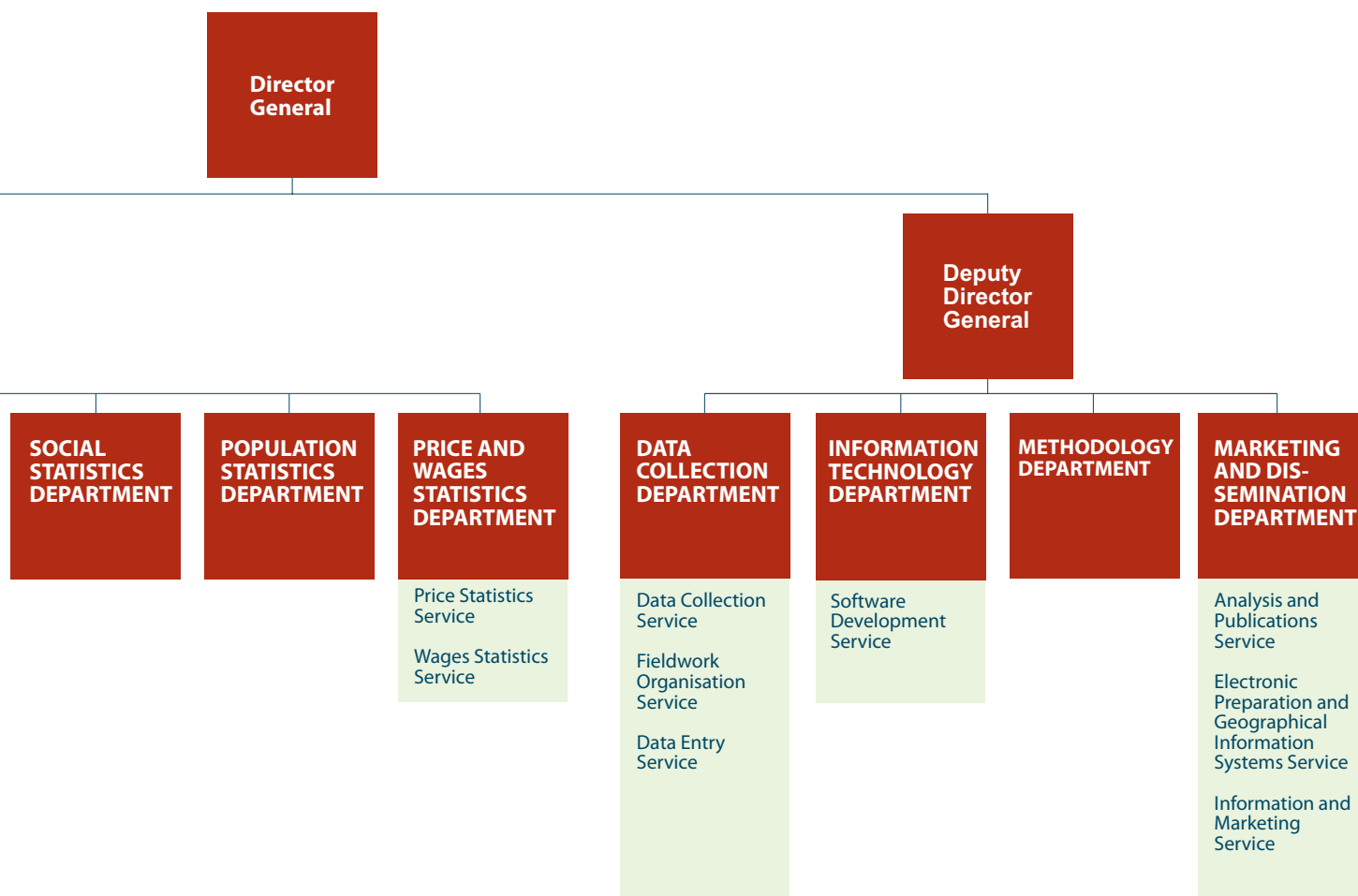
*Leibkonna elujärg*. 2004. Household Living Niveau  
*Sissetulek ja elamistingimused*. Income and Living Conditions  
*Teadus- ja arendustegevus*. 2003. Research and Development  
*Tööturg*. 2004. Labour Market



At a meeting







## PRICE AND WAGES AND SALARIES STATISTICS

### 33 news releases on price indices were published

In 2005, Statistics Estonia published 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. 33 news releases on price indices were published. Preparations started for producing business services producer price index.

### The Harmonised Index of Consumer Prices differs from the Consumer Price Index

In 2005, Estonia continued to transmit the Harmonised Index of Consumer Prices (HICP) to the Statistical Office of the European Communities (Eurostat) on equal basis with the Member States of the European Union. Different from the consumer price index where weighting system corresponds to the average consumption of inhabitants of Estonia, in the Harmonised Index of Consumer Prices the expenditure on the territory of Estonia is taken into account, i.e. private consumption expenditure of foreign visitors has been added. To receive the comparable indices, the calculation of the Harmonised Index of Consumer Prices is strictly regulated by the legislation of the European Union.

### European Comparison programme reflects the development of countries

Statistics Estonia collects and transmits the necessary data to Eurostat for participation in the European Comparison Programme (ECP). Every year the actual prices of one third of consumer goods are collected, the price level of the remaining two thirds are received by indexation the results of the previous cycle with the price indices.

In 2005 the prices of investment goods and construction projects were also collected, which is done every second year. In addition to prices, Statistics Estonia submits in the framework of ECP the following data compiled according to the strict rules: price indices, average wages and salaries, average rents and the detailed gross domestic product calculated by expenditure approach. One of the outcome of ECP are purchasing power parities (PPPs). Per capita GDP measured in purchasing power parities is an essential indicator for allocation of funds from the Structural Funds of the European Union.

### Two new surveys were conducted in wages and salaries statistics

In 2005, Statistics Estonia published wages and salaries statistics by economic activity, county and kind of owner on the following indicators: average monthly gross wages (salaries), average monthly gross wages (salaries) in cash, average monthly net wages (salaries), average monthly labour costs per employee, average hourly gross wages (salaries), average hourly labour costs and hours worked per employee. Publishing monthly wages by occupation 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 activities and by groups of aggregated economic activities. For comparability between countries, the calculation of indices is strictly regulated by the legal acts of the European Union.

In 2005, according to Eurostat's requirements, a quarterly survey "Labour turnover and job vacancies survey" and an annual survey "Job vacancies by major groups of occupations" were conducted for the first time. The results of the surveys enabled to start regular production of the relevant statistics from 2006.

### Publications of price and wages and salaries statistics in 2005

*Ehitushinnaindeks. Construction Price Index. E-publication*  
*Tunnipalk. 2004. Hourly Wages and Salaries*

## MACROECONOMIC STATISTICS

### Changes in the methodology of macroeconomic statistics

The changes made in the calculating methods of national accounts also entail occasional adjustments of historical GDP data series. In 2005, pursuant to the regulation of the European Commission, the EU Member States were obliged to perform the calculations of financial intermediation services indirectly measured (FISIM) based on a new method. Until now FISIM was calculated as an integral figure, but according to the new method FISIM will be divided among various sectors and fields of activity. In other words, previously FISIM was reflected only as intermediate consumption, but since the implementation of method changes indirectly measured financial services also affected the GDP volume, including in final consumption, exports and imports.

Statistics Estonia started using the new method in June 2005 and all the time-series of national accounts were adjusted retroactively until 1993. All in all, the new FISIM calculation method increased the level of GDP, an over 1% rise has been characteristic since 1998 (e.g. in 2003 the level of GDP increased by 1.6 billion kroons, i.e. by 1.3%).

### Seasonally adjusted GDP components are also available on the main indicators of national accounts

In 2005, Statistics Estonia started to transmit to Eurostat seasonally adjusted quarterly time-series on GDP components. Time-series are provided on main aggregates of national accounts, including components of expenditure and income approaches, value added by industry and labour market indicators. Until 2005, Statistics Estonia provided only seasonally adjusted time-series for GDP as a whole.

### The supply and use tables were integrated with national accounts

In 2005 Statistics Estonia developed the system of national accounts and integrated the framework of the supply-use tables for 2000 with national accounts. The supply and use tables are matrixes by products and industries describing the domestic production process in detail and the flows of goods and services (output, imports, exports, intermediate and final consumption, investments) by product groups. This integration means a transition to the new methodology in final GDP annual accounting and re-calculation of GDP time series. The adjusted time series will be published in June 2006.

### Publications of macroeconomic statistics in 2005

*Eesti rahvamajanduse arvepidamine. 2003. National Accounts of Estonia*  
*Eesti sisemajanduse koguprodukt. 1/93–2/05. Gross Domestic Product of Estonia. E-publication*



## GENERAL GOVERNMENT AND FINANCIAL SECTOR STATISTICS

### General Government deficit and debt statistics became quarterly

Short-term is the keyword for government finance statistics in the year 2005. At the beginning of the year the first quarterly report for general government debt levels, the so-called Maastricht debt was compiled by Statistics Estonia. The methodology of quarterly estimates for general government financial accounts was developed during the year and the first dataset for the years 1999–2005 was transmitted to Eurostat in December. Moreover, in the last quarter the compilation of other quarterly government finance statistics' estimates was implemented. In November–December even the third dataset within the ESA95 Data Transmission Programme framework was sent to Eurostat: the quarterly general government non-financial accounts for the years 1993–2005. Thus, now all statistics on general government surplus/deficit are available on the quarterly basis. As the compilation of these data is mandatory for all the Member States by the legislative acts of the European Community, the regular transmission of all implemented estimates to Eurostat will be continued.

In 2006 the development of the methodologies to improve the quality of the data will be continued; it is planned also to develop the general government information system to intensify the use of the administrative data sources in the production of the government finance statistics. In the first half of the year the effort will be made in cooperation with the economics statisticians to shorten the deadlines of the short-term statistics and the estimates of the general government and financial sectors will be revised in order to integrate the balanced total production statistics from the supply and use tables into national accounts calculations. More attention will be paid to the publication of the government finance statistics in sundry info channels.

Statisticians of finance discussing problems





## FOREIGN TRADE STATISTICS

### A year ago Intrastat was introduced

In 2004 radical changes took place in foreign trade statistics in connection with the accession of Estonia to the European Union. New data collection system Intrastat was applied which replaced customs declarations in trade with the Member States of the European Union. In May 2005 a year passed from the application of Intrastat system in Estonia and thus it is appropriate to make the first interim conclusions. Introducing of Intrastat system has been quite successful. Respondents have become aware of the necessity of presenting Intrastat reports and Statistics Estonia has tried to make the process of filling and submitting the reports simple and convenient. One of the problems was that at the beginning many questionnaires were filled in inaccurately, but this is understandable as Intrastat report was a completely new phenomenon for respondents and many of them had had no contacts with customs declarations either. That is the reason why Statistics Estonia paid much attention to the training of respondents and improving the instruction materials.

### Customer-oriented day contributed to the improvement of the co-operation with respondents

On 28 May 2005 a customer-oriented day of foreign trade statistics "Respondent is a key person" was organised in the Estonian National Library. This event also marked a year from the beginning of Intrastat system. The aim of this day was to value the customers of Statistics Estonia (respondents) and draw attention to the fact that the production of high-quality statistics is possible only in close co-operation with respondents. It is also important to mention that the enterprise is not only the respondent, but at the same time may be the user of the statistical information. Thus the enterprise benefits from submitting the data because then statistics will be more accurate and reliable.

The opening speech of the customer-oriented day was delivered by Director General of Statistics Estonia Priit Potisepp, reports were presented by employees of Statistics Estonia, by Ulvi Saks from the Estonian Bank and by Lidia Friedenthal from the Estonian Chamber of Commerce and Industry. As the rooms put a limit to the number of participants, it was not possible to invite all respondents to the customer-oriented day. Intrastat respondents with the largest sales were invited, as the timely submission and quality of data are bases for reliability of foreign trade statistics. As total about 130 enterprises participated in the customer-oriented day. For the occasion the clientele paper was issued, which presented the Foreign Trade Statistics Service and most important trends in producing foreign trade statistics.



### Electronic data submission is topical

Propagating electronic submission of Intrastat reports was a relevant priority for Statistics Estonia in 2005. Electronic submission of reports is faster and more convenient way of data transmission and data quality improves. Electronic submission of reports is also cheaper, as paper and postal costs are eliminated. For electronic submission of the data already in 2004 the respective questionnaire was completed, the development and improving of the questionnaire continued in 2005. The possibility of electronic submission of Intrastat reports has been included in several bookkeeping software. In 2005 training seminars were organised for respondents where electronic possibilities of submitting the reports were introduced.

Explanatory work in relation with electronic data submission has been efficient, as in 2005 66% of Intrastat reports were submitted electronically. Mainly large enterprises prefer to present their reports electronically, as they usually have more entries in one report. If to analyse electronic submission by number of entries, it can be seen that 88% of entries were submitted electronically. According to the share of electronic data submission, Intrastat report is one of the most progressive among the total number of reports collected by Statistics Estonia. It is planned to continue with training courses of electronic data submission also in 2006. In February 2006 the Internet data transmission system eSTAT was applied which will make the electronic submission of reports even more attractive.

In 2006 it is planned to pay more attention to the improvement of the quality of Intrastat data. Some software applications will be completed which make the data control faster and more efficient in Statistics Estonia. For respondents it means that it is possible to get fast feedback about the errors and inaccuracies occurring in the reports.

**List of exporters and importers is not published any more**

In 2005 a change occurred in publication of foreign trade statistics. Statistics Estonia decided not to publish the list of exporters and importers. The subscribers of foreign trade data were not very happy about it, but this decision was inevitable to guarantee the confidentiality of respondents.

**Publications of foreign trade statistics in 2005**

*Väliskaubandus. 2004. Foreign Trade*

Foreign trade statisticians at work



## ENTERPRISE STATISTICS

### Enterprise statisticians participated in several international projects

For enterprise statisticians, 2005 was a year of hard but also interesting work in new subject areas while producing statistics, acquiring experience, and teaching others.

In 2005 enterprise statisticians participated in several data development projects co-ordinated by Eurostat. The aim of the projects "Monthly Energy Statistics" and "Kind-of-Activity Units in Short Term Statistics" was to harmonise the statistics of the European Union countries with the requirements of European statistics in order to guarantee the complete international comparability of statistics. The main topic of the projects was how to achieve the necessary objective without adding extra burden to the respondents or even try to reduce it. In longer perspective this would mean also reducing the burden of Statistics Estonia as a whole in these subject areas.

In 2005 an Eurostat pilot project in the field of business services was finished. The aim of the project was to develop the production of annual statistics in service sphere and acquire experience for producing regular statistics on business services. The data collected by the survey about services provided by business service enterprises and clients served by them have been published in the yearbook "*Ettevõtete majandusnäitajad*. 2003. Financial Statistics of Enterprises".

In the European Union Member States the pilot project of expenditures of producing short term enterprise statistics and measuring the enterprises' burden was launched. For this purpose the amount of time spent by enterprises and statistical organisations for producing the European Union statistics is measured. The results of the survey enable to compare the time consumption of short term statistics production by Estonian enterprises with that of the corresponding indicators of other countries. Consequently the European statisticians work out the methodology for measuring the expenditure made by respondents and producers of statistics. Knowing the revenue and expenditure of one information unit, it is possible to decide adequately upon the amount of data collected.

The survey "Factors of Business Success" was started, the aim of which is to identify the reasons why people get engaged in business, their motives, factors promoting or hindering the development of an enterprise. Within the framework of the project enterprises which started operating in 2002 and had remained on the market by the year 2005 are surveyed. Besides Estonia 13 European Union Member States and Bulgaria are participating in the survey. The results of the survey will be published at the beginning of 2007.

The survey "Indicators for the Information Society in the Baltic Region" was conducted. The aim was to find out e-indicators in different subject areas to determine new information technology and communication technology priorities. The survey was initiated by Statistics Denmark. Statistical organisations of Finland, Sweden, Norway, Russia, Iceland, Latvia, Lithuania and Poland also participated in the survey. The results of the survey have been published in the publication "Indicators for the Information Society in the Baltic Region 2005".

### Data quality was assessed

At the end of April the quality declaration on industrial production was transmitted to Eurostat. In the future the quality declaration will be prepared for all indicators, but the start was made with the Principal European Economic Indicators (PEEI).

### For the first time statistics of enterprise groups and enterprise demography were published

The globalisation of economy is in full swing. That is the reason why the operation of both foreign enterprises in Estonia as well as Estonian enterprises in other countries has extended. Information is needed to measure their activity. Since 2005 Statistics Estonia collects regularly data on enterprise groups operating in Estonia.

The role of enterprise groups, especially that of international enterprise groups in Estonian economy was reflected in the information sheet (only in Estonian) and in the article in the Monthly Bulletin of Estonian Statistics published in autumn 2005. The data on enterprise groups will regularly be published in the public statistical database and in the yearbook of enterprise statistics.

For the first time enterprise demographic statistics were published. The article concerning enterprise births, deaths and survival of enterprises over the period 1999–2002 was published in the yearbook of enterprise statistics.

The aim of the project “Half-Yearly Electricity and Gas Prices” was to produce statistics on the prices of electricity and natural gas by consumer groups pursuant to the requirements of the European Union. The survey organised within the framework of the project is regular since the year 2005 and the data are used while compiling energy balance sheet.

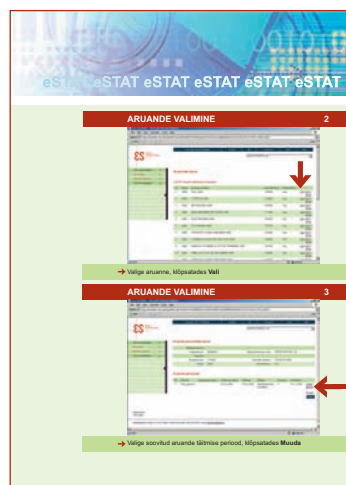
### Transport statistics were improved

In 2005 the improvement of information systems of transport statistics and of the data quality continued. Close co-operation with respondents continued. Automatic control system of reports was improved. Internationally uniform data control programme was taken into use, the tables of the statistical public database were improved. These innovations help to provide the users of statistics with more efficient and qualitative information.

The co-operation with Estonian Maritime Administration continued. The aim of the co-operation was to agree on the international procedures of updating the codes of ports in Estonia. The codes of ports are used in international maritime affairs and in producing maritime statistics.

### Users' interests are primary

One of the priorities of Statistics Estonia in 2005 was to work out eSTAT — a new electronic data submission channel. The employees of enterprise statistics also contributed to this task. In 2006 it is possible to submit 6 reports on enterprise statistics via eSTAT.



The database tables of enterprise quarterly statistics are now compiled on the basis of the data of macrodatabase. This has considerably reduced the period of data publication and thus it is possible to use the extra resources for improving the quality of statistics.

In 2005 the co-operation continued with the Tax and Customs Board, the Chamber of Notaries and with state registers. The aim of the co-operation was to find out the possibilities to produce statistics on the basis of administrative data sources and thus reduce the burden of respondents. The use of other state registers also enables to improve the quality of statistics. It is planned to use the administrative data sources for producing enterprise short term statistics, real estate statistics and transport statistics.

### Enterprise statisticians shared and acquired experience

The employees of Statistics Estonia participated in the workshops of the EU countries in Eurostat on short term and annual enterprise statistics, on tourism, energy, industry, information technology and transport statistics. Data transmission, definitions of indicators and other problems related to the production and publication of statistics were discussed.

Within the framework of the co-operation of the Baltic countries the employees of enterprise statistics took part in the meetings of statistical registers and real estate statistics where experiences of production of statistics were shared among the three countries. Enterprise statisticians also participated in the tourism statistics meeting in Vilnius organised by Lithuanian Tourist Board where problems of border statistics were discussed.

In co-operation with Statistics Sweden in April and in September 2005 the employees of enterprise statistics visited the Statistical Office of Republic of Serbia and in October the Statistical Office of Montenegro to introduce the principles of producing enterprise statistics. In May 2005, a group of statisticians from Serbia and Montenegro visited the Enterprise Statistics Department. At the end of October and beginning of November statisticians from Serbia and Montenegro paid a week-long visit to Statistics Estonia. The emphasis was laid on the short term statistics and especially on introducing practical work.

### Publications of enterprise statistics in 2005

*Energiabilanss.* 2004. Energy Balance

*Ettevõtete majandusnäitajad.* 2003. Financial Statistics of Enterprises

*Ettevõtlus.* Business. E-publication

*Transport. Side.* 2004. Transport. Communications

### A meeting of enterprise statisticians





## AGRICULTURAL STATISTICS

### The third Farm Structure Survey was conducted

The aim of the Farm Structure Survey is to get a thorough overview of the situation and trends in agriculture. Different from other agricultural surveys the present survey observes the activity of agricultural holdings completely. The European Union countries conduct the survey pursuant to the uniform methodology already since 1966/1967. Every ten years the survey is conducted as Agricultural Census, during the interim years as a sample survey. Estonia participated in two Farm Structure Surveys before the accession to the EU: in 2001 the Agricultural Census and in 2003 a sample survey was conducted.

In summer 2005 Statistics Estonia conducted the third Farm Structure Survey. Management of agricultural holdings, ownership and rental relations, crop production, livestock farming, tractors and machinery, labour force of holdings and other gainful activities of holdings were surveyed. The data of organic farming were collected directly from the registers concerned. The uniform methodology allows comparisons with other EU countries. The results of the survey will be published in April 2006.

### The survey of small holdings enables to get a better overview of agriculture

To have a complete overview of Estonian agriculture, the 2001 Agricultural Census collected data almost about all agricultural producers. After the Census only larger agricultural holdings who produced most of agricultural production have been surveyed. About 200,000 agricultural households or small holdings are not included in the annual surveys, although their production is important with regard to some crops or animals.

In 2004/2005 the sample survey of small holdings was conducted with the financial aid of the European Union. The crop production and livestock farming of small holdings were observed. The results enable to get a complete picture of the whole agriculture of Estonia and are very important in surveying the development of rural life.

### Annual statistical surveys continued

In 2005 as a year before 13 official statistical surveys were conducted. Data were collected from agricultural producers on land use, number of livestock and poultry, produced agricultural products and used fertilizers and fodder. Economic indicators were collected from agricultural, forestry and fishing companies. Data were collected from companies processing agricultural products on purchased livestock and poultry, milk and cereals. The received data were published in the public database.

Using the existing data and collecting the new data the statisticians of agricultural statistics participated in many projects financed by the European Union which helped to arrange the methodology and provided an overview of the quality of data collected so far.

eSTAT, a new electronic data transmission channel enables to present three questionnaires of agricultural statistics in 2006. For the first time the data of economic accounts for agriculture were published in the public database. The statistics of economic indicators of agricultural, forestry and fishing commercial undertakings were published in the electronic quarterly bulletin *Ettevõtlus*. Business and in the yearbook *Ettevõtete majandusnäitajad*. 2003. Financial Statistics of Enterprises".

### Publications of agricultural statistics in 2005

*Kevadkülvipinnad* 2005. E-publication

*Loomakasvatus*. E-publication

*Põllumajandus*. 2004. Agriculture

*Põllumajandus arvudes*. 2004. Agriculture in Figures

*Sügis põllutööd* 2004. E-publication

## ENVIRONMENT AND SUSTAINABLE DEVELOPMENT STATISTICS

### User-friendliness of statistics was an important objective

Environment and sustainable development statistics measure relatively new processes and values in the society as reducing the impact of anthropogenic pressure on environment and sustainable development.

Essential fields of development are improvement of data quality and increasing the comprehensibility of statistics. This process was contributed by the completion of the graphical user interface in 2004 — the Dashboard of Sustainability. In 2005 the assessment of sustainability with the help of the Dashboard of Sustainability, its principles and assets were presented in two international conferences. The Dashboard of Sustainability is available on the web site of Statistics Estonia.

The producers of statistics should develop together with users of statistics. The aim is to contribute to the co-operation with other government institutions, as well as with the public. Statistics Estonia in co-operation with the Ministry of the Environment started to work out indicators of the sustainable development of Estonia.

Environment statistics have been made available to the user in the public database, publications on environment statistics are regularly published. The statistical inventory on landfills and waste treatment sites was carried out, map application was opened for the users which enables to get information about operating and closed landfills. In the future it is planned to introduce statistics through various media channels.

As environment statistics cover various spheres of environment, it is important to improve indirect assessment methods. Thus in 2005 the methodology was worked out for the assessment of waste generation in agriculture. In 2006 the methodology which enables to assess the origin of wastewater pollution by economy sectors is being developed.

For the sustainability assessment Eurostat is planning to create about 20 additional environmental satellite accounts to national accounts system. In 2005 two of them were compiled in Estonia: forestry and air emission satellite accounts.

We operate in the worldwide information space keeping in mind the national development, as well as production of statistics. Movements all over the world also affect processes in Estonia. There is relatively little interest in the problems of environment and sustainability in young Estonia, this is accompanied by low use of statistical data on the local level. At the same time we cannot deny the values of developed countries, this concerns first and foremost the valuation of sustainable society and environment protection. The *Riigikogu* (the Parliament of Estonia) approved the strategy of sustainable development of Estonia up to the year 2030. One of the roles of environment and sustainable development statistics is to form the basis for implementation of the strategy of sustainable development.

### Publications of environment statistics in 2005

*Keskkond*. 2004. Environment. E-publication

*Keskkond arvudes*. 2004. Environment in Figures

*Keskkonnakaitsekulutused*. 2003. Environment Protection Expenditures

## REGIONAL STATISTICS

### Three voluminous publications were published

In 2005, three publications of regional statistics were published. The publications "*Maakonnad arvudes. 2000–2004. Counties in Figures*" and "*Linnad ja vallad arvudes. 2005. Cities and Rural Municipalities in Figures*" were popular among the users of statistics. These publications were compiled in co-operation with the scientists of the University of Tartu and researchers of private sector.

"*Eesti piirkondlik statistika. 2004. Regional Statistics of Estonia*" was published as an electronic publication for the second year. The experience of two years proved that in case of e-publication the quantity of compilers' work and interests of users are not in balance. That is the reason why the publication is not going to be published in 2006, but its assets will be used in compiling the renewed publication "*Maakonnad arvudes. Counties in Figures*".

Articles on regional statistics were also published in other publications of Statistics Estonia (the monthly bulletin *Eesti Statistika*. Estonian Statistics, the publication "*Tööturg. 2004. Labour Market*").

### More meetings with users of statistics than in the previous years

In 2005, the number of presentations on regional statistics to the users of statistics was the largest until now. The activity of Press Officer and Marketing Specialist in organising meetings with users of statistics contributed to the large number of presentations.

### Several projects were developed

Three international projects were successfully completed. In 2006, the statisticians of regional statistics also participate in three international projects.

### Production of statistics suffers from lack of migration data

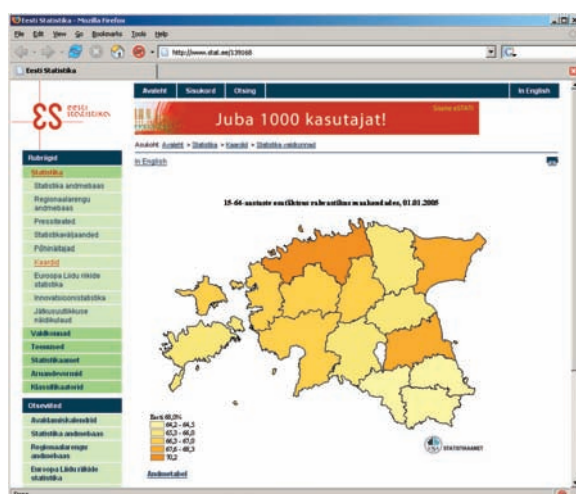
The biggest problem in regional statistics is that migration processes in the country cannot be measured. The lack of reliable internal migration data makes it extremely complicated to analyse regional development of Estonia. The lack of external migration data cannot allow to analyse the situation in labour market adequately enough.

It is pleasant to experience that the interest in regional statistics is growing. The producers of statistics try to do their best to satisfy this interest.

### Publications of regional statistics in 2005

*Eesti piirkondlik statistika. 2004. Regional Statistics of Estonia. E-publication*  
*Linnad ja vallad arvudes. 2005. Cities and Rural Municipalities in Figures*  
*Maakonnad arvudes. 2000–2004. Counties in Figures*

Thematic maps are also available on the web site



## MAPPING ACTIVITIES IN STATISTICS ESTONIA

Nowadays maps are used in computers, that is the reason why compiling maps on the basis of several data requires good initial data, well-trained staff, special software and high-powered computers — i.e. geographical information systems (GIS).

During the preparation period and in the course of the 2000 Population and Housing Census it was possible for the first time in Statistics Estonia to compile and use the digital maps on several levels and for several purposes. For the time being, besides the spatial data of Statistics Estonia, also the data collected in the Estonian Land Board and Ministry of the Environment are used.

Thematic maps are compiled for the statistical publications, i.e. in 2005 for the publications "*Eesti statistika aastaraamat*. 2005. Statistical Yearbook of Estonia", "*Maakonnad arvudes*. 2000–2004. Counties in Figures" and "*Linnad ja vallad arvudes*. 2005. Cities and Rural Municipalities in Figures", and for the web site of Statistics Estonia. Map orders are also satisfied.

The employees of GIS work in co-operation with several institutions. In co-operation with the Estonian Land Board, Datel Ltd, Ministry of the Environment and Estonian Environment Information Centre a new map application "Interactive map of waste treatment sites" was compiled on the Internet. It was made available for the users at the beginning of 2006. The map application is in Estonian and in English.

The map application "Interactive map of administrative and settlement division" (in Estonian only) was updated as at the beginning of 2005. The data are updated every year.

On the basis of the licence contract concluded with Statistics Estonia, 111 local governments and 8 county governments have applied digital Population Census maps.

Updating of Population Census maps is a problem, as well as the situation where the information of basic registers (Construction Works Register, Population Register, Business Register) is not connected with spatial data (co-ordinates of the location). In connection with the preparation of the new Population and Housing Census several discussions have been organised with parties concerned to find possibilities to update digital Population Census maps.

As a new service grid-based data were transmitted to the users of statistics on the basis of the digital maps and results of the 2000 Population and Housing Census. Thematic maps were compiled for the National Library for presenting on their web site.

In the framework of the quality of life survey of European cities (Urban Audit II), the data were adjusted and submitted on the sources of spatial data of Estonia for the ESPON (European Spatial Planning Observation Network) project.

The employees participated in GIS training in Estonia.

The results of using spatial data in Statistics Estonia are introduced in seminars in Estonia and abroad. A report on GIS works was presented in the cities and rural municipalities days in Tallinn and in the working group meeting of Eurostat in Luxembourg. The representative of Statistics Estonia participated in the geostatistics forum of Nordic countries in Stockholm. For the first time in Estonia, the international GIS Day was celebrated with the conference in the National Library, one of the organisers of the GIS Day was Statistics Estonia. A report of the GIS area of Statistics Estonia was presented at the conference.

## INFORMATION TECHNOLOGY AND INFORMATION SYSTEMS

### One of the main trends is to create independent information system

The main task of employees of Information Technology Department is to guarantee the stable development of the necessary system for information technology and secure environment for data processing. One of the main trends is to create a unified information system independent from a concrete survey, which includes data collection, control, analysis and publication. Such unified information system is a presumption for producing fast and qualitative statistics. The first progress in this direction has been achieved in the field of data collection. Two important information systems have been introduced: information system of data collection based on laptop computers for conducting personal surveys and eSTAT for collecting data from enterprises.

### Interviewers network started to use laptop computers

Application of laptop computers helped to improve significantly the quality of data collected in the course of personal surveys, as well as to enhance the security. This means that when an interviewer used to fill in a paper questionnaire which had to be sent for data entry and controlling, then now the interviewer fills in the questionnaire in the computer and transmits it electronically to the central database. The data are more secure in the computer than on paper and data controls which improve the data quality can be added to the questionnaire. If previously the information about the quality of the collected data reached the manager of the survey only after several months, then now information is transmitted within days and the overview about interviewers' work and about data quality is much better.

### Introducing of eSTAT needed great efforts

Great efforts have been made to make the data submission more easier for enterprises. During 2005, all the employees of Statistics Estonia have worked hard in order to introduce the electronic data transmission system eSTAT. Introducing eSTAT has brought along changes in work organisation and needed time on account of families from many employees. But these efforts have been worthwhile: 40 enterprises have used eSTAT for a longer time already and data collectors have managed to organise their work properly.

### Information security is a constantly developing field of information technology

Enhancement of security has been constantly focused on and besides processing vital events (marriages-divorces, births-deaths) Statistics Estonia registered also personal surveys in the Data Protection Inspectorate as the personal data are processed while conducting these surveys. Mostly they are not directly identifiable personal data as in the case of vital events, but due to the sparsely populated territory of Estonia the data are still indirectly identifiable. The fact that the Data Protection Inspectorate has thoroughly checked the work organisation and data processing of personal surveys should be a strong signal for the society of Estonia and all respondents that data submission to Statistics Estonia is secure. The possibility of data leakage has been brought to the minimum. Information security is a constantly developing area and the security is being enhanced. It is planned to improve the security measures used for processing personal data and to revise the description of organisational security measures.

### The use of SAS software developed

Last year Statistics Estonia expanded the possibilities to use the SAS software. Statistics Estonia has been the user of this software over a dozen years already. This time the software in use was supplemented with the server SAS Business Intelligence. The main fields of using the SAS software are the control of data quality, statistical data analysis and compiling of outputs. This means that by now it is possible to use one of the best software in the world for producing statistics, thanks to which the data quality improves and data analysis will become even more efficient and faster.



## METHODOLOGY

### It is essential to measure the quality of statistics

In the European statistical system more attention has been paid to the measuring and publicising the quality of statistics during last years. Besides numbers, the users of statistics are interested in the information how the data are collected, the accuracy of the data, whether the results are comparable in time and space, etc. The Statistical Office of the European Communities (Eurostat) has prepared quality indicators which serve as a basis for working out quality reports by countries.

In 2004–2005 Eurostat conducted an international project “Quality in Statistics”. Besides Estonia, also Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovakia, Slovenia, Bulgaria and Romania participated in the project. Within the framework of the project an inventory of the existing indicators and quality reports was made, the questionnaire worked out for assessment of the survey quality was tested, plans were made for improvement of the quality of products and quality measurement.

In February 2005, the expert of the project Michael Colledge from Australian Bureau of Statistics paid a visit to Statistics Estonia. During three days he was introduced the quality measurement of six surveys and he also conducted four useful quality seminars to the employees of Statistics Estonia. The expert taught how to improve the quality of statistics. Statistics Estonia has to pay special attention to the documentation and publication of survey methodology and to better analysis of the users' needs. The results of Estonia on the quality of statistics were rated good by Michael Colledge, he made a special note of the trend to electronic data collection and high response rate of enterprise statistics surveys.

On 20–21 June a conference on the results of the project was held in Viimsi. The quality experts Michael Colledge from Australian Bureau of Statistics and Jörgen Dalén from Statistics Sweden, representatives from Eurostat and from 10 countries participating in the project gave an overview of the results of the work and acquired experiences.

### The European Statistics Code of Practice was adopted

On 24 February 2005 the Statistical Programme Committee adopted the European Statistics Code of Practice the aim of which is improving trust and confidence in the independence, integrity and accountability of both National Statistical Authorities and Eurostat, and in the credibility and quality of the statistics they produce and disseminate; promoting the application of best international statistical principles, methods and practices by all producers of European Statistics to enhance their quality.

Code of Practice consists of three major parts:

- Institutional environment which relevant issues are professional independence, mandate for data collection, adequacy of resources, quality commitment, statistical confidentiality, impartiality and objectivity.
- Statistical processes which relevant aspects are sound methodology, appropriate statistical procedures, non-excessive burden on respondents and cost effectiveness.
- Statistical output which important issues concern the extent to which the statistics are relevant, accurate and reliable, timely, coherent, comparable across regions and countries, and readily accessible by users.

The Code of Practice includes 15 principles that the production of official statistics must be pursuant to and 75 indicators which measure the correspondence to the principles.

In November and December 2005 Statistics Estonia assessed the correspondence of its institutional environment, processes and output to the principles of the Code of Practice. The questionnaire worked out by Eurostat served as a basis for the assessment. A versatile overview was received of the current situation, strengths and weaknesses. The overview serves as a basis for planning the actions for the next years.

**Classifications help to produce comparable statistics**

Classifications (or nomenclatures, lists) are the main instruments in statistics. They help to produce and present comparable statistics. Classifications will guarantee one-to-one comprehensibility in different information systems and cross-usage of data between them.

Most of economy classifications used in Estonia have been compiled according to international classifications either as translations or as a national versions and been adapted to the needs of the country. Classification rules and explanatory notes are inseparable part of classifications.

For meeting better the needs of users of classifications, Statistics Estonia is working out new classifications on the web site which enable to observe classifications linearly as well as hierarchically and download them to the computer in different formats. Presenting the tables of equivalence on the web site, i.e. tables of equivalence between two different classifications and transition tables between versions of one classification is a completely new phenomenon.

In 2005 the most essential and large-scale work was participation in working out new classifications of international economic activities and products. Classifications of different regions of the world are being harmonised under the guidance of the United Nations in order to make economic indicators comparable.

New national versions of classifications (e.g. EMTAK — the Estonian Classification of Economic Activities) are being worked out, so that Estonia could implement them on the internationally fixed date, i.e. from the year 2007.

**Methodologists at a workshop**

## INTERNATIONAL CO-OPERATION

The international co-operation was as close as in the previous years. In 2005, 100 employees of Statistics Estonia participated in about 300 international conferences and seminars in 27 countries, half of these events were in Eurostat, Luxembourg. Besides Europe the statisticians also visited the International Statistical Institute in Sydney, Australia, and the conference on input-output tables in Beijing, Asia. New destinations were such as Cardiff, Chisinau, Henley-on-Thames, Limbaži, Podgorica, Tübingen.

During the year six employees of Statistics Estonia worked as trainees in Eurostat. Of the two national experts having worked there one returned to Statistics Estonia, the other continued in Luxembourg. In November another employee had an opportunity to start working as national expert in Demographic and Migration Statistics Unit of Eurostat.

The total of 57 external experts and consultants visited Statistics Estonia.

In co-operation with Statistics Sweden Statistics Estonia organised a training on enterprise statistics for the colleagues from Serbia and Montenegro. The employees of Statistics Estonia also visited Serbia and Montenegro to advise the statisticians of local statistical offices on enterprise statistics.

Within the framework of Eurostat pilot projects Statistics Estonia organised two international seminars: in April the pesticide usage survey workshop and in June the workshop on quality in statistics.

Quality in Statistics,  
final workshop



Intensive co-operation programme including the three Baltic countries continued. Workshops were organised in many fields of statistics in Estonia, Latvia and Lithuania. In May the annual meeting of the Steering Committee of Statistical Organisations of the Baltic countries was held in Estonia.

The year 2005 was the last one when the countries that had acceded to the European Union in May 2004 could participate in the Phare co-operation programme between countries. The full status of the member of the European Union means that the Member States have to finance the participation of their employees in Eurostat meetings by themselves. For adjusting to the new conditions, in December a two-year contract of the so-called transition programme 2004 was concluded between Eurostat and Estonia as well as other new EU Member States pursuant to which 19 statistical pilot projects will be financed.

In 2005 Statistics Estonia and Eurostat concluded 20 grant project contracts for statistical works in different fields of statistics.

## STAFF

### Staff work was improved and updated

In 2005 substantial structural changes that had started in 2004 continued. Under the leadership of the new Director General Priit Potisepp up-to-date management methods were propagated and applied. But first of all several problems which had not drawn enough attention before had to be dealt with.

The greatest problem in motivating the employees was low level of wages and salaries. The wages/salaries level of employees of Statistics Estonia did not even reach the minimum level of the wages and salaries. In February the wages and salaries were adjusted. The job evaluation and performance rating was carried out by heads of departments and services, using the methodology of Fontes (the firm of human resource management and organisational development). Wages and salaries levels were compared with the official statistics of Statistics Estonia and with wages/salaries surveys of Fontes. The wages and salaries of the majority of employees were raised. The monthly salary fund grew by 26.6%. Due to the scarcity of resources even the adjusted wage/salaries levels remained below the average of wages and salaries.

For motivating employees and restricting the labour turnover other measures besides wages and salaries are needed. More attention was paid to development of working conditions, sports, in-service training, etc. The number of employees also increased. At the end of 2005 the number of employees at the office had grown by 20 persons or by 5% compared to the beginning of the year.

| Group            | Employees<br>1.01.2005 | Employees<br>31.12.2005 | Change, % |
|------------------|------------------------|-------------------------|-----------|
| Higher officials | 40                     | 37                      | -8        |
| Senior officials | 246                    | 262                     | 6         |
| Junior officials | 6                      | 15                      | 60        |
| Support staff    | 85                     | 83                      | -2        |
| TOTAL            | 377                    | 397                     | 5         |

For better service of the growing staff the organisation of personnel work also needed reforming. Due to the insufficiency of resources the personnel work had included only current tasks and organisation of indispensable training. In 2005 the number of personnel employees grew and the character and orientation of personnel work changed.

More attention was paid to creating more pleasant, stress-free atmosphere for employees and improving sports facilities. Up to now sports activities had been organised by a few enthusiasts.

Work performance rating also got into focus. The message of the Director General to the staff during the year was the following: the wages and salaries in Statistics Estonia are paid for efficient work. At the end of the year uniform criteria for rating work results were developed. The criteria were applied at paying incentive pay for the year 2005. The heads of departments rated the employees of their units according to the two main criteria: work results (amount and quality of work) and development of the employee (performance quality of the employee).

To find out the motivation and satisfaction of the employees, Statistics Estonia started to prepare the personnel satisfaction survey. In the future the analogous surveys will be conducted regularly.

**In-training  
for the employees  
improved**

At the end of 2005 it was clear that it is relevant to develop systematically up-to-date personnel management. For the structural changes of 1 January 2006 the establishment of the separate personnel department was prepared.

In summer 2005 summer days were organised for the employees at the Lake Peipus, the year was finished with Christmas parties for the employees and their children.

Nowadays hardly anybody has doubts about the necessity of studying and training. Continuous self-improvement is the only way to keep up with the constantly renewing and accelerating life. Purposeful and continuous development of personnel is the basis for success of competitive organisation.

Providing the employees with the possibility of in-training by the employer may result from internal need of the organisation, from external pressure or trend consciousness. Training can be an efficient change for everyday life which enables to meet other people, get inspired by teachers or fellow students, get new and fresh ideas. Experiences acquired during training are often invaluable.

In 2005 the amount of training activities in Statistics Estonia was bigger than ever before. Besides organising training the development of in-training system continued, several documents related to training activities were draft, systematic analysis for training needs started.

The share of external training was also large, the majority of external training activities were carried out in statistics as the field related to the main activity. Training projects in which the largest number of the employees of Statistics Estonia participated were microeconomic and statistical projects financed within the framework of the European Union Phare 2003 programme.

In 2005 training of the government area gained ground for the first time. The training activities were financed and organised by the Ministry of Finance in the subject areas where the needs of the Ministry of Finance, Statistical Office and Tax and Customs Board were coinciding. Here the main training areas were computer training and information technology. Thanks to the training of the government area and the support of the Training Centre of the Ministry of Finance the employees of Statistics Estonia have more opportunities for self-improvement.

The greatest project in government area was training of in-trainers. 23 employees of Statistics Estonia participated in the programme consisting of five modules. Various topics were discussed, from the specificity of adult learner to the compilation of presentations. The participants could improve their knowledge, deal with self-analysis as well as elaborate their skills. There are many good specialists in Statistics Estonia now who can share their knowledge with colleagues. One of the tendencies in 2006 is also bigger emphasis on in-training.

In 2006 more attention will be paid on training the managers. From February to September the development programme of five modules for heads of departments and services will be carried out. The programme is supported by the European Social Fund. The support and development of information technology continues to be one of the priorities. It is also important to apply the knowledge and experience of competent specialists of Statistics Estonia in occupational training.



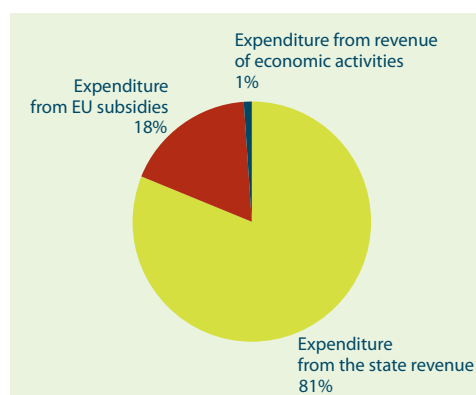
## FINANCING

**Operating expenses  
and investments  
of Statistics Estonia,  
2003–2005  
(thousand kroons)**

|   | 2003     | 2004     | 2005     |
|---|----------|----------|----------|
| Total expenditure                               | 65 242.5 | 75 910.7 | 85 861.5 |
| operating expenses                              | 64 009.1 | 74 192.4 | 85 861.5 |
| IT-investments                                  | 1 233.4  | 1 718.3  | 0.0      |
| Expenditure from the state revenue              | 58 123.6 | 62 536.5 | 69 843.4 |
| operating expenses                              | 56 890.2 | 62 378.9 | 69 843.4 |
| personnel costs                                 | 40 883.2 | 42 976.9 | 50 413.8 |
| administration costs                            | 16 007.0 | 19 402.0 | 19 429.6 |
| IT-investments                                  | 1 233.4  | 157.6    | 0.0      |
| Expenditure from revenue of economic activities | 945.4    | 883.2    | 944.0    |
| operating expenses                              | 945.4    | 883.2    | 944.0    |
| personnel costs                                 | 293.5    | 360.3    | 186.5    |
| administration costs                            | 651.9    | 522.9    | 757.5    |
| Expenditure from EU subsidies                   | 6 173.5  | 12 491.0 | 15 074.1 |
| operating expenses                              | 6 173.5  | 10 930.3 | 15 074.1 |
| personnel costs                                 | 1 984.8  | 2 758.3  | 8 272.4  |
| administration costs                            | 4 188.7  | 8 172.0  | 6 801.7  |
| IT-investments                                  | 0.0      | 1 560.7  | 0.0      |

In 2005 the operating expenses of Statistics Estonia totalled about 86 million kroons. Compared to the previous year, the expenses increased by 10 million kroons or 13%. Expenditure from the state revenue were about 70 million kroons, i.e. 7 million kroons or 12% larger compared to the previous year. Expenditure from revenue of economic activities were about million kroons or on the level of the previous year. Expenditure from foreign aid or from the European Union subsidies totalled 15 million kroons, the growth was 2.6 million kroons or 2% compared to the previous year.

In 2005 the personnel costs accounted for 60 million kroons or 69% of the operating expenses. Administration costs accounted for 27 million kroons or 31%. Personnel costs increased 13 million kroons or 28% compared to the previous year, administration costs remained almost on the level of the previous year.

**Operating expenses of Statistics  
Estonia by revenues, 2005**

**Operating expenses of Statistics  
Estonia, 2005**
