

Quality declaration - **Basic Indicators of Economic Activity of Merchants (Commercial Companies)**

<b>0 General information on statistical product</b>		
0.1	Name	Basic Indicators of Economic Activity of Merchants (Commercial Companies)
0.2	Subject area	Enterprise Finances
0.3	Responsible Authority, Office, Person, etc.	Mrs. Haykush Titizyan Head Finance Statistics Division Armstat 3 Government House, Republic Avenue, Yerevan 0010, the Republic of Armenia Phone: +374 11 583 049, +347 11 523 904 Email: haykush@armstat.am, info@armstat.am
0.4	Purpose and History	To provide users with updated information on the main indicators of economic activity of non-financial commercial organizations.  The calculation of indicators has a long history and has been maintained since the 1990s. It has been regularly improved throughout the years to ensure the comparability with international classifications, international accounting standards, composition of indicators and other standards.
0.5	Users and Application	The main user of statistical information is the Macroeconomic Indicators and National Accounts Division of Armstat.  Annual data of the main indicators of economic activity of organizations are applied for the calculation of indicators of the System of National Accounts (particularly for estimates of intermediate consumption, calculation of the changes in inventories, estimates of trade margin and gross capital formation).
0.6	Information Sources	The main source of information is the annual information collected from legal persons through statistical reports. Annual statistical reports are only submitted by large and medium non-financial commercial organizations involved in the statistical survey of Armstat.

0.7	Legal Authority to Collect Data	The data are collected based on the Law on "Official Statistics" and "Five Year Statistical Program", as well as the Resolution No. 05-N of RA State Council on Statistics "On Approval of the Procedure for the collection of statistical data" dated 20 June 2016 and Resolution "On Approval of Annual Statistical Program".
0.8	Response Burden (Primary information providers)	The response burden is not measured.
<b>1 Content</b>		
1.1	Description of content	Main indicators of economic activity of non-financial commercial organizations - according to the Armenian Classification of Types of Economic Activity (NACE). Particularly expenditures related to product, goods, works and services production, sales, subsidies and taxes - related to the current activity, reserves as of the beginning and end of the reference period, as well as information on the basic and non-basic types of activity and on the expenditures for production of output, goods, works and services and expenditures of sales. The indicators are presented for the total activity and the main activity.
1.2	Statistical concepts	<p><b>Main concepts</b></p> <p>"The revenue from sale of product, goods, works and services" is the revenue received from the sale of produced goods, implemented works and provided services by the organization (without value added and excise tax). And the moment of acknowledgement of the revenue from the sale of products, works and services is defined by the moment of activity implementation (transaction, fact) - regardless of the payments received for them.</p> <p>"The revenue from the sale of goods purchased for resale" is the trade turnover from the resale of goods of not own production", and "the expenditures on purchasing of those goods" is the cost of purchase for resold goods.</p> <p>"Product, goods, works, services exchanged through barter" includes data on the product, goods, works, services sold by</p>

	<p>the organization through exchange, for evaluation of which the basis is:</p> <p>a) in case of output of own production - the average prices of those products sold to other buyers (consumers) during the given month, and in case of lack of those - the average prices of those products sold to other buyers (consumers) during the previous month, and in case of the lack of the latter - the actual or normative (planned) production cost value.</p> <p>b) in case of providing goods of not own production - the prices of purchase of those goods.</p> <p>"Salary of employees given in-kind form" includes the data on product, works, services provided by the employer for the remuneration of employees for their work, including the data on the output of the given organization, foods, works and services, and the basis for calculation of the incomes of the population by the in-kind form is mentioned in points a) and b).</p> <p>"Other payments in-kind form" includes the volumes of product, goods, and implemented works and provided services for repayment of loans and loan interests.</p> <p>"Free transfer" is the product, goods, works, services provided to organizations and citizens (aid, donation) for charity purposes.</p> <p>"Product used in the organization" is the product for intermediate consumption provided to branches, representative offices, departments and other units of the organization having separate balances.</p> <p>"Change in finished product reserves" and "Change of semi-finished products of own production and unfinished products" is the difference between the balances of the initial and final reference period of finished products and unfinished production. The changes of the mentioned reserves should be evaluated at the average sales prices at the moment of their storage.</p>
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		<p>"Other incomes" are the incomes received from stocks and shares sale in the form of fines, penalties and other sanctions, from invalid transactions and lease.</p> <p>"Incomes from lease" - incomes received from lease of fixed assets of the organization.</p> <p>"Expenditures of procurement of goods purchased for resale" - is the procurement cost of goods purchased for resale at the actual price of procurement.</p> <p>"Raw material and materials, purchased semi-finished products, accessories and parts of the structure", "Fuel", "Energy", "Water"» are the data of the raw material, materials, natural resources, underground, semi-finished, products, accessories and parts of the structure, fuel, energy, water used in the production at the initial cost, which is formed from the prices of their actual purchase (the ones acquired free of charge according to handover-takeover documents data and if the cost is not mentioned in the documents, they are estimated according to the cost of similar products in the organization, and in case of lack of those, at the cost defined during expertise) and from the expenditures related to transporting them to the warehouses.</p> <p>"Remuneration for work and other payments equal to them" (including incentives and other compensation contributions) includes the salaries paid for implemented works of main production staff and non-paid staff, as well as people working on contractual basis, including bonuses and compensation payments. Incentives are the payments provided for production indicators, bonuses provided in a result of the evaluation of annual works, supplementary payments for professional skills, lump-sum payments given to employees for long-term contribution ("Mandatory Social Insurance Contributions" defined by RA legislation for professional work experience in the given economy, mandatory contributions paid by insurant for financing of state social insurance programs).</p>
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	<p>"Mandatory social insurance contributions" are the social contributions defined by RA legislation according to the defined order and sizes – mandatory contributions paid by insurant for financing of state social insurance programs.</p> <p>"Fixed assets amortization deductions" are the expenditures per amortization of the fixed assets owned by the organization, as well as leased by the organization for a long term period, and their value is determined based on the limits of amortization deductions defined by the legislation.</p> <p>"Non-material assets amortization deductions" are expenditures per non-material assets amortization, which is the ownership of the organization, which should be regularly distributed during the useful service based on the best score. In case of impossibility of defining the non-material asset useful service term, the minimum term of its amortization is defined 10 years, but not more than the term of the activity of the organization. "Lease fees" are the payments for the land leased by the organization, fees for fixed assets and other expenditures related to the lease.</p> <p>"Insurance expenditures" are the sums of the insurance contributions paid by the insurance companies acting as insurant, from which the sums of insurance payments for "Property Insurance" for the purpose of insurance of property (except the insurance payments related to their transportation taking part in the initial price formation of material resources).</p> <p>"Representative expenditures" are expenditures of official reception and services for the representatives of other organizations (including foreign) and individual entrepreneurs organized for the purposes of establishment of mutually beneficial cooperation and conducting negotiations.</p> <p>"Business trip expenditures" are the sums provided to the employees of the organization (natural persons working in the organization on contractual basis) for the purposes of fulfilling tasks out of the permanent job location (city, village, etc.) for certain period of time, from which "Per diem expenses" are the payments from "Business trip expenditures" for daily expenses.</p>
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	<p>"Taxes included in the cost value, duties and other compulsory payments" are the taxes included in the cost value (non-reimbursable) as defined by RA legislation (except the custom duties defined for import) and other compulsory payments (fees paid to the budget for use of natural resources and underground, land, property and other taxes, and other compulsory fees paid to the budget).</p> <p>"Social benefits at the expense of the organization" include the benefits given to the employees quitting their job associated with the change (in case of liquidation of the organization, the reduction of the number of employees, reducing the staff, as well as in case of accidents in the production or occupational illness resulting in the removal from the office).</p> <p>"Expenditures for charity purposes" are the product, goods, implemented works and services provided to non-profit, religious organizations and organizations founded and acting exclusively for charity purposes and other organizations, and the expenditures are expressed in a cost value.</p> <p>"Payments for works and services provided by other organizations" are total expenditures related to other services provided by other organizations.</p> <p>"Other expenditures" are the expenditures of production and sale not included in other groupings.</p> <p>"The average listed number of employees" is the average listed number of employees, which is calculated by dividing the sum of employees from the list of each day of the month, including holidays (non-working days) and day-offs, into the calendar days of the reference month.</p> <p>"Subsidies from budget" is the volume of the state contribution provided free of charge to the organization in the form of subsidies.</p> <p>"Taxes" include the amounts of value added tax, excise tax and other taxes to be paid to the budget by the organization.</p> <p>"Reserves" is the sum of the remaining reserves of goods,</p>
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		<p>materials, auxiliary assets, fast-wearing commodities, unfinished production, finished product and others belonging to the organization (including the ones being on the roads and being processed). The reserves should be measured with the minimum of the cost value and net sale value.</p> <p><b>Industry coverage</b></p> <p>Statistical surveys include the Armenian Classification of Types of Economic Activity (NACE Rev. 2) - types of activity.</p> <p><b>Geographical coverage</b></p> <p>Covers all marzes of the Republic of Armenia and Yerevan city.</p> <p><b>Publication groupings</b></p> <p>Armenian Classification of Types of Economic Activity (NACE Rev. 2) - with all groupings.</p>
<b>2 Time</b>		
2.1	Reference period	Yearly
2.2	Date of publication	Data is provided to the Macroeconomic Indicators and National Accounts Division on the 80 <sup>th</sup> of the month following the reference period.
2.3	Punctuality	Data are published according to schedule of annual programs publication and no delays from defined deadlines have been recorded.
2.4	Frequency	Yearly
<b>3 Accuracy</b>		
3.1	Overall Accuracy	<p>There are no specific quantitative evaluations related to the overall accuracy.</p> <p>The survey is mainly based on sample surveys of legal persons. The coverage of the economic entities in the survey and mandatory provision of statistical information by them is stipulated in the legal documents regulating the statistics</p>

		<p>sphere.</p> <p>The response rate is about 98%.</p>
3.2	Sources of Inaccuracy	<p>The statistical business register is used for the data collection. The organizations having 30 and above employees and/or revenue exceeding 1 billion are separated from the main sampling population, which are covered exhaustively in the list of organizations submitting quarterly statistical reports.</p> <p>In the event of not submitting statistical data within the defined period, the data of the previous quarter is repeated.</p>
3.3	Measures on accuracy/ Measurability	Quantitative and logical accuracy checks are implemented in the report. Data on the remaining reserves as of the beginning of the quarter are adjusted through comparison with the closing balance of the quarter of reserves submitted in the report for the previous quarter.
<b>4 Comparability</b>		
4.1	Comparability over Time	Before 1998, the indicator has been represented in accordance with the structure of All Union Classification of Branches of National Economy (AUCOBONE). Starting from 1998-2001 the International Standard Industry Classification (ISIC) rev.3 has been implemented (UN). Since 2002, the indicator has been submitted in accordance with the Armenian Classification of Types of Economic Activity (developed by Eurostat on the basis of Types of Economic Activity Classification (NACE). Since 2010 NACE rev. 2 is applied.
4.2	Comparability with Other Statistics	There is no comparability with other Statistics
4.3	Coherence between Provisional and Final Statistics	The preliminary summary data is reviewed according to the adjustments and other corrections submitted by economic entities.
<b>5 Accessibility</b>		
5.1	Forms of Dissemination	<p><b>Publications</b></p> <p>Annual publications</p>

		<p>Annual Statistical Yearbook (Armenian, Russian, English)</p> <p><b>Databases</b></p> <p><a href="http://armstatbank.am/pxweb/hy/ArmStatBank/?rxid=602c2fcf-531f-4ed9-b9ad-42a1c546a1b6">http://armstatbank.am/pxweb/hy/ArmStatBank/?rxid=602c2fcf-531f-4ed9-b9ad-42a1c546a1b6</a></p> <p><b>Internet Address</b></p> <p>The publications are available in electronic format on the web in Armenian (full version), Russian and English via the following address: <a href="https://www.armstat.am/en/?nid=82">https://www.armstat.am/en/?nid=82</a>.</p>
5.2	Basic material: Storage and Usability	<p>The statistical reports collected from respondents are kept both in paper and electronic forms.</p> <p>Electronic databases include:</p> <p>For legal persons:</p> <ul style="list-style-type: none"> <li>a) code of legal person</li> <li>b) tax registration number of taxpayer,</li> <li>c) state registration number in the State Register,</li> <li>d) full name of the legal person,</li> <li>e) legal type of the organization,</li> <li>f) location of the legal person (postal address), phone number, as well as fax, email on optional basis,</li> <li>g) main type of activity,</li> <li>h) net revenue received from sale of the product, goods, works and services (without value added and excise taxes),</li> <li>i) average listed number of employees.</li> </ul>
5.3	Documentation	<p>More detailed information on calculation of indicators on the basic indicators of economic activity of the organization is provided in RA statistical reports Form No. 1-EA "On Main Indicators of Economic Activity of Organizations" (quarterly) approved by the Resolution No 76-N of RA State Council on Statistics, dated November 30, 2018, and Annex 2 on the approval of methodological instructions for filling it in.</p>
<b>6 Supplementary documentation</b>		

6.1		Information is available under the General Statistical Business- Process Model at <a href="https://www.armstat.am/en/?nid=672">https://www.armstat.am/en/?nid=672</a> .
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