

INVESTMENTS IN FIXED ASSETS SURVEY

LEGISLATION

This survey is conducted pursuant to the Official Statistics Law (Official gazette RS, number 104/09).

METHODOLOGICAL BACKGROUNDS

Survey objective and description

Apart from providing information on the national investment activities, the main objective of this survey is to ensure the estimation of Gross Fixed Capital Formation as an element of use of Gross Domestic Product, creation of capital accounts, etc.

This survey primarily observes the purchases made by business entities in order to acquire new assets, increase the value of or replace the existing fixed assets. Pursuant to the classification of fixed assets within the ESA 2010 and SNA 2008, capital goods are classified to: residential buildings, other buildings and structures, machinery and equipment, cultivated biological resources and intellectual property products (research and development, mineral exploration and evaluation, computer software and databases, entertainment, literary or artistic originals and other intellectual property products).

Purchased capital goods may be acquired new or previously used, purchased in the country or abroad, obtained through financial leasing, received as capital transfer in kind, or produced and kept for own use. Included are all investments in new capacities, as well as investments in extensions, supplementary structures, reconstruction and modernisation of existing or replacement of obsolete, worn or damaged capacities. This survey provides also the data on effected payments to investments. Excluded are investments in regular and capital maintenance of existing capacities.

Reporting units, statistical units

Reporting units (observation units) for the survey "Annual survey on investments in fixed assets" (*questionnaire INV-01*) are all business entities in the country that are direct investors, regardless the type of ownership, either regularly or casually employed, in the process of establishment or liquidation.

Coverage

The coverage of the survey INV-01 is full for large and medium-sized legal entities. Data are collected through the sample method for small and micro legal entities, as well as for unincorporated units who are obliged to submit an annual financial statement. Gross Fixed Capital Formation of unincorporated enterprises that do not have the obligation to submit financial statements are estimated according to available data from existing statistical surveys in construction, agriculture, domestic and external trade, labour force, etc.

Those legal entities that had their status changed in the referent year (merger, joining, and division) shall complete their INV-01 form in the same way as the annual financial statement, observing the period from the beginning of year to the moment of status change and the period from the moment of status change to the end of year.

Method, timeliness and data sources

This survey is based on reporting method. The coverage is complete for large and medium-sized legal entities, while for small-sized ones the data are collected by ad-hoc stratified sample. The stratification is implemented by the division level of the Classification of Activities and by the regions in accordance with the Regulation on National nomenclature of statistical territorial units. The survey is implemented annually and the survey questionnaires are forwarded in February. The referent period is the previous year. The main data source represents accounting data, financial documents, investments programs and technical documentation. Since several data sources are used for filling in this questionnaire, it is necessary that data of the same type and from various sources shall be compared and adjusted.

Confidentiality

Individual data obtained from business entities represent trade secret; they shall be used for statistical purposes only and may not be released or put at disposal of any user. Individual data relative to municipal distributions are aggregated on the municipalities' level, administrative districts and regions and exclusively in their aggregated form may be available to external users.

List and definitions of main features - indicators

Payments for investments are the monetary investment in fixed assets during the year in which the payments were actually made, irrespective of the time of construction or acquisition of capital goods. Apart from payments in cash, included here are the payments of commercial credits and financial leasing that were used in the referent year, as well as payments for translation exposures in the current year, regardless when they occurred.

Payments from own funds include RSD and foreign currency funds of direct investor: funds allocated for consumption of fixed capital, budget funds transferred to the investor's account and other own funds.

Payments from joined funds include RSD and foreign currency funds of domestic and foreign co-investors, as well as assets of physical persons joined with funds of direct investor, in the form of joint venture.

Payments from credits include banking credits and financial credits, as well as financial credits directly concluded with foreign partners.

Payments from funds of the government and local government bodies include loans obtained from these units, regardless whether the credit was concluded through bank or directly, with the obligation of repayment envisaged or not.

Realised investments in fixed assets presents the value of effectively finalised constructions, production or acquisition of facilities, equipment and other capital goods, disregarding whether these investments were accomplished or not and whether they were paid out or not (excluding investments revaluation).

Realised investments in new fixed assets relates to purchases made directly from construction works contractors, manufacturers of equipment or own-produced capital goods, i.e. capital goods that were not purchased or sold between direct users. Here included are previously used equipment purchased abroad, investments in major upgrading of existing fixed assets, land improvements and costs of land-ownership transfers (value of land purchase is not included).

New capacities include investments in new fixed assets, in new or old locations, regardless the activity to be carried out there. These capacities may create whole object as economic and technical unit (construction structure, equipment with assembling plant, etc.), part of structure construction that is an independent economic and technical unit (construction in stages), resumed construction works or previously stopped investments, investments in long-term plants, breeding stock, construction and purchase of air jets and investments in new traffic roads.

Reconstruction, modernisation and extensions of existing capacities include investments in reconstruction or extension of existing fixed assets in order to extend volume, adjust to market demands or change technological solutions of production process or services.

Maintenance of existing capacities includes investments in replacement of obsolete, worn-out or destroyed fixed assets (regular maintenance and repair are excluded). These investments may result in intensified and rationalised work process, however not in extended capacities and significant changes of product range, services and production technology.

Environmental protection investments include all capital expenditure relating to environmental protection activities (involving methods, technologies, processes, equipment or parts thereof), where the main purpose is to collect, treat, monitor and control, reduce, prevent, or eliminate pollutants and pollution or any other degradation of the environment resulting from the operating activity of the business.

Current expenditures on environmental protection include labour costs, payments of rents, use of energy and other material goods and purchases of services, where the main purpose is to prevent, reduce, treat or eliminate pollutants and pollution or any other degradation of the environment resulting from the operating activity of the business.

Revenues from the environmental protected related activities include revenues from providing environmental protection services, receipts from sold by-products that are the result of the environmental protection activities and revenues from internal use of by-products as a result of activities related to environmental protection.

Data representative level

The data are classified applying the following principles:

1. *Organisational principle*, which means that data are classified by prevailing activity, and by territory – regarding the location of investor's head office, and
2. *Kind of activity principle* (only for new fixed assets), according to which data are classified by activity of the plant and independent units within the organisations for which the investments are designated, and by territory – location of the object.

The data are representative by territory, the levels of municipalities, administrative districts, regions and the Republic of Serbia, at the division level of the Classification of Activities.

Harmonisation with international recommendations, standards and practice

Questionnaire *INV-01* is adjusted to international statistical standards and methodology.

SURVEY ORGANISATION

The implementation of the Annual survey on investments in fixed assets is in charge of the SORS National accounts, Prices and Agriculture Department – Group for bases of national accounts and they are obligated to define the survey units, produce and print out the forms, send the survey forms to the regional offices and keep in contact with the authorised persons with the reporting units. The reporting units shall send the survey forms by mail to the regional offices that shall receive material and carry out data entry.

The obligation of submitting the questionnaire *INV-01* is stipulated by Article 26, and penalty provisions for cases of refusing to respond or providing incomplete or false data are envisaged by Article 52, the Official Statistics Law (Official gazette RS, number 104/09).

The survey is carried out in the following stages:

Preparatory activities for the survey – Defining population, checking address data, adjusting the form and guidelines for completion. These activities are carried out in January of the current year.

Data collection – Sending the forms and guidelines by mail to the regional offices/departments. The forms are sent in March of the current year.

Receipt of material – Collecting the completed survey forms for the referent period at the regional offices, logic and accounting control of entered data, contacting the persons in charge in cases of missing or false data. The receipt of material is carried out from March to May of the current year.

Data entry and creation of results – Data entry shall be carried out simultaneously with the receipt of material and accomplished in June of the current year. The processing of the collected data from the sample shall be implemented separately and estimates shall be provided for the division level of activities and by territory. The deadline for creating results is 20 November of the current year, when the statistical release is launched.

SURVEY INSTRUMENTS

For the purpose of this survey, the following instruments are applied:

1. Questionnaire "Annual survey on investments in fixed assets" (*INV-01*),
2. Instructions for filling in the questionnaire *INV-01*,
3. Classification of Activities stipulated by the Regulation of the Government of the Republic of Serbia of 29 July 2010 (Official gazette RS, number 54/10), pursuant to the Law on Classification of Activities (Official gazette RS, number 104/09),
4. Regulation on National nomenclature of statistical territorial units (Official gazette RS, number 109/09 and 46/10), and
5. List of municipalities.

The listed instruments can be found at the website of the Statistical Office of the Republic of Serbia.

The survey results are released in the SORS statistical database and in the following publications:

1. Statistical Yearbook of the Republic of Serbia,
2. Municipalities and Regions in the Republic of Serbia,
3. Investments in Fixed Assets of the Republic of Serbia (statistical release).

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