Approved by the order of the Acting Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

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**Methodology for the formation of indicators on the statistics of commercial services**

1. **General provisions**

1. Methodology for the formation of indicators for statistics of commercial services (hereinafter - Methodology) refers to the statistical methodology, formed in accordance with international standards and approved in accordance with the Law of the Republic of Kazakhstan dated March 19, 2010 ["](http://adilet.zan.kz/rus/docs/Z100000257_#z0) On State Statistics".

2. The methodology defines the main aspects and methods for obtaining statistical information on the activities of enterprises in the field of commercial services when conducting nationwide statistical monitoring.

3. The purpose of this Methodology is to form a system of statistical indicators on the statistics of commercial services to ensure their comparability at the international level.

4. This Methodology is intended for use in statistical activities by employees of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan and its territorial bodies.

5. The following definitions are used in this Methodology:

1) statistics of commercial services - a branch of statistics that reflects the patterns and trends in the development of the commercial services market, characteristics of its infrastructure and regional characteristics;

2) services - activities aimed at satisfying any needs of a person or society as a whole, carried out by producers at the request of consumers and leading to a change in the state of units consuming these services;

3) the volume of services rendered - represents the cost of services rendered in the amount of funds received from enterprises, institutions, the population in payment for the services rendered to them;

4) secondary type of activity - a type of activity, in addition to the main one, is carried out for the purpose of selling goods (services) to third parties;

5) the main type of activity - a type of activity, the added value of which exceeds the added value of any other type of activity carried out by the enterprise;

6) non-market services - services provided to institutional units or society as a whole free of charge or at prices that are not economically significant (for example, provided by the state, national defense, compulsory social security, and so on);

7) market services - services that fully or to a large extent cover the costs of the producer at the expense of the proceeds from their sale, and not at the expense of the state budget, voluntary contributions or the state program;

8) consumer price index - a generally recognized inflation indicator that characterizes the change in time of the average price level for a fixed basket of goods and services purchased by the population for personal consumption.

**2. Formation of statistics of commercial services**

6. In the statistics of commercial services, indicators are formed for all types of commercial services provided.

7. The information base for the formation of data on statistics of commercial services are:

1) primary statistical data on the volume of commercial services provided;

2) administrative data.

8. Business services statistics include activities from the General Classifier of Economic Activities (hereinafter - GCTEA).

9. The statistical tool for compiling statistics of commercial services by type is the Statistical Service Classifier (hereinafter - SCS).

10. The volume of rendered commercial services includes all costs for the provision of services at the time of their entry into the production process, and not at the time of their payment:

1) the cost of raw materials, basic materials, taking into account transportation and procurement costs;

2) the cost of purchased materials and semi-finished products;

3) the cost of purchasing fuel used for the production of services, as well as the cost of all types of purchased energy (electricity, heat, compressed air, and others);

4) costs associated with the use of natural raw materials (in terms of payment for standing timber, payment for water taken from water management systems);

5) the cost of works and services of an industrial nature performed by third parties;

6) the amount of depreciation deductions accrued for the reporting period for all types of fixed assets owned by the entity on the basis of ownership, operational management, as well as long-term leased fixed assets;

7) wage costs;

8) expenses for taxes and other obligatory payments to the budget, travel expenses, hospitality expenses and charitable assistance;

9) the cost of services provided by third parties, such as advisory, investigative and security, advertising, banking services;

10) current repairs, utilities and others.

11. The volume of commercial services rendered by holding companies includes remuneration paid by their subsidiaries for strategic management.

12. The volume of services rendered does not include:

1) expenses for the construction or overhaul of buildings and structures;

2) expenses for the modernization and repair of machinery and equipment in order to increase their service life and increase productivity (such expenses are treated as gross fixed capital formation);

3) income from subsidiaries located abroad;

4) payments on behalf of and at the expense of third parties (enterprises);

5) extraordinary and non-conforming income (for example, in case of exchange rate changes, dividends);

6) income from the sale of the company's own funds, dissolution of own funds reserves.

13. Services are provided by entities financed from the following sources:

1) state budget funds :

a) the republican budget;

b) local budget;

2) funds of enterprises;

3) means of the population (as a payment for the received services).

3. Formation of the gross output of the sphere of commercial services

14. Gross output of commercial services is the value of market and non-market services provided by all service providers, which include enterprises, regardless of ownership and number of employees, as well as individual entrepreneurs, taking into account the volumes formed in the non-observed economy.

The composition of gross output includes:

1) the total volume of services, formed on the basis of summary data of nationwide statistical observations;

2) the volume of services generated in the non-observed economy (hereinafter - NOE).

On the basis of the received gross output for each group of types of services, the recalculation coefficient for the non-observed economy is calculated, which is used later to determine the size of hidden and informal activities.

Gross output of the services sector is calculated by summing the output of registered enterprises and individual entrepreneurs for all types of services classified according to SCS, and the output of services in the NOE sector, calculated by types of services:

V s = V c + V ic + V ue , (1)

Where

V s - gross output in terms of services;

V c - the volume of services of small, medium and large enterprises;

V ic - the volume of services of individual entrepreneurs;

V ue - an estimate of the volume of services in the non-observed economy.

The volume of business services includes the volume of services of reported enterprises and an estimate of the volume of unreported enterprises (non-observed economy for statistical reasons), as well as an adjustment for hidden volumes of services.

The volume of services provided by small, medium, large enterprises and individual entrepreneurs is formed based on the results of nationwide statistical observations.

15. The procedure for calculating the volumes of non-reporting service enterprises is expressed by the following formula:

Y = Xij \* Uij , (2)

Where

Y - counting volume,

i - indicator of the type of activity,

j - enterprise size indicator,

X - the average value of the aggregate per 1 enterprise,

U - the number of enterprises that did not submit reports.

16. To determine the amount of underreporting by enterprises, the degree of reliability of the data shown in the reports is established.

The degree of reliability is determined by the ratio of the volume of services shown in the reports to the actual volume of services for the selected circle

enterprises:

S = V r / V a x 100, (3)

Where

Vr - the volume of services according to reporting data,

Va \_ - the actual volume of services for the selected range of enterprises.

To determine the degree of reliability of the data, an analysis is made of all available statistical information that is directly or indirectly related to the indicator of the volume of services. For comparison of indicators, profile enterprises are selected, at least 5 percent in terms of the share of each type of activity in the total number of enterprises, at least 30 percent in terms of the volume of services of each type of activity from the total volume of services.

The following areas of analysis are applied:

1) the calculated relative indicators per employee are compared: the volume of services, the average monthly wage, profit, costs, profit in relation to costs. If, when comparing these indicators in dynamics, it is revealed that the number of employees has not changed, the volume of services has decreased, and wages have increased, then the volume of services is underestimated;

2) data on the volume of services per employee, average monthly wages are compared (enterprises are of the same type in terms of the number of employees and the structure of services provided). If the level of wages of employees of one enterprise is higher than in another enterprise, and the volume of services per employee is lower, there is an underestimation of these volumes of services.

Based on the results of the analysis, the actual volume of services rendered (V a) is calculated for the selected group of enterprises.

For the enterprises selected for comparison, data on the volume of services shown by the selected enterprises in the reports (V r) and the amount of unreceived revenue identified are determined. For revenue, the amount by which the information in the enterprise report is understated (U) is taken.

The actual volume of services for a selected range of enterprises for a certain period of time is determined by:

V a = V r + U (4)

Further, for each type of service, the degree of reliability (S) of statistical data is determined, and on its basis, the coefficients for recalculating the volume of services for the volume of understatement of data by enterprises in their reports (K u).

The recalculation coefficient for the volumes of underreporting by enterprises in their reports is calculated using the following formula:

K u = 100 / S (5)

Estimation of the hidden (underestimated) volume of services in general for all enterprises that submitted reports is made according to the formula:

V u = V r x (K u - 1) , (6)

Where

V r - the volume of services for enterprises that submitted reports;

K u - the coefficient of recalculation for enterprises that underestimated the data in the reports.

**4. Calculation of the volume index of commercial services**

17. The dynamics of the volume of services is measured by calculating the indices of the physical volume of services (in constant prices).

The volume index of services shows how the volume changes when the effect of price changes is excluded.

To calculate the index of the physical volume of services, both in general and for individual types, the volumes of the reporting and base periods are compared at constant prices, that is, in prices of the same period taken as the base period:

I v = (V 1 / I p x 100) / V r x 100, (7)

Where

I v - index of physical volume of services;

V1, Vr – cost volumes of services for the reporting and base periods, respectively, at current prices;

Ip - consumer price index for services in the reporting period compared to the base period.

For certain types of services for which the development of consumer price indices (hereinafter - CPI) is not carried out, the calculation of physical volume indices is carried out using CPI for paid services.

The influence of the price factor only on the cost of services is considered.

The physical volume index is calculated separately for each type of service activity. Detailing of activities is carried out according to two characters of GCTEA codes (58, 59, 60, 62, 63, 68 - 75, 77, 78, 80 - 82, 84, 90 - 93, 95, 96).

Algorithm for calculating the index of the physical volume of services by type:

1) determination of the index of the physical volume of services for a certain type of activity using CPI:

I va = (V1 a / I p x 100) / Vra  x 100, (8)

Where

V1a , Vra - cost volumes of services for the reporting and base periods, respectively, at current prices for a certain type of activity;

2) determination of a weighted index of the physical volume of services for a certain type of activity:

I s 1 = (I va x D a) / 100, (9)

Where

I s 1 - weighted index of the physical volume of services for a certain type of activity;

I va - index of physical volume for a certain type of activity;

D a - the share of a certain type of activity in the total volume of services in the base period;

3) determination of the weighted average index of the physical volume of services by summing the weighted indices of the physical volume of services for each type of activity:

I vt = I s1 + I s2 + …+ I ci. (10).