

Ukraine's internal trade statistics

Introduction

Internal trade is an integral component of the market economy structure and has a significant impact on its efficiency. In Ukraine the state statistics offices conduct statistical observations over the enterprises engaged in wholesale and retail trade.

Structural and short-term statistical surveys of enterprises are carried out. Within the framework of structural statistics the enterprises involved in all types of economic activities submit reports on basic indicators that show activities of enterprises. The reports are annual and quarterly and contain the main indicators for activities of small enterprises which are presented for half a year. In line with the Ukrainian legislation, the large, medium and small enterprises should meet the two criteria: the number of employees and amount of turnover. Structural surveys of wholesale and retail trade are carried out within the framework of the mentioned structural surveys along with enterprises involved in other types of economic activity.

1. Background information

Before 1992, Ukraine's wholesale trade was a centralized government supply of products where consumers had been mandatory bound to suppliers. Since the development of market in Ukraine, the system for the former distributive bodies (ministries and committees) was liquidated. The new environment has set in which permitted to create a wholesale market where the economic ties became free. Decentralization of wholesale market brought about an increase in trading agents who act as a connecting link between producer-enterprises and consumers.

Ukraine has been developing wholesale trade statistics since 2000. At present, the state statistics offices collect and produce 1 annual, 1 quarterly and 1 monthly enquiry form for short-term surveys; some 80 thousand enterprise report about wholesale trade to statistics offices.

Before 1992, statistics offices received statistical reports about retail trade submitted by management bodies of ministries and departments which comprised up to 100 outlets. In some cases the reports were submitted by regional trade offices. At the same time, the reports were also sent to the higher organs, in other words, there were two flows of information.

Statistical observations included indicators that were typical for all trading enterprises as well as indicators that presented some interest to selected ministries. It is explained by the fact that each ministry had its own reports that differed from those compiled by other ministries.

In Ukraine the design of statistical observations was based on Classification of Branches of the National Economy and the methodology used principles that helped monitor the fulfillment of the planned activities.

Statistics offices produced 31 reports on retail trade statistics (annual, quarterly and monthly). They received reports from 4.4 thousand reporting units and ensured the complete coverage of enterprises.

Since the launch of market reforms in the country and during the next years, retail trade has experienced significant structural transformations which noticeably changed the habitual situation in this industry.

Retail trade has been commercialized and this resulted in the lowest links of the management bodies being closed down. A drive for privatization of the state-run trading enterprises was put on. Due to the emergence of the new types of ownership, the setting up of the new trading enterprises especially small ones became widespread.

All this resulted in sharp increase in reporting units. Currently, the state statistics offices collect and produce 2 annual, 1 quarterly and 2 monthly enquiry forms of short-term surveys; some 40 thousand enterprises report their data on retail trade to statistics offices.

2. Scope and classifications

The enterprises are classified according to Classification of Types of Economic Activities which is harmonized with the UE Classification of Types of Economic Activities (NACE, Rev.1, modification 7). This allows comparing the national statistical data with data from the UE Statistical Commission without making use of the transition keys. In order to compare the national statistical data with data based on the UN International Standard Industrial Classification (ISIC), the ISIC Code has been introduced into the national Classification of Types of Economic Activities.

Products in wholesale and retail statistics are classified by commodity and commodity group based on the national General Classifier of Products (GCP). Currently, work is under way to shift to the New Classifier of Products (NCP) to be launched in 2006 and which is being harmonized with Classification of Types of Economic Activities and Classification for Foreign Trade in Goods. It is also based on the EU Statistical Classification of Products by Type of Activity and PRODCOM, list of products for European production statistics.

3. Statistical and reporting units

Statistical unit of observation in wholesale and retail trade statistics is an enterprise while reporting unit is an enterprise, legal person.

4. Data items and their identification

The main indicators of wholesale trade statistics are as follows:

Total turnover (without VAT and excises) is the total value of the shipped commodities (operations performed and services rendered) regardless of whether the payments were received by enterprises and taxes on all activities of an enterprise were paid (including own consumption and expenses for the packing and transporting of commodities included into the invoice). Turnover is classified by type of activity.

Wholesale trade turnover shows the amounts of re-sales (sales without remaking) by enterprises; this implies new or already used commodities without any remaking (apart from transactions which are considered ordinary for trade). Enterprise resell these commodities to retailers, other enterprises and organizations and wholesalers (excluding households) so that they can make use of them or resell them further both in Ukraine and as exports.

Retail trade turnover represents the receipts received from the selling of commodities meant for own consumption directly to households; households should pay in cash or by clearing house checks issued by banks, or bank charge cards. They have to do their shopping in the specially-tailored trading network (stores, drugstores, stalls, kiosks, filling stations, etc.).

Turnover of intermediary activity is shown as commission, not as the full value of the sold commodities.

Turnover of other types of activities includes data on turnover of enterprises involved in other economic activities.

Annual and quarterly enquiry forms have a section on the amounts of wholesale sales of selected commodities and commodity groups expressed in physical and money values according to a list set by State Statistics Committee of Ukraine. Annual inquiry forms also have a section which characterizes warehousing of enterprises.

The main indicators for retail trade statistics are as follows:

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Annual and quarterly enquiry forms have a section on amounts of retail sales and stocks of selected commodities and commodity groups expressed in physical and money values according to a list set by State Statistics Committee of Ukraine. Annual enquiry forms are used to collect data on the number of stores and their specialization, floor space, the number of kiosks, restaurants, cafes, bars, canteens and markets.

Short-term surveys of enterprises that have Intermediation in Wholesale as the type of activity are not conducted. Currently, the work is under way to introduce these surveys into good statistical practices.

5. Data sources and data collection methods

Source of data on wholesale trade are enterprises whose main type of economic activity is wholesale trade and which refer to Section G: Wholesale and retail trade; trade in transportation vehicles; repair services; code 50: Trade in transportation vehicles and their repair; code 51: Wholesale trade and intermediation in trade.

Source of data on retail trade are enterprises whose main and secondary types of economic activities are retail trade and restaurants, i.e. code 50: Trade in transport vehicles and their repair (with reference to retail sales), code 52: Retail trade in household appliances (excluding repair) and code 55: Hotels and restaurants (with reference to restaurants, codes 55.3-55.5).

Annual and quarterly reports are collected through complete enumeration of enterprises while monthly reports are collected on sample basis by using method of one-staged stratified random selection of enterprises. Data are collected through mail.

6. Indices

Since 2002, Ukraine Statistics Committee has been producing a volume index for wholesale trade for the whole country. Producer price indices are used as deflators.

Retail trade statistics produce volume indices for retail trade turnover for the whole country and by region and commodity group. Retail price indices are used as deflators.

6. Issues that require additional study are as follows:

- further study of the issue connected with construction of volume indices by commodity group and wholesale enterprise. Price indices used for that purpose;
- get acquainted with and put into good practice the methodology to produce volume indices by selected type of economic activity, for base periods (average quarterly and average monthly) taking into account seasonal adjustment, etc., verification of these indicators;
- improve the system for indicators to conduct specially-tailored statistical surveys of wholesale enterprises, in particular, sales of a range of commodities in physical terms;
- registration of entrepreneurs, natural persons, operating in retail trade (at present, only legal persons and natural persons are surveyed in the market);
- make wholesale and retail trade enterprises employ classification at the level lower than NACE. Identify the type of economic activity for trading enterprises;
- produce estimations for the hidden (unobserved) economy; make improvements to these estimations for internal trade statistics.