Excessive deficit procedure: quality of statistical data

2010/0035(NLE) - 06/07/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 588 votes to 35, with 36 abstentions, a legislative resolution approving, subject to amendments, the proposal for a Council regulation amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure.

In its resolution, Parliament states that unfortunately, neither the Commission (Eurostat)'s warning, issued as long ago as 2004, nor the Commission's initiatives in this area, set out in its communication of 22 December 2004 entitled "Towards a European governance strategy for fiscal statistics" , led to reforms by the Council of the governance framework for financial statistics, which were overdue even then. Had timely action been taken, the errors in reporting the relevant data on public deficit could have been identified much sooner and the resulting crisis could at least have been contained. It is therefore of critical importance that the Commission (Eurostat) receive an appropriate competence framework, adequate staffing and as much independence as possible.

The main amendments are as follows:

- the Commission should **assess and draw conclusions** about how the collection and evaluation of financial statistics from Member States was conducted in the past. Those conclusions should be reported to the European Parliament;

- Members consider it essential that ensuring **institutional independence** of all national statutory statistical bodies is crucial to avoid any undue pressure on them from their respective governments;

- it is essential that the data received from the Member States is shared in due time with the European Central Bank's Directorate General for Statistics;

- the comparability of economic data requires a **uniform methodology**. The Commission should therefore promote the harmonisation of statistical data collection;

- the Commission should consider elaborating **sanctions** within the framework of the Stability and Growth Pact in relation to the submission of misrepresented macro-economic statistics by Member States. It should also consider enforcing such sanctions against Member States that falsify the macroeconomic statistics relating to their budget deficit and government debt;

- the Member States should provide the Commission (Eurostat) with **all statistical and budgetary information** on the basis of a standardised and internationally accepted method of accounting. Planned government deficit and government debt level figures shall be the most recent official forecasts, taking into account the most recent budgetary decisions and economic developments and prospects and monthly and quarterly outturns;

- in carrying out monitoring visits to a Member State whose statistical information is under scrutiny the Commission (Eurostat) should be entitled to have access to the accounts of government entities at central, state, local and social security levels, including the provision of underlying detailed accounting information, relevant statistical surveys and questionnaires and further related information, including **off-balance sheet transactions**, respecting the legislation on data protection as well as statistical confidentiality;

- the **methodological visits may be unannounced** and are designed to monitor the processes including the independence of the national statistical authority from the government. These visits, announced or unannounced, shall only be undertaken in cases where serious risks or problems with the quality of the data are suspected. The Commission shall establish a list of cases to be considered as a significant risk or problem relating to the quality of the data;

- Member States shall, at the request of the Commission (Eurostat), provide the assistance of experts in national accounting, including for the preparation and undertaking of the methodological visits, which may also be unannounced. In the exercise of their duties, these experts shall provide an independent expertise and shall undergo special training so as to ensure a high level of expertise and impartiality;

- **Representatives of the European Central Bank** may take part and assist the officials of the Commission (Eurostat) during the methodological visits;

- the Commission (Eurostat) may make **on-site inspections** and be permitted to hold interviews with any organisation it deems relevant to its work.