EMU statistics: quaterly non-financial accounts by institutional sector, common framework for Member States

2003/0296(COD) - 30/09/2010 - Follow-up document

The Commission presents a report concerning the implementation of Regulation (EC) No 1161/2005 on the compilation of quarterly non-financial accounts by institutional sector (QSA Regulation.) The compilation of QSA for the euro area had been identified as a priority in the Action Plan on Economic and Monetary Union (EMU) Statistical Requirements endorsed by the ECOFIN Council in September 2000. The QSA of the euro area were deemed urgently needed and should be made available within 90 days of the end of the quarter concerned.

Indeed, the analysis of cyclical movements in the EU economy and the conduct of monetary policy within the

EMU require macroeconomic statistics on the economic behaviour and the interrelationship of individual institutional sectors which are impossible to identify in data compiled at the level of the economy as a whole.

This report covers the implementation of the QSA Regulation. It discusses how Member States met their legal obligations; the quality of the national and European statistics produced and the current benefits for users compared to collection/compilation costs together with plans for future enhancement.

The report finds that publication of a full set of integrated (non-financial and financial) institutional sector accounts for the euro area and non-financial sector accounts for the EU has been considered a major success by compilers and institutional users. As set in the project's specifications, quarterly non-financial sector accounts now allow the analysis of the behaviour of economic agents and their interactions in the real economy. Combined with the quarterly financial accounts, a fuller picture emerges.

Potential improvements: although the core needs expressed in the Action Plan on EMU Statistical Requirements have been met by QSA, some improvements can be proposed to extend their use further.

Timeliness: as a first priority, the Member States and Eurostat / ECB seek to improve the timeliness of euro area /EU accounts. However, better timeliness for euro area accounts depends on the earlier availability of input data.

Under the ongoing revision of the revised ESA transmission programme, it is proposed to shorten the deadlines for QSA transmissions to allow the compilation/publication of euro area/EU accounts by t+90 days instead of +120 days.

Reliability: another source of possible improvement lies with better quarterly sources for the households and non-financial corporations sectors. In some cases, countries use pure model based estimates which are not supported by direct or indirect quarterly information. It is important that the latter (model based) method is used only for transactions that play a minor role in the accounts. On the other hand, some countries have already started collecting direct data, e.g. from company accounts. Ideally, statistics would be generated as a by-product of the regular accounting of enterprises, at least for listed companies and administrative data / payrolls for households. Eurostat will continue monitoring and improving the quality of quarterly sector accounts through systematic data checks including cross-country comparisons. It will

also foster the spreading of best compilation practices under the auspices of the CMFB task force on quarterly accounts by institutional sectors.

Coverage: QSA data users regularly express their interest in national QSA data availability. Consequently, publication of a harmonised set of national data, including seasonally adjusted figures, is one of the QSA development priorities for the near future.

In the same vein, it would be extremely useful to extend the set of key indicators calculated in real terms. Such volume data on household and business investment would complete current publications on real household income and consumption. A country breakdown should be possibly released at the same time as the corresponding European indicators. The provision of seasonally adjusted data in real terms, for a limited set of indicators, is under discussion in the context of the revision of the ESA transmission programme.