

EC statistics: legislative framework for the production of short-term EC statistics

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In accordance with Council Regulation (EC) 1165/1998 the Commission presents its second report concerning short-term statistics. European short-term statistics provide a comprehensive set of short-term business indicators for the European economies covering industry, construction, retail trade, repair and certain service industries. The report outlines:

- the uses of short-term statistics and their relevance for key European policies and the steering of European monetary policy;
- major developments in short-term statistics since the last quality report;
- details of the different quality aspects of short-term statistics;
- the cost and the burden imposed by the collection and processing of data for the statistics are presented along with some examples on how such cost and burden might be reduced.

Relevance of short-term statistics: the establishment of short-term statistics had been a prerequisite for the establishment of the euro area and for monitoring the European monetary policy. The European Central Bank and National Central Banks are among the most important users of short-term statistics. Other important users are the Commission itself, national governments, research institutes, businesses and business organisations. News releases about short-term statistics generally receive wide attention in the media. Last but not least, short-term statistics also provide important input for other statistical areas such as national accounts.

Between 2009 and 2010 short-term statistics were the subject of a "rolling review". In order to identify ways to make the collection, processing and dissemination of short-term statistics more efficient, external experts analysed the framework and process for the production of short-term statistics from the point of view of users, of Eurostat and of the associated partners (national statistical institutes).

The majority of users need short-term statistics frequently and at regular intervals, and they consult the publications (database, news releases etc.) several times a month or at least once a month (e.g. when a news release is published). Accuracy is perceived by many users as the most important quality aspect of short-term statistics. However differences between the various quality aspects are not so significant and it seems fair to say that timeliness, comparability, accessibility, clarity, coherence and completeness are considered of almost the same importance as accuracy. This poses a great challenge for the producers of statistics as there are trade-offs between several quality aspects, notably between accuracy and timeliness or comparability and completeness.

In the review, users declared themselves to be satisfied with the quality of short-term statistics and the related services. 95% of the users who formulated a judgement on the quality found short-term statistics to be adequate, and 60% found it to be good or very good.

Two important methodological changes took place in 2009. Firstly, short-term indicators were rebased from the year 2000 to the year 2005: the arithmetical change of the base year (average 100 in 2005 instead of 2000) and an update of the weights used in the indicators to reflect the economic structure of 2005. In parallel with the rebasing, the new classification of economic activities in the European Union, NACE Rev. 2, replaced the older version NACE Rev. 1.1. The classification was modernised by introducing new detail to reflect different forms of production and emerging industries. The detail of the classification has substantially increased in service-producing activities. NACE Rev. 2 provides a better picture of the

overall economy and facilitates international comparisons. The transition to NACE Rev. 2 was accomplished without noticeable effects on quality aspects such as timeliness or stability of data.

Scope and quality: Commission Regulation (EC) No 329/2009 amended the basic legal act and introduced hours worked and gross wages and salaries as new employment indicators for retail trade and repair and for other services. Following this amendment, hours worked and gross wages and salaries will be compiled for all branches of the economy covered by short-term statistics. Data will be calculated for quarterly reference periods and will become available in 2013.

Member States' compliance with the short-term statistics Regulation in terms of reliability, timeliness, coherence and comparability is monitored by Eurostat every six months and shows a high level of compliance and constant improvement. The EU27 average score was 8.9 (out of 10) as of 1 October 2010, as compared to 8.5 for 1st April 2005 and 6.6 for 1 January 2004. Most Member States are now close to full compliance with the Regulation.

Burden on business: the available data for the EU as a whole indicate a reduction in the production cost by 6% and a reduction in the burden on enterprises by 15% (both measured in hours per year) between 2006 and 2009. As found in the last quality report, the costs for the statistical system (e.g. national statistical offices) and the burden on businesses are roughly identical despite the slight shift of the overall cost and burden from businesses towards statistical authorities.

Improvements in the collection and processing of short-term statistics: there is a bundle of factors that explain why the cost reduction and the rough data available do not allow a quantitative distinction of the various influences on the total figure. In several cases, sample sizes for surveys have been reduced or postal or fax surveys have been replaced by electronic and internet surveys. This leads to a reduction of the costs for the statistical authorities. The positive effect for businesses stems from the possibility to include plausibility checks in the electronic questionnaire which results in fewer mistakes and a lower number of queries regarding classifications.

A major reason for the reduction in the burden on businesses appears to be the increased reliance by statistical offices on administrative data, especially for the employment indicators (hours worked, persons employed, gross wages and salaries). This kind of information is often already available e.g. within tax offices, labour administrations, public social insurances or building authorities and does not have to be collected again for statistical purposes. While the use of existing administrative sources for statistical purposes reduces the burden on businesses it may lead to higher costs within statistical offices as data might have to be adjusted. The use of administrative data also requires continuous coordination especially where countries have decentralised administrations.