

Community statistics: balance of payments, international trade in services and foreign direct investment

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In accordance with Regulation (EC) No 184/2005, this Commission staff working document presents the overview quality report on balance of payments (BOP), international trade in services statistics (ITSS) and foreign direct investment (FDI) statistics for the year 2015.

The report shows the **second assessment results** (the first being preliminary due to the short time frame) since: (a) the update of the data requirements introduced by Commission Regulation (EU) No 555/2012; and (b) the introduction of the methodology in the 6th edition of the IMF's 'Balance of Payments and International Investment Position Manual' (BPM6).

Overall assessment: the report states that the results of the 2015 quality assessment **meet expectations**. All Member States coped with new data requirements and methodology. The situation on BOP data is the most satisfactory from a quality point of view, whereas **improvements are most often needed in FDI statistics**.

Completeness was over 95% in almost all of the cases in all domains, with average EU completeness for balance of payments (BOP), international investment position (IIP) and international trade in services statistics (ITSS) of 99% or 100%.

Deficiencies: the report notes, however, that deficiencies remain, and recommends that all Member States as well as Iceland and Norway need to address them. The main ones are as follows:

- **intra-EU asymmetries continue to be an issue.** For the current account components, they were on a similar level to the 2014 report and **relatively higher for direct investment flows**. Experience with the European FDI Network shows that data exchange can help to solve asymmetries, but several preconditions must be met first;
- significant efforts have been made by Member States to reduce **the size of errors and omissions**; however, in some cases their size **remains substantial**. The overall EU situation for consistency between BOP and international trade in goods (ITGS) remains good, with discrepancies usually explained by methodological differences. Full or very good consistency between the current account of balance of payments and national accounts could be observed in a number of Member States, while for some other countries differences, sometimes substantial, exist;
- data availability to the final users was satisfactory, with 95% of main items publishable in most cases. However, some Member States **excessively flag data as 'non-publishable' or 'confidential'**;
- the overall **consistency with integrity rules** improved slightly. However, there were still cases where Eurostat was not able to fix the detected problems, and national compilers had to resend corrected datasets.

Recommendations: the Commission recommends that the Member States address the following areas:

- **data completeness** for the countries where progress is still to be made in order to achieve full compliance with Regulation (EC) No 184/2005 as amended by Commission Regulation (EU) No 555/2012;
- possible **reduction in application of the confidentiality rules** for the countries which continue to flag a substantial share of the provided data as ‘confidential’ or ‘non-publishable’. The current situation decreases the value of statistical information provided to users and make it difficult to perform an appropriate policy analysis based on European statistics, especially for quarterly and annual data;
- **reduction of asymmetries** where they continue to persist. Eurostat would like to encourage the increased use of FDI Network and the bilateral exercises to reconcile other BOP items. Eurostat will facilitate bilateral exercises by providing dedicated sessions at meetings of the Balance of Payments Working Group;
- **reduction of the size of errors and omissions:** this remains a substantial challenge for a number of countries. Eurostat would like to encourage Member States to investigate the reasons for high rates of error and omissions and take efforts to eliminate them.