

Harmonisation of gross national income (GNI) at market prices

2017/0134(COD) - 20/06/2017 - Legislative proposal

PURPOSE: to reinforce comparability, reliability and exhaustiveness of GNI aggregate (gross national income).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: gross national income (GNI) constitutes the basis for calculating the largest share of own resources in the budget of the European Union.

The new 'own resources decision,' [Council Decision 2014/335/EU](#), Euratom on the system of own resources of the European Union entered into force on 1 October 2016. This Decision states that for own resources purposes, the GNI of Members States shall be defined in accordance with [Regulation \(EU\) No 549/2013](#) of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (ESA 2010).

In September 2014, **ESA 2010** became the new standard for calculating national accounts in the EU.

In order to **enhance the comparability, reliability and exhaustiveness of the GNI aggregate**, the Commission considers it necessary to revise [Council Regulation \(EC, Euratom\) No 1287/2003](#) on the harmonisation of income (GNI Regulation) in order to align the GNI with Regulation (EU) No 549/2013, the legal basis of which is also Article 338(1) of the TFEU, which constitutes the legal basis for European statistics.

The proposal follows on from the recommendations in the [Court of Auditors' special report No 11/2013](#) entitled 'Getting the Gross National Income (GNI) data right' and the [Commission's communication](#) on the production method of EU statistics: a vision for the next decade.

CONTENT: the proposed Regulation, repealing Council Regulation (EC, Euratom) No 1287/2003 (the 'GNI Regulation'), is a **simple update of the existing system**.

It provides that gross national income at market prices (GNI) and gross domestic product at market prices (GDP) shall be **defined in accordance with the European system of national and regional accounts (ESA 2010)**, set up by Regulation (EU) No 549/2013.

To emphasise statistical integrity when compiling and harmonising GNI, the **legal basis shall be Article 338(1) TFEU**.

The proposed changes to the situation under the GNI Regulation consist of adapting the GNI data reporting to ESA 2010 and introducing the **European Statistical System Committee (ESSC)** as the relevant comitology committee instead of the GNI Committee as part of a new ESS structure.

According to the Commission, the proposal imposes **less of a burden on Member States** than the current situation because without a switch to ESA 2010 for own resources, Member States could be required to produce a double set of accounts, one on ESA 2010 and one on ESA 95.