

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

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The Commission presents a report on the implementation of Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning the balance of payments, international trade in services and foreign direct investment.

Data quality: the report concludes that Regulation (EC) No 184/2005 has **helped to further harmonise EU-wide statistics** on balance of payments, international investment position, international trade in services and foreign direct investment:

- data on monthly and quarterly balance of payments, the quarterly international investment position, foreign direct investment and annual statistics on the international trade in services, were provided far more **punctually** than for the previous quality report covering 2015;
- **data completeness improved slightly** compared with the previous quality report, the clearest improvements being in the quarterly balance of payments and foreign direct investment;
- **the amount of data made available to final users is satisfactory**; 18 Member States allow 100 % of the main items in the quarterly balance of payments to be published. Some countries, however, continue to flag their national data as ‘non-publishable’ or ‘confidential’ to an excessive extent, which limits the value of the statistical information provided regularly to users;
- the Regulation has also helped ensure that data are **available** at the appropriate time and that users have access to more detailed data. Data quality is closely monitored on the basis of **quality criteria** that are harmonised across the various statistical domains concerned. This has helped to improve the consistency of quality assessment between the various statistical areas;
- overall, **consistency** with integrity rules is satisfactory. There are almost no discrepancies in quarterly and annual data on international trade in services and foreign direct investment. Member States have made significant efforts to reduce errors and omissions.

Asymmetries within the EU remain an issue. Asymmetries in the components of the current account are fairly stable over time, but have increased slightly for direct investment flows.

Benefits for users: the report notes that Regulation (EC) No 184/2005 is a response to the needs of data users.

Balance of payments statistics are used intensively in policymaking by the relevant national and international institutions, including the Commission, the Council, the European Central Bank, the IMF, the Bank for International Settlements, the OECD, the G7 and the G20.

Balance of payments and international investment position statistics are used in monetary policy. They are also included in the convergence reports drawn up and published by the Commission and the European Central Bank on individual Member States that do not yet participate in the economic and monetary union.

The methodological changes and **new standards of the BPM 6** introduced in 2014 by Commission Regulation (EU) No 555/2012, together with the increased attention paid to international investment position data, brought clarity and important additional information to users of statistical data involved in macroeconomic policymaking and economic research.

Costs and burden: the data set that absorbs most input is the quarterly balance of payments, which takes 48.1 % of resources. This is followed by statistics on the monthly balance of payments (20.2 %), foreign direct investment (16.1 %) and international trade in services (15.7 %).

Areas for possible improvements: based on the evaluation of the results of pilot studies, the Commission will have to present a **proposal to amend Regulation (EC) No 184/2005** in order to define the methodological and data requirements for annual foreign direct investment statistics on the ultimate ownership concept and for annual foreign direct investment statistics distinguishing greenfield foreign direct investment transactions from takeovers.

The Balance of Payments Working Group takes the view that the data requirements based on Regulation (EC) No 184/2008 **should preferably remain stable over a reasonable period of time** so that the remaining quality issues can be tackled and the quality of the statistics improved further.

The Working Group also prioritises quarterly balance of payments statistics over monthly data. It would prefer that **monthly data requirements be simplified**.

Outlook: the Commission will take into account the findings of this report, where appropriate, when making a proposal for amendments to Regulation (EC) No 184/2005. If requirements in some areas were to be tightened, data requirements in other areas or in other aspects could be simplified to avoid cost increases. This applies, in particular, to the monthly data requirements.