European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 29/06/2018 - Follow-up document

The Commission presented a report on the application of 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 and on the application of the granted derogations.

The European System of National and Regional Accounts (ESA 2010) is the internationally compatible EU accounting framework for a systematic and detailed description of an economy. ESA 2010 was applied for the first time to data transmitted to the Commission from 1 September 2014; from that date onwards Member States sent data to Eurostat following ESA 2010 rules.

This report analysed the availability and quality of ESA 2010 data, the effectiveness of the Regulation and the monitoring process, as well as progress on contingent liabilities data, in accordance with Articles 6(3) and 12 of the ESA 2010 Regulation.

Data availability: the assessment confirmed that data availability **clearly improved between October 2015 and January 2018**: whereas in 2015 64 % of the tables transmitted by Member States were sent without any shortcomings and 4 % were sent with serious problems, in 2018 the corresponding percentages were 81 % and 1 %, respectively.

The Commission adopted implementing Decision 2014/403 granting 888 temporary derogations to 27 Member States. In addition, the EFTA Surveillance Authority granted 145 derogations to Norway and Iceland.

Most of the derogations that expired at the latest in 2017 have been resolved by the respective Member States. In addition, a significant number of Member States are providing (part of) the data covered by derogations even before the first transmission date laid down in Commission Implementing Decision 2014/403/EU. Implementation has continued since then, e.g. by resolving derogations granted to individual Member States. In this context, the completeness of data has significantly improved, including on contingent liabilities. Following the analysis in this report, it is appropriate that **Decision 2014/403/EU is amended** to take into account changes in the justifications of existing derogations.

In 2016, thanks to the data sent by EU Member States, a **major improvement was achieved** in the timeliness of European aggregates, with publication of the preliminary EU and euro area GDP flash estimates brought forward by 15 days and the euro area quarterly sector accounts by 18 days. An analysis of revisions to these flash estimates demonstrates that they are robust.

Challenges: the Commission considers that the ESA 2010 Regulation is effective in ensuring the provision of comparable, up-to-date and reliable data by the Member States for EU policy and other purposes.

Nevertheless, challenges remain, for example as regards:

- **globalisation**: for example, the impact on GDP of the relocation of the business of large multinational enterprises in small and open economies. Globalisation-related work will require an intensified cooperation and exchange of information at international level;

- **the increased digitalisation of the economy and society**: new ways of production and consumption, as well as for the ways of exchange between households and businesses, are emerging. Users ask if these new phenomena are properly reflected in national accounts;
- **improve national accounts-based measures of well-being, sustainability and inequality**.

Eurostat is investing significant resources in addressing these priority issues, within Europe as well as with its international partners.

To serve users' interests, Eurostat will, in cooperation with Member States, take all necessary actions to achieve full implementation of the ESA 2010 Regulation. Eurostat will remain in close contact with Member States to further improve data availability in the coming years, and continue its work on monitoring derogations.