

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

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Regulation (EU) No 549/2013 requires that by 2018 the Commission shall submit a report assessing the extent to which the information on liabilities published by the Commission (Eurostat) represents the entirety of the implicit liabilities, including contingent liabilities, outside government.

The [previous report on this issue was published in 2015](#) and presented information on public-private partnerships (PPPs) and other implicit liabilities.

This report provides an updated overview of the information available to Eurostat. It mainly focuses on the data on contingent liabilities collected by Eurostat in the context of the reinforcement of the EU economic governance, which took place in 2011 (the '[six-pack](#)'), and in particular the data collection provided for in Directive 2011/85/EU on requirements for budgetary frameworks of the Member States.

Assessment

The data collection on contingent liabilities in the context of Council Directive 2011/85/EU has increased the availability of information on the implicit liabilities of general government. Prior to the implementation of the Directive, Eurostat collected only partial and mainly non-public data on guarantees and off-balance PPPs. Following the report of the Task Force conducted by Eurostat in co-operation with Member States and DG ECFIN, Member States started to publish at national level and to provide Eurostat with relevant information in a harmonised and a comprehensive way. Since the first data collection in 2014, a number of Member States reviewed and revised the figures in order to better align to the Task Force guidelines. At this stage, for a great majority of Member States, complete and good coverage data are available for most of indicators. Eurostat highly appreciates the efforts undertaken by the Member States and welcomes the results achieved.

Progress required

In terms of completeness and coverage, data is not yet fully exhaustive in some cases. In particular, progress is still needed with regard to certain fields.

-Data on non-performing loans: the completeness and the coverage of the data on non-performing loans still need to be significantly improved. 24 Member States provided data for the requested period 2013-2016. Four Member States - Belgium, France, Croatia and Cyprus – still do not provide information on non-performing loans of general government.

In addition, data coverage is not exhaustive for Italy, Portugal and Finland. For Greece, data does not cover the social security sector, whereas for Spain and the United Kingdom, data coverage is not exhaustive for local government, however, the amounts are not expected to be significant.

-The liabilities of government controlled entities classified outside general government: a majority of Member States provided exhaustive data covering all controlling sub-sectors of general government. However, in some cases, improvements are still needed. For France and Ireland data coverage is not fully exhaustive for local government. In the case of Greece and Belgium, there are also some minor units controlled by government that are not reported in the data, nevertheless the amounts are not expected to be significant. For Poland, the data does not include units employing less than 10 persons.

Eurostat will continue to work with the Member States on completeness of information for these indicators.

The Commission adds that the availability of the accompanying metadata could be further improved in order to better inform users about the national characteristics, revisions and year-to-year changes. The possibility of expanding the current metadata template will be investigated in the context of future data collections.

Comparability of data

Data on contingent government liabilities are country specific and closely linked to the economic, financial and legal structure of the Member State. Significant progress has been achieved in this data collection in terms of coverage and completeness of the data. Nevertheless data coverage is still not fully exhaustive for some Member States, as indicated above. In general, the comparability for government guarantees, non-performing loans and off-balance PPPs is satisfactory whereas it is limited for the liabilities of public corporations. For this indicator, in addition to the data coverage issues, other aspects should be taken into account when analysing the figures across Member States. The report notes, inter alia, that data for liabilities of public corporations are not consolidated, and that data collection only refers to liabilities without balancing them with the assets, which is important in the case of financial institutions.

Conclusion

The Commission states that, while contingent liabilities are a challenging domain of statistics, major improvements have been achieved in recent years. The new data collection is a step forward toward further transparency of public finances in the European Union, by giving a more comprehensive picture of the EU Member States' financial positions. The availability of comparable and harmonised data on government contingent liabilities is an important achievement, making the EU a frontrunner in this area in the international context.