

European System of Accounts ESA: allocation of the financial intermediation services indirectly measured FISIM

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PURPOSE: to present a Commission mid-term report containing a qualitative and quantitative analysis of the first results of the trial calculations for allocating and calculating financial intermediation services indirectly measured (FISIM) as described in the Council Regulation 448/98/EC of 16.02.1998.

CONTENT: The main conclusion of the report is that allocating FISIM requires further improvements in statistical sources in particular to directly measure interest flows broken down by institutional sector, to break down the households' deposits according to their purpose (intermediate or final consumption) and to obtain better measures of exports and imports of FISIM. Preferences expressed by the Member States have put forward two criteria for the identification of relevant interest rates. These criteria are the need of having an interest rate fairly close to the concept of "pure interest rate" and giving the most reliable results with regard to available data. The analysis of the impact on GDP, at this stage of the study, tends to favour method 2, which seems to bring best results. Method 2 is followed by methods 1, 4c, 4b, 4a and 3.

However, some Member States are reluctant to do all the trial method for allocating FISIM as defined in the regulation, for practical and sometimes theoretical reasons, and consider that none of them are really more reliable for the correct measurement of economic activity than the present zero allocation. However, at this point of the trial period, the Commission thinks that allocating FISIM is feasible if improvements continue to be made in data sources. In conclusion, it is necessary to revise some figures already obtained, to complete the exercise on more years, to analyse FISIM at constant prices and by industry, and to pursue the work inside the FISIM Task Force and the National Accounts Working Party before being able to make a fully sound report about the reliability of the methods of allocating FISIM as defined in the regulation.