Own resources: harmonisation of gross national income GNI at market prices

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Council Regulation No 1287/2003 on the harmonisation of gross national income at market prices – the "GNI Regulation", establishes the procedures to facilitate the verification, and where necessary, improvement in the comparability, reliability and exhaustiveness of Member States' estimates of gross national income. To recall, GNI replaces the previously used "Gross National Product" GNP.

The purpose of this document is to report on the application of the GNI Regulation in accordance with Article 7 of Regulation 1287/2003. It summarises progress made by the Commission and the GNI Committee on the harmonisation of GNI and the application of the GNI Regulation since its entry into force.

The report finds that:

- The transition, in 2003 from the GNP Directive to the GNI Regulation, worked well and smoothly.

- Adequate steps were taken to implement and update legal acts and recommendations for the purpose of the GNI Regulation.

- New conceptual recommendations were developed in order to further harmonise GNI data among the Member States. Work will continue in this field, with respect to the recording of production from illegal activities as required under ESA 95.

- Measures have been taken to ensure a timely harmonisation of the transmission of GNI data.

- Measures have also been taken to improve and update the documentation methods and sources used to calculate GNI and its components and to develop a better quantitative picture of the accuracy and exhaustiveness of GNI figures.

- The new Member States have been successfully integrated into the GNI process.

- Commission responsibility for verifying GNI data has been clearly defined and there is a clear transition from the GNP Committee to the GNI Committee.

- Progress has been made on the examination and checks of the GNI calculations.

In the coming years, the Commission together with the GNI Committee will continue efforts to maintain and further improve the comparability, reliability and exhaustiveness of GNI data. In 2006 the old Member States will address any outstanding reservations on specific components of the GNP data for 1995-2000. The Commission will reserve its position on the old Member States GNI data for 2002 pending a verification to be conducted on the basis of new updated documentation.