General government: quarterly financial accounts, ESA 95 categories

2003/0095(COD) - 03/05/2007 - Follow-up document

Regulation No 501/2004 requires Eurostat to submit a report assessing the reliability of quarterly data delivered by the Member States. In presenting this Communication to the Parliament and to the Council the Commission is fulfilling this obligation.

In brief, the legislative backdrop to this Report is as follows:

- Regulation (EC) No 264/2000 and Regulation EC No 1221/2202, requiring the Member States to send **quarterly non-financial accounts for general government (i.e. revenue and expenditure)** to Eurostat in accordance with ESA95;

- Regulation (EC) No 501/2004 (the purpose of the Report being summarised here), **defining government financing activities and balance sheets in accordance** with ESA 95; and

- Regulation (EC) No 1222/2004 **completing the coverage of the quarterly fiscal reporting by proving quarterly reports on government debt**.

The quarterly financial accounts for general government that the Member States forward to Eurostat consists of data encompassing up to 300 time series per country on transactions and stocks of financial assets and liabilities of government – central, regional and local. By December 2005 Eurostat had received all the data from all the Member States in accordance with the provisions set out in Regulation EC No 501 /2004.

Eurostat has structured this report along the following lines: general sections setting out the underlying concepts, technical issues and main country findings and a final section with a summary of the conclusions and recommendation country by country. The report is based on the Eurostat database and metadata available as from 15 March 2006.

The main findings of the report are as follows:

- Significant progress has been achieved regarding the compilation of QFAGG.

- Data for most countries are of appropriate quality, useful for analytical purposes and suitable for meaningful Euro area and EU aggregate compilation.

- Some Member States must implement specific measures to improve the quality of the reported data. In some cases, improvement could be achieved by complying with Community reporting obligations and the deadlines for forwarding data to Eurostat. Such a measure would prevent the Commission from needing to initiate infringement procedures under the Treaty.

- The publication of QFAGG needs to be promoted, with appropriate guidance to users by providing metadata to reflect national practices, warning users of the volatility of these quarterly figures and helping to interpret discrepancies. Publication would foster quality.

To conclude, the assessment will be repeated in order to monitor Member State progress.