

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 1 December 2003

at the request of the Council of the European Union concerning a proposal for a regulation of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment (COM(2003) 507 final)

(CON/2003/26)

(2003/C 296/04)

1. On 22 September 2003 the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment (hereinafter the 'proposed regulation').

Member States in compiling their balance of payments, international trade in services and foreign direct investment statistics and by specifying their obligations concerning the data to be transmitted.
2. The ECB's competence to deliver an opinion is based on the first indent of Article 105(4) of the Treaty establishing the European Community. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council of the ECB has adopted this opinion.
3. The objective of the proposed regulation is to provide a legal basis for the collection and compilation of balance of payments, international trade in services and foreign direct investment statistics within the European Union (EU). The Commission needs these statistics in order to prepare, pursuant to Article 99(3) of the Treaty, reports to the Council which enable it to monitor economic developments in each Member State and in the Community as well as the consistency of economic policies with the broad guidelines referred to in Article 99(2). Moreover, under Article 133(2) and (3) of the Treaty, the Commission must submit proposals to the Council for implementing the common commercial policy and is entrusted with the task of conducting trade negotiations, following authorisation from the Council. In order to accomplish these tasks, the Commission needs relevant and good quality statistical information. In addition, such information is needed for the implementation and the review of trade agreements, including the General Agreement on Trade in Services (GATS) and the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement, as well as for the current and future negotiations on further agreements.
4. The proposed regulation establishes a common framework for the systematic production of Community statistics by providing common definitions that should be applied by
5. The proposed regulation also defines standards for the dissemination of Community statistics by the Commission. Finally, it sets up the Balance of Payments Committee as a new forum for cooperation between Member States, the Commission and the ECB, as an observer, concerning statistics on balance of payments, international trade in services and foreign direct investment.
6. The ECB welcomes the proposed regulation. In accordance with the Memorandum of Understanding between the Directorate General Statistics of the ECB (DG Statistics) and the Statistical Office of the European Communities (Eurostat) of 10 March 2003, the ECB, and in particular its DG Statistics, stands ready to cooperate with Eurostat regarding the compilation of the financial account and related income of the balance of payments of the EU, given its experience in the compilation of the balance of payments of the euro area.
7. Recital 7 of the proposed regulation mentions that Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro ⁽¹⁾ has a direct impact on the collection of statistics. In particular, Article 8 thereof refers to the possibility of raising the threshold for reporting cross-border payments by banks from EUR 12 500 to EUR 50 000. This raises some concerns, in particular because such a rise of the threshold may affect the quality of the balance of payments of EU Member States and countries that will become EU Member States, for which balance of payments statistics are important in assessing whether the convergence criteria are met.

⁽¹⁾ OJ L 344, 28.12.2001, p. 13.

8. The ECB particularly welcomes Article 8 of the proposed regulation concerning the transmission and exchange of confidential data for statistical purposes. Indeed, Article 8 may help to overcome recurrent difficulties concerning the exchange of confidential data. The ECB understands that the Member States' work on the data for the Community aggregate will also serve to enhance the quality of the euro area aggregate.
 9. The ECB also welcomes Article 11 which gives it observer status in the Balance of Payments Committee. The ECB's participation in this Committee will help, albeit to an extent limited by the observer status, to ensure consistency in the statistical reporting requirements imposed on Member States and adherence to international statistical standards. It will also increase the efficiency of the compilation systems for balance of payments and related statistics and foster the quality of data and methodological notes (metadata).
 10. It is the ECB's understanding that the proposed regulation does not require data on reserve assets from Member States, there being no EU reserve assets as such. However, if data on reserve assets were deemed to be required for statistical purposes in the future (e.g. to close, in accounting terms, the EU's balance of payments statement and thus make an assessment of the quality of the data easier), the ECB's DG Statistics, in liaison with the European System of Central Banks (ESCB), would be able to provide expert knowledge regarding the methodology for and compilation of this item. In this case, it is also understood that the non-participating Member States would have to provide the ECB with the relevant data (i.e. claims on non-EU residents in currencies other than the euro or any other currency being legal tender within the EU).
 11. The ECB shares the interest, which the European Parliament recently expressed, in the monitoring of the international role of the euro ⁽¹⁾. The ESCB will, in the coming years, investigate to what extent information on a currency breakdown — showing at least the breakdown between the euro and other currencies — with regard to transactions in goods and services is needed and how such information could be collected in a cost-effective way. Depending on the results of the investigation this issue may, in due course, be discussed within the relevant committees, with a view to considering an appropriate amendment to the proposed regulation.
 12. This opinion will be published in the *Official Journal of the European Union*.
- Done at Frankfurt am Main on 1 December 2003.
- The President of the ECB*
Jean-Claude TRICHET

⁽¹⁾ Reference is made, in particular, to the European Parliament's resolution on the international role of the euro zone and the first assessment of the introduction of banknotes and coins of 3 July 2003 (COM(2002) 332 — 2002/2259(INI)).