

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 24 February 2006

at the request of the Council of the European Union concerning the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2223/96 with respect to the transmission of national accounts data

(CON/2006/12)

(2006/C 55/29)

On 19 January 2006 the European Central Bank (ECB) received a request from the Council for an opinion on a proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2223/96 with respect to the transmission of national accounts data (COM(2005) 653 final) (hereinafter the 'proposed regulation').

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, as the proposed regulation lies within the ECB's fields of competence. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the ECB, the Governing Council has adopted this opinion.

1. GENERAL OBSERVATIONS

- 1.1 The objective of the proposed regulation is to amend Annex B to the Regulation on the European System of Accounts 1995 ⁽¹⁾ with respect to the transmission of national accounts data. The proposed regulation aims to amend the timing, frequency and content of the national accounts that Member States transmit to the Commission of the European Communities (Eurostat), thus improving the availability of national accounts data and the quality of European statistics. The proposed regulation is consistent with the principles of harmonisation and coherence. It also incorporates some of the new requirements expressed by key users and several reductions in the transmission programme, as requested by national compilers.
- 1.2 To conduct monetary policy it is essential for the ECB to use and compile euro area statistics on the basis of national accounts data that are comprehensive, comparable, fit for aggregation across euro area Member States, timely, reliable and consistent within and between the transmission programme's tables. The ECB attaches the highest priority to quarterly national accounts statistics and welcomes the amended programme's proposals for the provision of these data. A consistent national accounts data set is also of high priority as it is needed for a comprehensive analysis of productivity changes. In this context and beyond, more detailed breakdowns are needed for annual data than for quarterly data. The ECB considers the more detailed breakdowns of economic activities and institutional sectors in the proposed regulation as an important improvement. Regional accounts data are not a priority for the ECB.
- 1.3 The ECB also appreciates that the proposed regulation gives priority to the provision by the Member States of timely national accounts data for the more recent periods. The ECB would invite the Commission (Eurostat) and the Member States to ensure the provision of mutually consistent data in the transmission programme's requested tables and to establish and implement a coordinated release and revision policy. In the ECB's view, this also concerns the exact timing of major statistical revisions to national accounts, which may be related to significant methodological changes.

⁽¹⁾ Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community (OJ L 310, 30.11.1996, p. 1).

2. SPECIFIC COMMENTS

- 2.1 Table 1 of the transmission programme covers quarterly and annual main aggregates, crucial for monetary and economic policy. The ECB welcomes improvements in the data supply for Table 1. These include the specification of export and import data by their destination and origin, respectively (Member States of the EU, Members of the Monetary Union and Institutions of the EU) and the specific value added and employment data for manufacturing. The ECB recommends using a common method to compile chain-linked quarterly volume change statistics. Moreover, the ECB recommends requiring working-day and seasonally adjusted statistics in the transmission programme for the quarterly main aggregates, and where appropriate also only working-day adjusted statistics.
- 2.2 Table 3 of the transmission programme covers annual aggregates by branch, essential for productivity and structural analyses. Wherever two types of breakdowns are indicated in this table, the ECB gives priority to full implementation of the less detailed breakdown for the purposes of compiling euro area aggregates.
- 2.3 The ECB requires the non-financial accounts by sector (Table 8 of the transmission programme) to be delivered with the same timeliness as the financial account by sector (Table 6 of the transmission programme) and the balance sheets for financial assets and liabilities (Table 7 of the transmission programme), to enable the necessary full consistency in the compilation of integrated accounts for the euro area.
- 2.4 The ECB would favour reducing the transmission deadline for the provision of data on general government expenditure by function (Table 11 of the transmission programme) from 12 to nine months after the end of the reference year. This would also be consistent with the deadline for submitting the detailed breakdown of general government expenditure (Table 2 of the transmission programme). Furthermore, the ECB would favour a mandatory provision of the further breakdown by COFOG groups of government expenditure for the COFOG divisions economic affairs, health, education and social protection. By contrast, the required breakdown on detailed tax receipts by type of tax and receiving sub-sector (Table 9 of the transmission programme) is more detailed than the ECB's priority requirements.
- 2.5 The ECB would also favour measuring labour input in the use tables (Table 16 of the transmission programme) also in terms of hours worked and subdividing it to allow for an analysis of the implications of labour quality developments for productivity change. Likewise, the ECB would prefer use tables also in basic prices, so that symmetric input-output tables could be constructed at annual intervals. If these annual tables were also broken down into import and domestic components, the symmetric input-output tables for domestic output and imports at basic prices (Tables 18 and 19 of the transmission programme) would not be a priority requirement for the ECB. Concerning Table 16 of the transmission programme, a differentiated approach with regard to reporting obligations of larger and smaller Member States could be considered. The ECB considers that the symmetric input-output tables at basic prices (Table 17 of the transmission programme) and the symmetric input-output tables for domestic output and imports at basic prices (Tables 18 and 19 of the transmission programme) at five-yearly intervals are less relevant due to the time lag and low frequency of their data.
- 2.6 The ECB welcomes the transmission of balance sheets for the non-financial assets (Table 26 of the transmission programme) and considers that more of the variables in this table should be made mandatory. In particular, the provision of mandatory information on the value of dwellings should be supplemented by corresponding information on the value of land, as such data are key to assessing household housing wealth, of particular importance for the ECB.

Done at Frankfurt am Main, 24 February 2006.

The President of the ECB
Jean-Claude TRICHET