



Brussels, 18.3.2021
COM(2021) 126 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**concerning short-term statistics as required by Article 14(2) of Council Regulation (EC)
No 1165/98**

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**concerning short-term statistics as required by Article 14(2) of Council Regulation (EC)
No 1165/98**

1. INTRODUCTION

European short-term business statistics (STS) provide a comprehensive set of indicators that cover, among other things, production, turnover, output prices (often also referred to as producer prices), number of persons employed, hours worked and gross wages. These STS indicators fall within four major economic areas: industry, construction, retail trade and services (excluding financial and public services). Table 1 provides an overview of them.

Table 1: Short-term statistics indicators

Industry	Construction	Retail trade	Other services
Industrial production	Production in construction - Building construction - Civil engineering	-	-
Industrial turnover, domestic and non-domestic (euro area and non-euro area)	-	Turnover in retail trade	Turnover in (other) services
-	Building permits - Number of dwellings - m ² of useful floor area	-	-
Number of persons employed	Number of persons employed	Number of persons employed	Number of persons employed
Hours worked	Hours worked	Hours worked	Hours worked
Gross wages and salaries	Gross wages and salaries	Gross wages and salaries	Gross wages and salaries
Industrial output prices, domestic and non-domestic (euro area and non-euro area)	Construction output prices / construction costs	Volume of retail trade	Output prices of (other) services
Industrial import prices (euro area and non-euro area)	-	-	-

The legal basis for short-term business statistics is Council Regulation (EC) No 1165/98¹ (the 'STS Regulation'). In accordance with Article 14(2) of that Regulation, the Commission has

¹ OJ L 162, 5.6.1998, p. 1.

to submit a report to the European Parliament and the Council on the statistics compiled pursuant to the Regulation and in particular on their relevance and quality and on the revision of indicators. The report also addresses the cost of the statistical system and the burden on business arising from the STS Regulation in relation to its benefits.

The present report follows up on the reports submitted in January 2003, June 2008, June 2011, June 2014 and August 2017².

Section 2 outlines the uses of short-term statistics and their relevance for key European policies and the steering of European monetary policy. It also indicates major developments in short-term statistics since the previous report in August 2017.

Section 3 describes in greater detail the different quality aspects of short-term statistics.

Section 4 presents some facts regarding the cost and burden of collecting and processing data for short-term statistics.

The final section provides an outlook on future developments in short-term statistics, in particular in relation to Regulation (EU) 2019/2152 on European business statistics (EBS)³.

2. OVERVIEW OF SHORT-TERM STATISTICS AND MOST IMPORTANT DEVELOPMENTS

Short-term statistics provide a large number of the principal European economic indicators (PEEIs)⁴ developed to monitor the economic development (business cycle) of the European Union and its Member States and in particular to conduct monetary policy in the euro area. These indicators are: industrial production, industrial output prices on the domestic market, industrial import prices, production in construction, and volume of retail trade, turnover in services (excluding retail trade services), building permits and services producer price indices (SPPIs).

The most prominent users of short-term statistics are the European Central Bank and national central banks, but the data are also of high importance for the European Commission, national governments, research institutes, as well as for businesses and business organisations. Moreover, short-term statistics provide key input for other statistical areas such as national accounts.

Short-term statistics are most commonly used for economic trend analysis, forecasting and modelling. They are also required for the preparation of policy decisions, research purposes, checking and validating data from other sources and as a basis for business decisions. Results from short-term statistics may also be used by businesses for various other purposes (e.g. output price indices are used to index contracts).

In order to ensure the relevance of short-term statistics for their users and to further improve the quality of the data, Eurostat has undertaken a number of initiatives since the previous report on short-term statistics, which was adopted in August 2017.

Restructuring operations and changes in business models in some multinational businesses lead to unexpected sizeable revisions in some short-term statistics indicators as well as in

² COM (2003) 36 final of 29.1.2003; COM (2008) 340 final of 9.6.2008; COM (2011) 329 final of 8.6.2011; COM (2014) 381 final of 26.6.2014; and COM (2017) 411 final of 2.8.2017.

³ Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics (OJ L 327, 17.12.2019, p. 1).

⁴ The original list of PEEIs was established in 2002 (Communication of the Commission to the European Parliament and the Council on Eurozone Statistics, COM (2002) 661 final of 27.11.2002).

national accounts data. In collaboration with national statistical institutes, Eurostat established an ‘Early Warning System (EWS)’. The role of this mechanism is to ensure that Eurostat is informed in time about expected changes in business statistics and national accounts which result from such globalisation events in multinational businesses and that the adaptation in statistics is done in a coherent and coordinated way by the national statistical authorities concerned. The participation of statistical authorities in the EWS is voluntary, and the confidentiality of business data is ensured⁵.

In order to improve the quality of the indicators on production in construction and building permits, Eurostat established an e-Task Force which met regularly to exchange good practices and improve the available methodological guidance on these indicators. Moreover, the improvements of construction data was supported by Eurostat grants to national statistical authorities.

In response to the global financial crisis, the European Systemic Risk Board (ESRB) was established in 2010 to oversee the EU financial system and prevent systemic risks⁶. In pursuit of its mandate, the ESRB issues warnings and recommendations. Based on recommendations ESRB/2016/14 and ESRB/2019/3, Eurostat worked on the development of commercial real estate indicators (CREI); in this context, short-term statistics focused on indicators for construction starts, works completions and vacancy rates. Task forces with experts from Member States and grants to support the methodological work are used to develop these new statistical indicators.

Pursuant to Article 11 of Council Regulation (EC) No 1165/98, Eurostat and the national statistical authorities introduced new weights for the aggregation of short-term statistics indices in 2018 with the base year 2015.

3. SCOPE AND COMPLIANCE WITH THE STS REGULATION

Eurostat monitors Member States’ compliance with the STS Regulation in terms of timeliness and completeness. Twice per year, a comprehensive compliance score covering all indicators is calculated for each country⁷. Generally, the results of the monitoring show a high degree of compliance with the Regulation. As of 1 April 2020, the EU-27 average score was 9.7 (out of 10) with a large number of Member States fully compliant. The quality of the STS data is developed on the basis of the various quality aspects outlined in the *European Statistics Code of Practice*⁸.

3.1. Accuracy, reliability, coherence and comparability

With Commission Regulation (EC) No 1503/2006⁹, common definitions for short-term statistics were introduced in order to ensure the coherence and comparability of data. Eurostat and the national statistical offices work closely together to maintain and improve high

⁵ <https://ec.europa.eu/eurostat/web/economic-globalisation/early-warning-system> (Available in English, French and German).

⁶ <https://www.esrb.europa.eu/home/html/index.en.html>

⁷ The compliance assessment focuses on the completeness and timeliness of national data deliveries. A score is calculated depending on whether data are fully compliant, almost fully compliant with minor elements missing, partly compliant or whether data are largely incomplete.

⁸ The European Statistics Code of Practice is available at: <http://ec.europa.eu/eurostat/web/quality/european-statistics-code-of-practice>.

⁹ Commission Regulation (EC) No 1503/2006 of 28 September 2006 implementing and amending Council Regulation (EC) No 1165/98 concerning short-term statistics as regards definitions of variables, list of variables and frequency of data compilation (OJ L 281, 12.10.2006, p. 15).

accuracy, reliability and coherence of the short-term statistics indicators. The methodological framework established by the STS Regulation is continuously improved through consultation with technical experts and special thematic task forces.

Despite uniform definitions, approaches do not have to be identical across Member States for compiling statistical data. In keeping with the principle of subsidiarity and in order to take account of national differences, e.g. as regards size, economic structure and availability of administrative data, the STS Regulation leaves it to Member States to decide on the most efficient and effective ways of collecting and processing the data.

Eurostat also works with other international organisations to increase the comparability of data and methodology beyond the European Union.

3.2. Timeliness and punctuality

Short-term statistics are among the first official data to provide an indication of the most recent economic developments. The STS Regulation sets very short deadlines for the delivery of national data to Eurostat¹⁰. Table 2 shows the deadlines for data transmission to Eurostat (third column) and the target dates set by the Economic and Financial Committee (EFC) in its report on information requirements in the European Monetary Union. The last column indicates the current deadlines for dissemination (e.g. via thematic news releases and online database releases).

In general, the timeliness of short-term statistics can be considered very good. Delays usually only occur if the target delivery day falls on a weekend or on a public holiday.

Users are informed about news release publication dates well in advance by means of the news release calendar on the Eurostat website¹¹. In past years, all dates announced in the calendar have been met.

Table 2: Timeliness – days between end of reference period ^{a)} and delivery deadline, STS Regulation, EFC target and actual dissemination of EA aggregates (2020)

Indicator	Periodicity	STS Regulation deadlines ^{b)}	EFC targets for 2020 ^{c)}	Dissemination of EA totals ^{d)}
Industrial production	Monthly	40	40	47
Industrial output prices of the domestic market	Monthly	35	35	33
Industrial import prices	Monthly	45	45	37
Production in construction	Monthly	45	45	50
Building permits	Quarterly	90	90	92
Turnover in retail trade	Monthly	30	30	34

¹⁰ The original deadlines in Regulation (EC) No 1165/98 were further shortened by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98 concerning short-term statistics (OJ L 191, 22.7.2005, p. 1).

¹¹ The calendar is available at: <http://ec.europa.eu/eurostat/web/short-term-business-statistics/overview>. (Available only in English, French and German).

Turnover in (other) services	Quarterly	60	60	64
Service output prices	Quarterly	90	90	92

- a) The reference period is the time period for which statistical results are collected or calculated and to which, as a result, these values refer. For the STS it is either the month or the quarter.
- b) Deadlines for the transmission of data to Eurostat under the short-term statistics Regulation; for smaller countries, longer deadlines may apply.
- c) Targets set in the Economic and Financial Committee (EFC) *2020 Status Report on information requirements in EMU*.
- d) Days between the end of reference period and dissemination (e.g. news release, data release).

3.3. Revisions of short-term statistics indicators

To meet the short publication deadlines the first results of short-term indicators have to be based on preliminary, estimated and incomplete data. Following the first data release, survey results are revised when late respondents' input has been added. However data can also be revised for a whole range of other reasons, including seasonal adjustment, benchmarking, new and/or improved data sources, and corrections of errors or methodological changes. The revisions are generally rather limited in scale, especially at the aggregated EU level and for the euro area.

In order to assess the quality of the first results of the four short-term statistics indicators published monthly in a news release, changes between first and second publications of monthly growth rates were analysed for 2017, 2018, and 2019.

Table 3 shows, for the euro-area aggregates of the four STS indicators subject to a news release, the average scale of revisions of growth rates between the first and the second publication 1 month later (second column). This is zero or close to zero, which means that upwards and downwards revisions of the growth rates cancel each other out, i.e. there appears to be no significant systematic bias to over or underestimating results.

In absolute terms (third column), the average revisions vary between 0.1 for industrial output prices and 0.4 percentage points for production in construction. The differences across indicators are explained by different compilation and revision methods. While industrial output prices are often not revised at all, production indicators might even be revised several years after their first publication.

Average growth rates (in absolute terms at second publication) are indicated in column 4. The last column shows the relationship between the revision of the growth rate and the growth rate itself (at the time of the second publication). This number describes more accurately the magnitude of the revisions, since it makes a difference whether a revision of x percentage points is applied to a relatively high or a relatively low growth rate.

Table 3: Scale of revision for the four principal short-term statistics indicators, 2017-19 ^{a)}

1	2	3	4	5
	Average revision b)	Average absolute revision c)	Average absolute growth rate	Relative average revision d)
Industrial production	0.0	0.2	0.7	0.2
Industrial output prices (domestic market)	0.0	0.1	0.3	0.2
Production in construction	0.2	0.4	0.9	0.4
Volume of retail trade	0.1	0.2	0.6	0.4

- a) Seasonally adjusted growth rates of indicators for the euro area.
- b) Differences between growth rates at second and first publication, 2017-2019 average.
- c) Absolute differences between growth rates at second and first publication, 2017-2019 average.
- d) Ratio between absolute revision (3rd column) and absolute growth rate at second publication (4th column), 2017-2019 average. Differences are due to rounding errors.

In the first half of 2020, the COVID-19 pandemic posed severe challenges to short-term statistics. As a result of lockdown and other measures, businesses could often not be reached for collecting data. The unprecedented falls and rises in economic activities made estimations more difficult. Extension of tax reporting delays and similar measures to alleviate the burden on businesses reduced the availability of administrative data for statistics. In order to support national statistical authorities, Eurostat organised an online meeting to discuss problems and solutions and provide methodological guidance on issues such as estimations and dealing with missing data. Despite the difficulties, the publication of short-term data was not significantly disrupted and all publication deadlines were met.

Table 4 gives an overview of the revisions of data for the data between March 2020 and June 2020. As can be seen, revisions increased in absolute terms, and a general bias – indicating conservative first estimates when the STS indicators went strongly downwards during the COVID-19 pandemic – can be observed in the first releases, compared to the second one. Relative to the increased absolute rates of changes in indicators, the revision performance even improved during this period.

Table 4: Scale of revision for the four principal short-term statistics indicators March 2020 – June 2020 ^{a)}

1	2	3	4	5
	Average revision ^{b)}	Average absolute revision ^{c)}	Average absolute growth rate	Relative average revision ^{d)}
Industrial production	-0.4	0.4	10.6	0.0
Industrial output prices (domestic market)	-0.2	0.2	1.2	0.1
Production in construction	-1.4	2.4	16.0	0.1
Volume of retail trade	-0.8	1.8	11.0	0.2

- a) Seasonally adjusted growth rates of indicators for the euro area.
- b) Differences between growth rates at second and first publication, March 2020 – June 2020 average.
- c) Absolute differences between growth rates at second and first publication, March 2020 – June 2020 average.
- d) Ratio between absolute revision (3rd column) and absolute growth rate at second publication (4th column), March 2020 – June 2020 average. Differences are due to rounding errors.

3.4. Accessibility, clarity and availability of metadata

In the case of short-term statistics, Eurostat publishes 48 news releases a year, i.e. monthly releases for four principal indicators (industrial production, industrial output prices, production in construction and volume of retail trade). In past years, all news releases were published according to schedule.

All European short-term statistics data are accessible on the Eurostat website; they are free of charge. The section dedicated to short-term statistics¹² provides access to the complete short-term statistics database but also to a number of pre-defined statistical tables. In addition, the dedicated section provides information on the legal basis for short-term statistics and contains

¹² <http://ec.europa.eu/eurostat/web/short-term-business-statistics/overview> (Available only in English, French and German).

numerous methodological publications. Metadata for the EU aggregates as well as national metadata on the various short-term statistics indicators have been recently enriched for quality and performance indicators and can also be accessed via the dedicated section.

Concise articles on all short-term statistics indicators as well as numerous methodological background articles are published in *Statistics Explained*, a wiki-style online platform¹³.

4. CURRENT COSTS TO THE STATISTICAL SYSTEM AND BURDEN ON BUSINESSES

It has proven to be extremely difficult to measure the costs (for statistical systems of collecting, processing and disseminating data) and the burden (on the enterprises providing the data) that arise from short-term statistics. In line with the subsidiarity principle, statistical institutes apply different methods for collecting and producing data. For example, data sources vary: some countries use survey data, others rely on secondary administrative sources and others even combine surveys with administrative data. Survey methods and data collection tools also differ. Consequently, any comparison between Member States of cost and burden estimations should be made with the greatest caution. Moreover, when assessing cost and burden for short-term statistics, the benefits also need to be considered, as these data provide important input for other statistics (especially national accounts).

The data from Member States on the burden of collecting these statistics indicates that on average businesses have to spend around 20 minutes per month to comply with statistical requests for production data (industry and construction), while turnover data are easier to provide (5 to 10 minutes per month), and price data require around 15 minutes per month to provide. These figures are, however, only rough indications, since differences between Member States can vary widely.

5. FUTURE DEVELOPMENTS IN SHORT-TERM STATISTICS

Over the last 20 years, the share of market services (excluding banking and insurance) has increased from 43.0% to 47.6%¹⁴. In order to adequately represent this increased importance of the service sector in short-term statistics, Eurostat, in co-operation with Member States and after thorough consultation of key users, prepared a proposal for a comprehensive enlargement and improvement of the legislative basis for short-term statistics, with the aim of better covering the services sectors.

The new requirements for short-term business statistics are part of Regulation (EU) 2019/2152 and its Commission Implementing Regulation (EU) 2020/1197¹⁵.

In particular, according to Regulation (EU) 2019/2152, a production (volume) indicator for the service industries (excluding financial and public services) will be included in the set of short-term statistics indicators as from January 2021. Moreover, the scope of service industries covered by the different short-term statistics indicators will be extended. The new indicator of services production (ISP) will have a monthly reference period and should be available 60 days after the reference period. In addition to the improved coverage of the

¹³ http://ec.europa.eu/eurostat/statistics-explained/index.php/Short-term_business_statistics (Available only in English).

¹⁴ EU-27, gross added value chain linked volumes, Eurostat, National Accounts, own calculations.

¹⁵ Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics repealing 10 legal acts in the field of business statistics (OJ L 271, 18.8.2020).

service industries, short-term statistics will be streamlined and more harmonised in several other respects, e.g. concerning transmission deadlines, the use of statistical units, and the definition of size classes of countries. All changes will apply starting from reference period January 2021 or first quarter 2021.

The changes will guarantee that short-term statistics continue to fulfil their task of correctly and adequately measuring business cycle developments in a rapidly changing economic environment.

According to Article 25 of Regulation (EU) 2019/2152, the STS Regulation will be repealed with effect from 1 January 2024.