



Brussels, 17 September 2020

ecfin.cef.cpe(2020)5579918

Requirements for structural statistics 2020: overview of progress made

1. Overview

Since 2006, the EPC has annually taken stock of the needs for structural statistics to support the work of the ECOFIN Council¹.

The report gives an overview of progress made over recent years and identifies areas where further efforts are required, in particular:

- The first part of the report (sections 2 and 3) highlights three sets of statistical information that are of key policy relevance: The Macroeconomic Imbalance Procedure (scoreboard and other relevant statistics) and the EU SDG and Europe 2020 indicators. While it is important to continue the work to further develop and improve the data sets for MIP and monitoring EU SDG, which have each reached different levels of maturity, the work on Europe 2020 indicators has been summarised in a final analysis published in autumn 2019.
- The last part of the report (section 4) outlines progress made on other structural data for which continued development and improvement of the underlying statistics is also important.

In terms of priorities, the EPC recommends that main developments aiming at the improvement of structural statistics should be pursued and should relate to the priorities of the European Commission.

The outbreak of COVID-19 during the first quarter of 2020 and the confinement measures implemented in all European countries in response to the pandemic had a major impact on statistical compilation. Official statistics were needed more than ever by European citizens, businesses and policy-makers to monitor and address the pandemic's major economic and social impacts. At the same time, statistical offices could not continue with business as usual, although significant efforts were made to meet the obligations and deadlines imposed by the European legislation.

In this period more attention was paid to short-term statistical information and the European Statistical System (ESS) concentrated its efforts and resources on producing statistics that were most relevant and needed in this situation. National Statistical Institutes (NSIs) of Member States, ensured the continuation of statistical production and dissemination according to established deadlines, following a prioritised list of statistics, which included the PEEIs, selected indicators from the Labour Force Survey, and selected statistics on population, managed migration, agriculture, energy and transport. While the timeliness of data releases was maintained, there were inevitably consequences on data collection and statistical production, which have been clearly communicated to users.

¹ Doc. ECFIN/EPC(2006)51285 final of 22 May 2006

Those consequences included significant difficulties to collect data directly from businesses and outlets as well as households, and from administrative sources due to additional delays. On the face of it, Eurostat in close cooperation with experts from the Member States has developed and communicated widely methodological guidelines on the treatment of non-response and sound imputation techniques. In preparing these guidelines, close cooperation with the ECB and other international organisations (ILO), which is an essential dimension, has been ensured.

During the expected recovery phase from COVID-19 (and even beyond) there is an important need for bringing together relevant monthly and quarterly statistical indicators, including new and innovative indicators, to support policymaking.

2. Statistics for the Macroeconomic Imbalance Procedure

Following the financial and economic crises and the sovereign debt crisis, a number of EU policy initiatives have been launched and implemented over the past years, in particular to enhance economic governance, and some of them with statistical implications. The Macroeconomic Imbalance Procedure (MIP), based on Regulation (EU) No 1174/2011² and Regulation (EU) No 1176/2011³ is a surveillance mechanism that aims to detect, prevent and correct macroeconomic imbalances which emerge or persist in the euro area and the Member States.

The MIP is based on a scoreboard of fourteen macroeconomic and macro-financial indicators defined by the Commission and endorsed by the ECOFIN Council and the European Parliament. The scoreboard indicators cover developments in public and private indebtedness, private sector credit flow, housing prices, net international investment position, current account balances, real effective exchange rates, world export market shares, unit labour costs, unemployment and a set of employment indicators.

The Commission publishes annually at the opening of the European Semester an autumn package containing the Annual Growth Strategy and the Alert Mechanism Report (AMR) based on the MIP Scoreboard. A Statistical Annex, covering the Scoreboard indicators and a set of auxiliary indicators, is produced by Eurostat and published at the same time. Moreover, at the beginning of the following year the Commission publishes the country reports containing in-depth reviews (IDRs) as part of the MIP process, on the base of a whole range of macroeconomic statistics, and taking into account country-specific economic conditions for each Member State. The IDRs allow the Commission to conclude on the possible existence of macroeconomic imbalances and on their severity.

On several occasions, the ECOFIN Council invited the Commission (Eurostat) to take the necessary initiatives to assure a reliable procedure for the compilation of the MIP-relevant indicators as well as a continuous improvement of the underlying statistical information.

² Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area (OJ L 306, 23.11.2011, p. 8–11) <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1407944383247&uri=CELEX:32011R1174>

³ Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25–32) <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1407944142061&uri=CELEX%3A32011R1176>

At the same time, the Council has invited the European Statistical System (ESS) and the European System of Central Banks (ESCB) to work together on improving underlying statistics and to ensure their comparability⁴.

Having timely statistics of the highest quality for the analysis of MIP issues is of utmost importance and maintaining a robust quality assurance framework for MIP relevant data is essential to ensure that the MIP is based on sound and reliable data, comparable between Member States and produced according to high quality standards.

Following the signature in 2016 of a Memorandum of Understanding on the quality assurance of statistics underlying the MIP, Eurostat and the Directorate General Statistics of the ECB regularly implement actions aimed at the improvement of data quality, including the comparison of the relevant data in the Eurostat and ECB databases and their harmonisation, the implementation of the three level quality reporting system, and so far Eurostat together with the ECB/DG Statistics has undertaken eight visits to EU Member States.

The statistics underlying the MIP indicators are based on EU legislation and compiled by the European Statistical System (ESS) and the European System of Central Banks (ESCB). Following the three level approach providing the frame for the work on quality assurance of the MIP indicators, the work performed contained the following actions on:

- Level 1: Preparation of an annual ESS-ESCB quality assessment report on MIP statistics by Eurostat and the ECB aimed at policy makers and the public at large addressing the reliability and comparability of the MIP related statistics and actions to address the most relevant quality issues. In 2020 the level 1 report (sixth report of its kind) was published in July.⁵
- Level 2: The level 2 quality reports of Eurostat and the ECB on Balance of Payments (BoP)/International Investment Position (IIP) have been aligned and follow the basic principles set out in the 'European Statistics Code of Practice' and the 'Public commitment on European statistics by the ESCB'. The reports lay down, in a special section, country specific recommendations for Member States to address notable quality issues. The ECB report also contains a dedicated box focusing on the specific BOP and IIP quality dimensions of relevance for the MIP. The latest aligned reports cover data until reference quarter Q2 of 2019. The ESCB report was published on the ECB website on 15 May 2020, while due to longer consultation process, the Eurostat report was disseminated in July 2020.

For Eurostat, the quality reporting on annual national financial and non-financial accounts follows the Commission implementing Regulation (EU) No 2016/2304, quality reports on Member States' data provided under the ESA 2010 Transmission Programme are now being produced annually⁶. The ECB produces an annual quality report on quarterly financial accounts.⁷

⁴ Council Conclusions of ECOFIN Council meeting, 9 November 2011, 13 November 2012 and 15 November 2013

<http://register.consilium.europa.eu/pdf/en/11/st15/st15781-re02.en11.pdf>

http://ue.eu.int/uedocs/cms_data/docs/pressdata/en/ecofin/133462.pdf

⁵ https://ec.europa.eu/eurostat/documents/16624/0/2020_ESS-ESCB_report.pdf

⁶ Information on quality reporting and assessment is available at: <https://ec.europa.eu/eurostat/web/esa-2010/esa-2010-implementation-and-data-quality>

⁷

<https://www.ecb.europa.eu/pub/euroareafinancialaccounts/html/ecb.eaqfa202005~d801564128.en.html#toc>

- Level 2 quality reports on the Labour Force Survey (LFS) and Housing Price Statistics are regularly produced, with the LFS report recently published⁸. In addition the Commission (DG ECFIN), in its capacity as the compiler of the Real Effective Exchange Rate (REER) indicator, publishes quality information on real effective exchange rate indicators on its website⁹.
- Level 3: Member States prepare condensed country specific self-assessment reports on the quality and statistical processes for statistics underlying the MIP indicators which are easily understandable by users. They provide the basis for assuring the quality of the statistics and their comparability between countries. Member States publish such reports nationally and/or on the website of the CMFB. The information for the statistical domains underlying the MIP are published for all EU Member States, while 26 are covered for housing price statistics. Furthermore, Eurostat shares its BoP national quality reports with the ECB. In the context of the Memorandum of Understanding, the ECB prepares national metadata reports, aiming at providing a succinct assessment on the quality issues of the BoP/IIP data of a particular country, and regularly transmits these reports to Eurostat.
In compliance with Regulation (EC) 184/2005, Eurostat prepares on an annual basis, national quality reports for the EU Member States, covering balance of payments, international investment position, international trade in services and foreign direct investment statistics.

Some ongoing developments in the different statistical domains relevant for the MIP should be noted. Cooperation between Member States, Eurostat and the ECB has been established in the context of the Early Warning System, the GNI pilot exercise on globalisation the so-called Asymmetry Resolution meetings. The former aims at timely detecting relocations and restructuring events of multi-national enterprise groups and ensuring a consistent cross-country and cross-domain treatment. The second analysed 25 multinational enterprises to achieve a reasonable understanding of the reliability of the recording of globalisation issues in GNI data; further work on globalisation will continue. While the latter brings the relevant national compilers together on a quarterly basis to discuss the largest bilateral symmetries in foreign direct investment.

Overall, the EPC welcomes the contributions made by the statistical community, both at national and at EU level, concerning MIP relevant statistics (i.e. the scoreboard and other relevant statistics for the implementation of the MIP). The EPC also stresses the need to support and continue the work to provide reliable and comparable MIP relevant statistics in support of all the stages of the MIP and considers that the statistics included in the scoreboard should be a priority.

The EPC underlines that the procedures ensuring reliability of all MIP indicators should continue to be based on active cooperation among the statistical community.

⁸ <https://ec.europa.eu/eurostat/documents/7870049/10381077/KS-FT-20-001-EN-N.pdf>

⁹ https://ec.europa.eu/info/sites/info/files/file_import/quality_report_en_1.pdf

3. Statistics for EU Sustainable Development Goals (SDG) monitoring and Europe 2020

Eurostat has led the development of a reference indicator framework¹⁰ for the purpose of monitoring progress towards the SDGs in an EU context in close cooperation with other Commission services, Member States' organisations in the European Statistical System (ESS) and civil society. The indicators have been selected taking into account their policy relevance from an EU perspective, availability, country coverage, data freshness and quality. Many of the selected indicators were already used to monitor existing policies, such as the Europe 2020 headline indicators, the set of impact indicators for the Strategic Plan 2016-2020, and the main indicators of the Social Scoreboard for the European Pillar of Social Rights¹¹. A list of the policies and initiatives that were considered can be found in the staff working document 'Key European action supporting the 2030 Agenda and the Sustainable Development'¹². The set is open to annual reviews to incorporate indicators from new data sources and to take into account new EU policy priorities. However, important references such as new impact indicators for the Commission's 2020-2024 strategic plans and indicators related to the European Green Deal or the Zero Pollution Strategy are still under discussion. The set is structured along the 17 SDGs and covers the social, economic, environmental and institutional dimensions of sustainability as represented by the Agenda 2030. Each SDG is covered by five or six main indicators, which have been selected to reflect the SDGs' broad objectives and ambitions.

On the basis of this indicator set, Eurostat publishes an annual series of monitoring reports. The latest edition, "*Sustainable development in the European Union — Monitoring report on progress towards the SDGs in an EU context — 2020 edition*", was published on 22 June 2020¹³. It begins with a synopsis of the EU's overall progress towards the SDGs, followed by a presentation of the policy background at global and EU level and an explanation of the way the SDGs are monitored at EU level. It also contains a brief overview on interlinkages between the SDGs. The detailed monitoring results are presented in 17 chapters, one for each of the 17 SDGs. Progress is evaluated at the aggregated EU-27 level but data for individual Member States are presented whenever available. This publication provides an assessment of indicator trends against SDG-related EU objectives and targets (e.g. for Europe 2020 headline indicators). The assessment method considers whether an indicator has moved towards or away from the sustainable development objective or EU target, as well as the speed of this movement. This assessment is carried out for the long-term (15 years) and short-term (5 years) trend.

In line with the Political Guidelines, the SDGs have also been integrated into the European Semester. The 2020 annual cycle started with the Annual Sustainable Growth Strategy¹⁴, based on promoting competitive sustainability to build an economy that works for people and the planet. The SDGs were also reflected in the European Semester country reports and the Communication¹⁵ accompanying country specific recommendations, which cover the four dimensions of competitive sustainability - stability, fairness, environmental sustainability and competitiveness.

¹⁰ https://ec.europa.eu/eurostat/documents/276524/10369740/SDG_indicator_2020.pdf

¹¹ <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/>

¹² https://ec.europa.eu/europeaid/sites/devco/files/swd-key-european-actions-2030-agenda-sdgs-390-20161122_en.pdf

¹³ <https://ec.europa.eu/eurostat/web/sdi/publications>

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1578392227719&uri=CELEX%3A52019DC0650>

¹⁵ https://ec.europa.eu/info/sites/info/files/2020-european-semester-csr-comm-recommendation-communication_en.pdf

Reflecting these efforts also in the main report, Eurostat has added an additional chapter 18, containing 27 country profile graphics, which show the status and progress towards the SDGs for each Member State.

In October 2019, Eurostat released an updated edition of the annual publication “*Smarter, greener, more Inclusive? – Indicators to support the Europe 2020 strategy*”¹⁶. This publication summarises the work on Europe 2020 indicators and provides statistical support for monitoring the implementation of the Europe 2020 strategy and the progress of the EU and Member States towards the strategy's targets. The publication is structured in five main chapters, each related to one of the headline targets. Each chapter includes links to various European Commission initiatives and reports that support the different headline topics of the Europe 2020 strategy. The publication also includes country profiles that give an overall picture of the situation of the Member States in relation to their national Europe 2020 targets. The analysis is based on the Europe 2020 headline indicators, produced mainly from official statistics of the European Statistical System (ESS) and disseminated by Eurostat.

Eurostat, together with the Indicators sub-group of the Social Protection Committee of the Council, is maintaining the Europe 2020 headline indicators and further developing some of them by providing additional breakdowns of the data, improving the methodology of the indicators and compilation techniques used. For example, in 2019 a new child deprivation indicator was produced and improved inequality indicators were approved. Furthermore the ‘Low work intensity’ indicator is undergoing a revision. Eurostat is further improving the timeliness of social data. A news release on early results of material deprivation indicators for 2018 was published in April 2019, and 15 Member States sent data on poverty or social exclusion for 2018 by 20 June 2019 (the legal deadline being November 2019).

In addition, Eurostat will release the experimental flash estimates on income indicators for 2019 in autumn 2020 (FE 2019). At the same time, it is considered important to provide a preliminary indication of the impact of the current COVID-19 crisis for the income distribution and specific vulnerable groups for the current year.

Work on additional sets of indicators related to Europe 2020 is quite decentralised. Eurostat is involved in the following activities:

- European Innovation Scoreboard¹⁷ (DG GROW)
- Dashboard of indicators on youth¹⁸ (DG EAC)
- Digital Scoreboard¹⁹ (DG CONNECT)
- Communication on Industrial Policy Reinforcing Competitiveness²⁰ (DG GROW)
- Digital Skills Indicator²¹, currently under revision

In addition to monitoring progress in relation to headline targets, a broader set of statistical indicators is used under the Europe 2020 process in view of identifying key economic challenges facing the EU and its Member States, monitoring progress within the strategy and developing country specific recommendations in areas that lag behind.

¹⁶ <http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/publications>

¹⁷ http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards/index_en.htm

¹⁸ <http://ec.europa.eu/eurostat/web/youth/data/eu-dashboard>

¹⁹ <https://ec.europa.eu/digital-single-market/en/policies/scoreboard>

²⁰ COM(2011)642 of 14.10.2011, at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0642>

²¹ <https://ec.europa.eu/digital-single-market/en/news/new-comprehensive-digital-skills-indicator>

4. Progress on underlying structural statistical data

4.1 Cross-cutting issues

Having explored and experimented during 2016-19 the use of new data sources, several sources have been identified with a high potential for being used in European statistics. The European Statistical System now focuses on their implementation in regular production of so called Trusted Smart Statistics. To this end Eurostat – in collaboration with ESS members – is developing for each data source dedicated frameworks to address methodological, technical, organisational, legal and communication aspects in a multi-source and multi-purpose environment. Sources comprise the internet, mobile network operators, smart meters, financial transactions and satellite images.

With a view to leverage ESS capabilities, Eurostat establishes collaborative networks and provides infrastructure. The priority areas in 2019/20 comprise European statistics on online job advertisements and skills, web-enriched EuroGroups information as well as smart surveys on households' budget and time use.

The EPC asks Member States to actively participate in the generation of trusted smart statistics, building capacities and orienting the ESS towards innovation and harnessing the potential of a datafied society.

The EPC also welcomes the work done in the area of review of statistical classifications (notably NACE Rev.2) and encourages Member States for continued engagement in this project.

4.2 European System of National Accounts

National Accounts are fundamental for economic analysis. Within Europe the current 2010 European system of national and regional accounts (ESA 2010) sets out the national accounts standards and the ways in which key economic aggregates are calculated in the EU, in line with the world-wide 2008 SNA methodology. Eurostat's ESA 2010 website²² contains information for stakeholders about national accounts standards: links to the legal documents; various explanatory documents (explanations of methodological changes, explanations of changes in the transmission programme, transmission calendar, etc.); list of frequently asked questions, with Eurostat's replies; links to supporting manuals.

ESA 2010 was first implemented by Member States in 2014, and since then countries have worked to improve their data in line with experience of applying new concepts and data sources. 27 countries obtained temporary derogations covering different parts of the ESA 2010 Transmission Programme, but all derogations expired on 1 January 2020 and complete data sets should now be delivered at the regular transmission deadlines during the year. It is of utmost importance that ESA 2010 is fully implemented by the end of 2020 across countries and sectors, with long consistent time series published.

A mid-term review of the ESA 2010 transmission programme has started in order to implement some technical adjustments (new COICOP classification), clarify some technical aspects of the transmissions (number of tables and composition, voluntary data, metadata) and reflect if some deadlines can be adapted to facilitate cross-table consistency. The work started at the level of technical sub-groups and proposals will be further discussed at directors' level in the course of 2020. The aim is to have a legal proposal adopted at the end of 2021.

²² <http://ec.europa.eu/eurostat/web/esa-2010/overview>

The Commission implementing regulation on the modalities, structure, periodicity and assessment indicators of the quality reports on data transmitted pursuant to Regulation (EU) No 549/2013 (on ESA 2010) was applied to compile first ESA 2010 quality reviews in 2017, and in June 2018, Eurostat produced the first summary report on the quality of ESA 2010 data transmitted in 2016. In December 2019, Eurostat published the third summary report on the quality of ESA 2010 data transmitted in 2018²³. The reports are being implemented in a staged approach in 2017, 2019 and 2021. The first stage (2017 and 2018) included quantitative indicators on completeness, punctuality and consistency, as well as information on published revision policy and documentation on methodology. The second stage in 2019 added indicators on revision rates of quarterly and annual data for selected variables and cross-domain coherence between non-financial and financial accounts.

Eurostat provided practical guidance on good practices for revising ESA 2010 data²⁴ which supported the coordinated benchmark revisions of national accounts carried out by 18 EU Member States in 2019, namely Belgium, Bulgaria, Germany, Estonia, Spain, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom, as well as Norway. More information is available on Eurostat's website²⁵. Eurostat published a handbook on the consistency of ESA 2010 based national accounts²⁶ to help national accounts compilers implement measures to improve the numerical consistency of data. This handbook contains definitions, explanations, recommendations and examples of good practice under ESA 2010. All recommendations aim to ensure that the output of national accounts compilation is numerically consistent across the related accounts and their datasets.

Following up a review of user needs in 2016, the collection of voluntary national accounts data was extended in 2017-2018. In June 2017, Eurostat and the Member States reviewed the progress of data delivery and agreed to voluntarily implement the recommendations of the Data Gaps Initiative (DGI-2) for additional data. The collection of available voluntary data has been enabled by Eurostat, but transmissions of additional voluntary data remain quite limited. Since all timeliness derogations expired in 2020, Eurostat's first regular QNA estimates were for the first time based on datasets from all countries in March 2020, i.e. completed with estimates from Cyprus, Croatia, Ireland, Luxembourg and Malta²⁷. While the timeliness of QNA estimates including preliminary GDP flash estimates after 30 days and GDP and employment flash estimates after 45 days was maintained despite multiple challenges posed by the COVID-19 crisis, the reliability of these estimates could be lower than under normal circumstances. Furthermore, a number of measurement related guidance notes to help compilers of national accounts have been developed, and support required efforts to ensure that cross-comparability of statistical data remains at a high level despite the measurement challenges due to COVID-19. Eurostat is also collecting employment flash test estimates at t+30 days from a number of Member States, in order to monitor the revisions and evaluate if further advancement is possible.

In 2019, the ECB and Eurostat initiated a joint project on vertical discrepancies observed between non-financial and financial sector accounts with a view to developing guidelines on how to tackle them. The guidelines are expected in 2021, while their implementation will be progressive until the 2024 coordinated benchmark revision of national accounts.

²³ <https://ec.europa.eu/eurostat/documents/7870049/9462569/KS-FT-18-012-EN-N.pdf/ff35f9f5-dc67-46ac-96d5-f5757a4c4753>

²⁴ <https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-18-012>

²⁵ <https://ec.europa.eu/eurostat/web/esa-2010/esa-2010-implementation-and-data-quality>

²⁶ <https://ec.europa.eu/eurostat/documents/3859598/10758445/KS-GQ-20-004-EN-N.pdf/d650560e-11c5-f1e4-cb84-953f6c56c7c3>

²⁷ However, Luxembourg publishes estimates still only about 80 days after the end of the quarter.

The globalisation and digitalisation of economies are two phenomena that affect national accounts and business statistics. Eurostat is giving high priority to deal with these issues in cooperation with policy users and international partners, also in view of a future update of the SNA, expected in 2025. This involves work at conceptual level (e.g. how to consistently record multinational enterprise groups (MNE groups) in national statistics of different countries, or how to monitor new digital products or services) as well as on communication (providing the information necessary for users to better understand the national and international economic performance).

Eurostat considers that the better measuring of the impact of globalisation of MNE groups requires the strengthening of the co-operation and data exchange in the European Statistical System. This was supported by the Conclusions of the 2019 DGINS Conference held in Bratislava on the economic globalisation. As regards digitalisation, a number of initiatives are under way to better capture the digital economy (see section 4.5 and 4.6 on Productivity and Business Statistics).

Cooperation at international level in the Inter-Secretariat Working Group on National Accounts and in the UN Expert Group on Business and Trade statistics is also important. As national accounts and business statistics are areas continuously evolving in line with economic changes and new policy and analytical needs, it is essential for Eurostat to express European needs in the context of international discussions on a future SNA/ESA and the related business statistics that will take place in the coming years. Future priorities to be taken forward are: digitalisation, which will impact the economy e.g. with new digital products, and globalisation and MNE restructuring which will have an impact on the European statistics in many areas. Eurostat and the Member States are already working intensively with the international community on these issues. In order to timely deal with restructuring events of MNEs, Eurostat has developed an Early Warning System, that is a collaborative network that allows national correspondents in Member States to coordinate the methodological treatment of MNEs once a restructuring event has impact on statistics of more than one Member State.

The Eurostat Review of National Accounts and Macroeconomic Indicators (EURONA) is an open access, scholarly journal on methodology, standards and practices on National Accounts and macroeconomic indicators, which aims to bring together users, producers and researchers in the field. 12 issues of EURONA have been released up to now and it continues to be widely read.

Eurostat addresses the need for statistics to take account of a wider range of factors when measuring progress in a changing world through strengthening the household perspective and the distributional aspects of income, consumption and wealth, for example by:

a) Promoting national accounts data on household income and consumption

- press releases on quarterly headline figures including *actual final consumption* at t+94 days and *real growth of adjusted disposable income per capita* at t+120 days, as well as publication of annual data for *consumption per capita*;
- Methodological work undertaken by the Eurostat/ECB Expert Group on Sector Accounts, including the recent approval of practical guidance on the recording of self-employment and related income flows in sector accounts.

b) Providing information on the distribution of income, consumption and wealth.

In 2016, the conference of the Directors General of the European National Statistical Institutes (DGINS) was dedicated to households' income consumption and wealth (ICW). The resulting Vienna memorandum (DGINS, 2016) reflected the ESS intentions to work towards distributional statistics for household ICW, including the development of a harmonised ICW statistical framework.

As a consequence, Eurostat has been working on two work streams aimed at strengthening the household perspective by focusing on distributional aspects of income, consumption and wealth:

Since mid-2017, Eurostat is working on a project producing joint distributions of income, consumption and wealth. Based on advanced statistical techniques of data matching using the information available in existing surveys, these data aim at describing the interaction of income, consumption and wealth at household level. The purpose is to shed light on the part of the population, which is most vulnerable to economic shocks, the heterogeneity of saving behaviours between high- and low-income households and the impact of direct and indirect taxation. Since these statistics constitute quite a novelty and rely on strong assumptions, they enter in the scope of experimental statistics: data and methods are presented on a Eurostat webpage²⁸ dedicated to these experimental statistics. Currently, two reference years are available: 2010 and 2015.

Since 2017, Eurostat, the OECD and some Member States have been working together on the reconciliation of national account aggregates and micro-data within a joint expert group (OECD-Eurostat EG DNA). The group aims to develop new statistical products on the distribution of income and consumption consistent with national accounts using micro data sources. At the beginning of 2020, distributional data for households' income and consumption aligned to respective national accounts aggregates were collected from a number of EU and other OECD countries in line with EG DNA methodology and guidelines in a standardised template. In parallel, Eurostat developed a centralised exercise for countries not compiling estimates at national level. It aims to produce distributional results, based on available information (e.g. sector accounts data, EU-SILC and HBS) and simplified assumptions. This involves testing different methods for allocating the micro-macro gap, including a sensitivity analysis on their impact on the results. Eurostat expects to publish countries' estimates of distributional results together with the outcome of the centralised exercise. With the planned publication by the end of 2020, the objectives for micro-macro data reconciliation of the DGINS Vienna Memorandum of 2016 on Statistics on income, consumption and wealth will be achieved and the current EG DNA mandate will be completed.

In the same work stream, the ECB established an expert group on linking micro and macro data on wealth (EG LMM) in 2015. The EG DNA and EG LMM kept a close cooperation, facing similar issues in the compilation process and learning from each other's experiences. The ECB relaunched the group recently as an expert group on distributional financial accounts (EG DFA), with the aim to develop experimental distributional accounts on household wealth by 2022.

The EPC welcomes the progress made on the work related with the European System of National Accounts.

²⁸ <http://ec.europa.eu/eurostat/web/experimental-statistics/income-consumption-and-wealth>

4.3 Government finance statistics

COFOG data

The provisions in the ESA 2010 transmission programme, implemented as from 1 September 2014, imply that the compilation and transmission of COFOG (detailed government expenditure data by function/purpose) level II data are compulsory for general government covering the time period from 2001 onwards (subject to derogations).

All Member States as well as the United Kingdom, Iceland, Norway and Switzerland delivered COFOG level II data under ESA 2010 (end-December 2019 transmission). The first delivery was transmitted within the legal deadline for all countries. COFOG data was provided significantly in advance of the legal deadline by Belgium, Denmark, Luxembourg, the Netherlands, Austria, Slovakia, Sweden, Iceland and Switzerland. While the overall consistency of initially transmitted data continued to improve, the need to implement further technical and methodological corrections to COFOG data continued to be the driving factor behind the high number of retransmissions still observed. All country data as well as EU and EA aggregates were validated and disseminated in Eurostat's public database by 21 February 2020. The publication of COFOG data was accompanied by a news release, an online publication on COFOG²⁹ and a Eurostat infographic designed for general users on 27 February 2020³⁰. Compared to previous years, a significant improvement in the timeliness of the dissemination to users is visible.

While the coverage of COFOG level I data is satisfactory in general, in particular Iceland is encouraged to step up efforts to develop or revise data for years not covered by derogations. ESA 2010 based derogations expire in 2020, so that progress in data availability is expected by the end of 2020. In some cases, delivering on full data requirements is expected to require significant resource input. As regards COFOG level II data, all Member States as well as the United Kingdom, Iceland, Norway and Switzerland sent a complete dataset for at least seven years, with all EU Member States having provided a complete set of COFOG level II data for at least fifteen years. At subsector level, 25 EU Member States, the United Kingdom, Norway and Switzerland provided complete detailed COFOG level II data for at least seven years on a voluntary basis. Overall, data availability has improved significantly compared to the first ESA 2010 based transmission at the end of December 2014.

An update of the COFOG manual was published on 25 September 2019. As regards the treatment of own-account R&D assets in consumption of fixed capital, discussions during 2018 and 2019 in the OECD-Eurostat TF on land and other non-financial assets and the COFOG and GFS TF led to concrete guidance on treatment to be included in the updated COFOG manual. Additionally, discussions in the COFOG and GFS TF have led to guidance on the treatment of non-financial transactions within the general government sector, which contributes to harmonising the levels of total revenue and total expenditure reported. Along with necessary updates of country pages describing compilation practices and a cross-classification of ESA transactions and COFOG groups, it includes 17 new case studies as well as newly developed guidance on interest and financial intermediation services indirectly measured and disposals of non-financial assets. Aside from the expected improved harmonisation of the COFOG allocation, an improvement in the harmonisation of measures of total expenditure and total revenue as well as certain other national accounts aggregates is expected in the medium term. This reflects the developmental work of the COFOG TF in recent years.

²⁹ http://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_by_function

³⁰ <http://ec.europa.eu/eurostat/cache/infographs/cofog/>

As regards the quality of the data, further progress will be required on the allocation of R&D expenditure by detailed function. More generally, while overall consistency was assured for all countries at validation, further progress is needed in certain areas such as unexpected negative amounts, allocation of social transfers and subsidies, certain transactions in 'public debt transactions', individual and collective consumption expenditure, consistency of allocation over time and use of some smaller COFOG groups. It should be acknowledged that significant progress on data quality was made by countries which implemented benchmark revisions in national accounts in 2019. Given that a number of countries plan benchmark revisions in 2020, further progress is expected to be made in this context.

Structure of government debt/ voluntary data transmissions

In response to key user needs', Eurostat annually collects detail on the structure of government debt, covering – among others – government debt by sector of debt holder, by detailed initial and remaining maturity as well as by currency of issuance. The coverage supplied by Member States as well as the United Kingdom and Norway has gradually expanded since 2014.

From 2015 onwards, Eurostat has collected additional voluntary data on general government gross debt, quarterly financial accounts and annual non-financial accounts. All EU Member States as well as the United Kingdom and Norway now provide additional detail on non-financial transactions. Notably, data on transactions with the EU needed in the context of the Stability and Growth Pact is provided by all EU Member States.

Review of the ESA 2010 transmission programme

As indicated in section 4.2, the ESA 2010 transmission programme is currently under review. In this context, a number of changes are proposed in relation to government finance statistics in order to better meet user needs. Notably, it is proposed to formally integrate existing voluntary collection to the transmission programme (as voluntary data).

The ESA 2010 regulation COFOG data is used by a high number of policy DGs, inter alia in the context of the European Semester. Due to the transmission deadline for COFOG data at t+12 months after the end of the reference period and the subsequent time necessary for validation and publication of the data, the COFOG transmission cycle is not optimally aligned with the needs of the European Semester. An earlier transmission (by 1-3 months) would enable the use of the freshest COFOG data in the context of the European Semester and would also lead to a quicker alignment of relevant national accounts aggregates to the COFOG data. However, some compilers have already indicated that meeting an earlier transmission deadline would have significant resource impacts, or could reduce the quality of the data, especially for the most recent years.

Contingent liabilities and non-performing loans

In the context of the last financial crisis, the importance of access to reliable data on public corporations has become evident, notably where difficulties in public corporations have impacted on government finances.

In 2012, Eurostat introduced an annual questionnaire on government controlled units classified outside the government sector, which covers non-financial and financial corporations and Rest of World (ROW). This questionnaire is compulsory and covers annual data, including total liabilities of corporations as well as the market/non-market performances of the companies having total liabilities exceeding 0.01% of GDP. The timeliness of the data transmission is each year at t+12 months after the end of the reference period.

In addition and as a direct result of the Eurostat-organised Task Force on the implications of Council Directive 85/2011 on requirements for budgetary frameworks of the Member States, on 22 July 2013, Eurostat issued a decision on a “supplement on contingent liabilities and potential obligations to the EDP questionnaire”.

This provides for the compulsory provision of a supplement to the EDP questionnaire covering total outstanding liabilities related to public-private partnerships (PPPs) recorded off-balance sheet of general government; non-performing loans of general government (government assets); total stock of government guarantees, including government guarantees provided to public corporations, split by sub-sector of general government.

Data have been provided annually by the Member States to Eurostat since 2014 and have been published on Eurostat's website, together with a special news release. Eurostat has also created a special section for data on contingent liabilities on its website.

Work on quality and methodology in the context of Excessive Deficit Procedure Statistics and government finance statistics

In 2019, Eurostat published updates to the manuals on Government Deficit and Debt and COFOG.

In order to support transparency, and following the establishment of procedures to publish outcomes of the methodological work of the GFS TF, Eurostat proceeded with the publication of the first two GFS interpretation in 2019 and is set to expand the number during 2020.

The EPC welcomes the progress made on the work related with government finance statistics in terms of efforts to increase data availability and accuracy.

4.4. Demographic statistics and population projections

In accordance with the May 2018 mandate from the ECOFIN Council and the 2019 procedure for the production of population projections, Eurostat released the round EUROPOP 2019 in April 2020, meeting the deadline agreed with the Ageing Working Group. The release was preceded by a consultation of National Statistical Institutes.

The projections cover the period 2019 – 2100 and are accompanied by extensive methodological information. The new round also presents important methodological developments in migration modelling, along the lines suggested by the EPC communication to Eurostat on 15 November 2019. The methodology and results of EUROPOP 2019 were presented to the Ageing Working Group in May 2020 and the data will serve as demographic input to the Ageing Report 2021.

As with previous Ageing Report vintages, Eurostat will also produce additional sets of projections with different hypothesis regarding fertility, mortality and net migration, such as regional population projections. The parameters of these sensitivity tests are set by the Ageing Working Group.

National population projections were published early 2020. They were largely used, in particular, in the context of the Report on the Impact of Demographic Change adopted on 17 June 2020 and showed the future increased ageing of the EU population, with population aged 80 and more increasing the most and the shrinking of the working age population. The report underlined the importance of its regional aspect with need to identify the regions particularly challenged by the changing demographic structure. Therefore, Eurostat engaged into producing in the next months, regional population projections that can be used in a variety of contexts, including the future Green Paper on ageing and the long-term vision for rural area report. These regional projections will be consistent with the national projections and will detail the situation at regional level, allowing taking into account the territorial diversity.

The ageing population and the impact of the COVID-19 pandemic render more important to have improved data on long term care, in particular for the elderly. Several dimensions have to be taken into account: the expenditure side, public and private, the affordability, the unpaid work it involves or the number of persons and characteristics of persons concerned. The health cost aspect should be better complemented by the social dimension of accommodations and non-health services in cash or in kind rendered to the beneficiaries. Therefore Eurostat will intensify its activities in order to describe better the long term care situation.

The EPC welcomes the preparation of regional population projections by Eurostat in the context of ageing population and territorial diversity and asks Eurostat and the Member States to intensify the coverage of long term care, in a context of public finance, aging population and affordability, in terms of health and social expenditure, public or private, and in terms of beneficiaries.

4.5 Productivity

Eurostat continued its work on Growth and Productivity Accounts (GPA) in 2019-2020. The current, final phase of the GPA project concentrates on improving the dissemination of productivity indicators based on official statistics, notably data transmitted in relation to the ESA transmission programme. The project will conclude in 2021 and has four main areas of work: i) the extension of publication of labour productivity indicators (LPI) on the basis of existing national accounts' main aggregates and regional accounts data, including quality-adjusted labour input (QALI) indicators; ii) the production and publication of capital productivity indicators (CAPI) based on existing national accounts' main aggregates data and multi-factor productivity indicators (MFP); iii) a feasibility study of LPI, including QALI, for the digital economy; and iv) the promotion of productivity indicators and awareness rising regarding their importance and relevance.

Eurostat is cooperating with the Joint Research Centre for the LPI (currently on digital QALI and on quality of available data) and with an external company (WIIW) for the CAPI and MFP.

A Task Force on Productivity Indicators (TF-PI) was established by the DMES in December 2018. TF-PI provides a forum for an enhanced ESS cooperation in the area of Productivity and Growth Accounts. This TF met in April 2018 and in November 2019. It has around 30 members and brings together 16 Member States. Its main goal is to improve Eurostat and national publications of productivity indicators and productivity measures in line with the statistical recommendations by making available new indicators and improving the quality of the existing ones.

Regarding LPI, in November 2019, Eurostat up-dated the experimental statistics on Quality-Adjusted Labour input (QALI) with 2016-2018 data. The indicator has been developed in cooperation with the European Commission's Joint Research Centre (JRC) by combining national accounts data with micro data (LFS and SES/SILC surveys) to compile a labour indicator with adjustments based on age and/or skill groups.

In the context of the project, Eurostat also launched a call for proposals for grants in the area of Growth and Productivity Accounts in summer 2019. The call includes five working packages of which three are mandatory (Development and improvement of LPI, Development and improvement of CAPI and Cooperation, networking and promotion of productivity indicators) and 2 are voluntary (Development of QALI and Development and improvement of MFP and other productivity measures). Applications were received from 10 countries: Czechia, Denmark, Germany, Italy, Latvia, Netherlands, Portugal, Slovakia, Slovenia, and Finland.

Besides the tasks of the TF-PI and in order to help Member States computing capital indicators, Eurostat organised a seminar on non-financial assets in February 2020. The scope of the seminar was mainly to discuss the ESA 2010 framework for reporting data and metadata for tables 20, 22 and 26 and to share experience and best practices.

In August 2019, a questionnaire was sent to Member States to collect metadata on capital stocks indicators and results are currently analysed by Eurostat.

Cooperation between National Statistical Institutes and national productivity boards has been established in several Member States and is expanding. This is important to steer the priorities of the statistical work. Eurostat presented the GPA project at the Workshop for the national productivity boards in Brussels on 14 November 2019. It is also planned to inform the LIME group on the project's progress in autumn 2020.

The EPC welcomes the progress made, asks Member States to continue to support the compilation of productivity and competitiveness indicators, and acknowledges the steps undertaken at national and EU levels to strengthen the cooperation between the National Statistical Institutes and the national productivity boards.

4.6 Business and international trade statistics

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 (EBS basic act) was adopted on 27 November 2019. The EBS Regulation will create more integrated business statistics with a further alignment of concepts and definitions in the various business statistics. In addition, it will introduce new data requirements at monthly frequency to further support policy needs.

For the first implementation of the EBS Basic Act, a series of 10 acts need to be adopted. The first implementing act laying down technical specifications and arrangements Commission Implementing Regulation (EU) 2020/1197 (or EBS General Implementing Act (GIA)) was adopted by the Commission on 30 July 2020 and published in the Official Journal on 18 August 2020. In addition, Implementing Regulation (EU) 2020/1030 laying down the data requirements for the topic "ICT-usage and e-commerce" for the reference year 2021 was adopted on 15 July 2020. First data under the EBS Regulation is expected for reference periods starting from 1 January 2021 onwards.

The EBS Regulation also regulates the production of national statistical business registers and of the EuroGroups Register (EGR) and strengthens their essential infrastructure role as authoritative sources for business statistics. The EGR is produced on the basis of an ESS and EFTA NSI's exchange and output of confidential micro data of Multinational Enterprise (MNE) groups to be used for the production of business statistics (in particular related to globalisation). In 2020, the final EGR output was made available to the producers of Foreign Affiliates Statistics and other business and globalisation statistics producers. This output contains information on around 140 thousand MNE groups active in Europe comprising 777 thousand enterprises and approximately 1.2 million legal units.

In the context of Structural Business Statistics (SBS), since several years, Member States together with Eurostat have been working towards an improved methodology on how to better capture the real number of small and medium sized enterprises (SMEs) and their contribution to the economy. SBS is a base for extracting performance indicators on SMEs. From 2020, the Structural Business Statistics will be able to provide a more accurate number of SMEs, focusing on genuine SMEs by taking into account an enterprise group structure. This will allow better targeted SME policies and improved assessment of the policy impact.

Looking at the economy from the regional point of view, SMEs contribute to local economies by promoting growth and innovation in local communities. In this context, business demography statistics are particularly relevant in providing data on business start-ups and closures as well as for high growth enterprises, based on regional breakdowns that will become mandatory with EBS entering into force.

The rapidly emerging new possibilities of micro data linking methodology will considerably enrich the SME related database in novel areas such as trade, business characteristics and performance indicators. This would bring together completely new possibilities of expanding the economic analysis of SMEs.

Furthermore, in the area of business demography statistics, the major improvement was made towards the collection of registrations and bankruptcies of businesses indicators, which will take place at higher frequencies than in the past (i.e. quarterly).

In addition, the current development project on high growth enterprises and scale-ups largely reflects the policy needs of the key DGs dealing with enterprise policy. The project aims at broadening the scope and measurement of high growth to micro enterprises which are currently not covered by data production. In addition, the project will assess the sustainability of growth after the high growth period. Finally, enterprises showing the best potential for scaling up their business will be analysed.

The Global value chains survey (international sourcing survey) will be regulated, for the first time, in the EBS.

The ESS is also working on the full implementation of the statistical unit "enterprise". Given its significant impact on European business statistics, the harmonised definition of the "enterprise" across statistical domains, sectors and countries will increase the quality of the ESS business statistics output. Member States will fully implement by reference year 2021 at the latest.

Furthermore, Eurostat continues to co-finance Member States for "profiling" global MNE groups, ensuring that the results of this group profiling activity is taken into consideration in the EGR.

In the context of foreign direct investment statistics and in close cooperation with the ECB, Eurostat continued piloting the development of statistics on "Ultimate Investing Country", "Ultimate Host Country" and "Greenfield investment".

International trade in services by modes of supply are an important element of trade negotiations. Eurostat has developed a methodology and used it to produce a pilot dataset, including estimates for EU Member States. Eurostat continues work to further develop the methodology in cooperation with several EU Member States. The second area of international trade in services relates to the services trade by enterprise characteristics (STEC). In this area the methodology was developed ([Eurostat-OECD Compilers Guide for statistics on Services Trade by Enterprise Characteristics \(STEC\)](#)) and data are already available for 15 EU Member States. The collection of international trade in services by modes of supply and STEC will become mandatory under the provisions of the EBS General Implementing Act (GIA).

Eurostat provides data for monitoring the use of information and communication technologies (ICT) and e-commerce in the business and household sectors in the context of implementation of the Digital Single Market. At the same time there is a need to further progress on measuring the digital economy. Eurostat continued developing, producing and publishing statistics in the area of the digital economy and society. Both ICT surveys are updated on annual basis. Data are needed for developing and monitoring the EU policy initiatives in the digital area, looking at the use of ICT in households, by individuals and enterprises.

Data disseminated cover a whole range of topics, such as digital connectivity, e-commerce, e-government, robotics, cloud computing, big data analysis, cybersecurity, artificial intelligence, Internet of Things and digital skills.

E-commerce is flourishing, affecting trade patterns and the way businesses operate. Many of the developments in the past decade are due to the rise of the platform economy. For example, the collaborative economy has expanded rapidly in recent years because platforms can provide efficient intermediation between consumers and service providers, e.g., for short term accommodation, transport services, and other task based work. This has led to a number of policy questions related to consumer protection, competition, and a more flexible labour market with new types of work. In order to address such questions, there is a need to better measure the size of the platform intermediation and their economic impact. Eurostat is currently working on setting up voluntary partnerships with a limited number of platforms to develop the instruments for accessing policy relevant data held by platforms. While many platforms understand the need to collaborate with statistical authorities, they also express concerns about the nature of a voluntary data collection since it is essential to create a level playing field for the platforms. Clear rules are needed to ensure effective and sustainable access. Hence, it is likely that the first pilot projects will need to be followed up by further measures of a more binding nature, and possibly extend statistical access to privately held data³¹.

The EPC calls upon Member States to support these developments with a view to upgrade the quality of the ESS business statistics and cross-border information, thus better capturing globalisation phenomena. The EPC welcomes the progress towards improving compliance when reporting on enterprises. In doing so, the EPC stresses the importance to maintain the consistency of business statistics with national accounts, where relevant, as well as feasibility and cost-effectiveness of the proposed developments. In addition, the EPC recommends to continue working towards the collection of data via platforms since that could reduce the need to additional surveys on SMEs and micro enterprises as well as generating more policy relevant information on the role of platforms in the digital economy.

In the globalisation context the EPC supports the integration of new data requirements on international trade in services in the implementing act of EBS, in particular for the modes of supply (MoS) and by enterprise characteristics (STEC). Beyond their analytical value, both elements provide important input to the free trade agreement negotiation by the EU. On the technical side, STEC will be used as an input in the area of global input-output tables.

In line with the ECOFIN Council's recommendations³² to substantially reduce the response burden on enterprises by redeveloping intra-EU trade in goods statistics while maintaining a sound level of quality, international trade in goods statistics (ITGS) have been in the spotlight of modernisation activities over the last years.

In order to address this challenge and based on the outcome of two complementary ESS.VIP projects (SIMSTAT and REDESIGN), both successfully completed in 2016, the ESSC provided in May 2016 a strategic orientation on the key elements of the modernised intra-EU trade in goods statistics. Subsequent work focussed, on the one hand, on incorporating these key elements in the regulation on EBS. In this respect, a key novelty relates to the exchange of micro-data between EU Member States.

³¹ See *Position paper on access to privately held data which are of public interest*, by European Statistical system, Nov 2017

³² Economic and Financial Affairs Council meeting of 30 November 2011 and of 13 November 2012

On the other hand, with a view to the deployment and implementation of the strategic orientation given by the ESSC, a further strand of work was carried out under a four-year project 'Modernisation of the system of compiling intra-EU trade in goods statistics' (in short, 'Intrastat Modernisation'), spanning the period from 2017 to 2020.

In 2019-2020, work within Intrastat Modernisation prioritised the themes:

- Legislation: finalisation of the ITGS-relevant legal provisions to be integrated into the EBS General Implementing Act (GIA), adopted by the Commission on 30 July 2020,
- Micro-data exchange: launching of an IT system for micro-data exchange, allowing Member States to test both the statistical and the IT aspects of micro-data exchange,
- Confidentiality: working in the direction of harmonising confidentiality practices in order to enhance the use of exchanged data,
- Security: continuation of putting in place the measures required by the ESS security framework.

In 2019 work on extra-EU trade in goods statistics ('Extrastat') also focused on the preparation of legal provisions for EBS General Implementing Act and Delegated Act (GIA and DA). In 2020, work on the exchange of customs data between the Member States was started. This work aims at improving the quality of extra-EU trade in goods statistics by enabling the use of customs data lodged in another Member State in the compilation of Extrastat.

The EPC welcomes the work, accomplished successfully thanks to the collaborative work between Eurostat and the Member States. The EPC calls upon the ESS to maintain its commitment in deploying and implementing modernised intra-EU trade in goods statistics.

4.7 Agricultural statistics

The regulation on Integrated Farm Statistics (IFS)³³ establishes a framework for European statistics based on farm-level data by integrating core information on the farm manager, the land and the livestock with related specific issues by means of a flexible system of modules. It provides the legal basis for the 2020 agricultural census and for two sample data collections in 2023 and 2026, and it constitutes an essential backbone and basis for other agricultural statistics, especially a sampling basis. The agricultural census 2020 under the IFS is in progress in most countries. In some of them the COVID-19 pandemic has delayed preparations. The results are expected to be available in 2022. .

IFS is the first step of the Strategy for Agricultural Statistics for 2020 and beyond, a major programme for the modernisation of European Union agricultural statistics undertaken by the European Commission in close cooperation with Member States. The strategy addresses the data needs for the Common Agricultural Policy (CAP), for the new Farm to Fork strategy under the European Green Deal and for agricultural aspects of environmental and health related policies.

The second framework regulation on Statistics of Agricultural Input and Output (SAIO) is in preparation with a view to integrate and harmonise the currently separate collections of aggregated data on agricultural production (crops and animals) including organic farming, agricultural price statistics and plant protection product and nutrient statistics, as well as to cover new data needs, for example on grasslands. The Commission proposal is expected to be adopted in late 2020 or early 2021.

³³ Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011

Before the legal base is in place, formal ESS agreements have been put in place to bridge the period from now to the entry into force of SAIO.

The third part of the Strategy for Agricultural Statistics for 2020 and beyond is the modernisation of the Economic Accounts for Agriculture. Regional economic accounts for agriculture are planned to be included in the Regulation through an amending regulation. The Commission proposal is expected to be adopted in late 2020 or early 2021.

The EPC welcomes the objectives of the Strategy for Agricultural Statistics for 2020 and beyond and the progress made towards its implementation.

4.8 Fisheries statistics

In late 2019 the Regulatory Fitness and Performance Programme (REFIT) evaluation on European fisheries statistics covering catch, landing and aquaculture statistics was finalised. It is part of the project 'Streamlining and simplification of European Fisheries Statistics'. It is followed by an impact assessment of the future options, launched in early 2020.

The aim is to streamline fisheries statistics under a new regulation so that they bring a substantial added value as European Statistics in the complex data architecture necessary for the management and monitoring of fisheries under the Common Fisheries Policy.

The EPC welcomes the project 'Streamlining and simplification of European Fisheries Statistics'.

4.9 Energy statistics

Energy statistics support the Energy Union, the main policy instrument to deliver the transformations required to decarbonise our energy system. The energy data collected and published by Eurostat provides valuable information on the structure of the energy systems across the EU, serve as a reference for the design and monitoring of energy policies at European and international level (and as input into the modelling tools used), and most importantly, allows monitoring of major EU and national energy policies and targets.

Prominent indicators for monitoring the Europe 2020 and Europe 2030 policy targets are:

- Share of renewable energy in gross inland energy consumption and in gross final energy consumption, overall and by sector (transport, electricity, heating and cooling), and
- Energy efficiency – primary energy consumption and distance to target, final energy consumption and distance to target

Furthermore, energy statistics provide for additional indicators important for policymaking purposes, such as energy dependence (imports and exports of primary energy carriers and derived fuels, diversification of suppliers, energy flows), energy security (monthly oil and petroleum products stocks and monitoring of the Oil Stockholding obligations, annual and monthly natural gas stocks), energy intensity (energy intensity of GDP in chain-linked volumes (2010) and in purchasing power standards (PPS)), transparency of the energy market (natural gas and electricity end-user prices for households and non-households, disaggregated price data (energy and supply, network cost, taxes and levies)), energy infrastructure (electricity generation capacities, nuclear energy facilities, biofuel production capacities, solar collectors' surface and -for the first time in 2018- oil refinery capacities), and more.

In line with the “Energy Union and climate” priority of the European Commission energy statistics focussed on improving granularity and timeliness of energy statistics. The latest amendment of the Energy Statistics Regulation³⁴ covers methodology and statistical scope, responding to enhanced needs for

- More detailed data on final energy consumption in industry, especially to better capture and monitor the evolution of energy efficiency;
- More timely and complete monthly energy data (on electricity and coal) and the need to simplify the data collection processes;
- Streamlining data collection processes within the European Commission and increasing harmonisation of statistical data and reporting methodologies across Member States – this concerns in particular the implementation in the Regulation of the legal requirements referring to the Crude Oil Imports Register³⁵;

Other areas currently under development are:

- Further disaggregation of final energy consumption in transport and in services (Task Forces dedicated to these two sectors have been set up – work is ongoing).
- Early estimates of energy balances (first data disseminated in 2018 - voluntary data collections continue in 2020)
- Early estimates of energy indicators for the Europe 2020/2030 targets.

In addition, Eurostat, in collaboration with Member States, made a first assessment of possible energy data needs related to the Energy Union legal framework and selected 10 high priority elements. In particular, Member States identified the following data needs as high priority for future developments in official energy statistics:

1. Data on electricity and heat production by sector (to identify explicitly e.g. production of renewable energy in each sector, including decentralised production in households)
2. Detailed breakdown of solid biofuels data included in Annex IX of the Regulation on the governance of the Energy Union
3. Data on the use of renewable energy for cooling purposes
4. Monitoring of non-energy use of certain renewable fuels (e.g. bio-bitumen, bio-lubricants, etc.)
5. Monitoring of transformation processes involving renewables (e.g. renewable electricity to produce hydrogen or e-fuels)
6. Incorporation of new fuels in energy statistics as soon as they become relevant (e.g. hydrogen, synthetic liquid and gaseous fuels, etc.)
7. Data on energy storage (e.g. large-scale batteries)
8. Full disaggregation in annual data of ambient heat captured by heat pumps
9. Dissemination of efficiencies of energy production and transformation processes
10. Methodological developments, e.g. discussions on a clear definition of building (for energy statistics purposes), which should be compatible with other EU legal texts

³⁴ Commission Regulation (EU) 2019/2146 of 26 November 2019 amending Regulation (EC) No 1099/2008 of the European Parliament and of the Council on energy statistics, as regards the implementation of updates for the annual, monthly and short-term monthly energy statistics, OJ L 325, 16.12.2019, p. 43–98.

³⁵ Currently covered by [Council Regulation \(EC\) No 2964/95 of 20 December 1995 introducing registration for crude oil imports and deliveries in the Community](#), under the responsibility of DG Energy.

This list is not exhaustive and is open to include new elements following the assessment of the final National Energy and Climate Plans (NECPs) and developments related to the European Green Deal and other high-priority policy discussions.

The scope of Eurostat's energy statistics also now include the Energy Community (EnC) Contracting Parties. In total, annual energy statistics are now reported and disseminated in a harmonised way for 40 countries. Furthermore, the cooperation with the EnC Contracting Parties was extended to also cover the reporting of monthly data in the field of energy statistics, starting from oil and natural gas. To this end, Eurostat released in April 2018 a reworked monthly oil & natural gas questionnaire to include EnC (common reporting tool with the IEA).

To make the complex processes of energy more understandable for data users, Eurostat created a set of interactive dissemination tools³⁶. The first Eurostat digital publication³⁷ “Shedding light on energy in the EU” was updated in 2020, and the interactive energy flow chart diagrams³⁸ (Sankey diagrams) upgraded and complemented with an interactive tool³⁹ for energy prices. An additional tool to display imports and exports of energy commodities is almost finalised and a new tool displaying a dashboard with the main energy indicators is well advanced.

The EPC welcomes the progress made on energy statistics.

4.10 Environmental Economic Accounts

Environmental economic accounts analyse the links between the environment and the economy by organising the environmental information in a way that is consistent with the accounting principles of national accounts. Environmental economic accounts can be used, for example, to identify: efficiency and productivity in use of natural resources and energy (carbon, materials, water, etc.); how circular is our economy; estimate environmental footprints; which are the most polluting activities or the ones that most deplete natural resources; what is the role of government and households; how expensive it is to protect the environment and who pays for it; growth and jobs in the environmental economy.

The environmental economic accounts methodology is based on the system of integrated environmental and economic accounting (SEEA 2012), published by the United Nations, the European Commission, the International Monetary Fund, the OECD and the World Bank.

Regulation (EU) No 691/2011 on *European environmental economic accounts*, consists of six accounts or modules: air emission accounts, economy-wide material flow accounts, environmental taxes, environmental goods and services sector accounts, environmental protection expenditure accounts and physical energy flow accounts. In addition to those mandatory data collections, Eurostat runs voluntary annual data collections on *forest accounts* and *environmental subsidies and similar transfers*.

Eurostat maintains a set of handbooks providing guidance. The most recent updates were the handbooks on *economy-wide material flow accounts* (EW-MFA) in 2018, the *environmental protection expenditure accounts* (EPEA) in 2017 and *environmental goods and services sector* (EGSS) in 2016. Eurostat makes available for national compilers an IT tool ('PEFA-Builder') which populates the energy accounts questionnaire from existing energy statistics. This software is regularly updated and improved.

³⁶ <https://ec.europa.eu/eurostat/web/energy/overview> under section ‘Highlights’.

³⁷ <http://ec.europa.eu/eurostat/cache/infographs/energy/>

³⁸ <http://ec.europa.eu/eurostat/web/energy/energy-flow-diagrams>

³⁹ <http://ec.europa.eu/eurostat/cache/energy/prices/enprices.html>

Environmentally extended Supply-Use and Input-Output tables are regularly produced to investigate the 'consumer perspective' of global climate change, air pollution and material use, which provide footprint type indicators. Eurostat continues to publish annually estimates of air emissions footprints, energy footprints and material footprints for the EU.

Since 2018 Eurostat maintains the Commission monitoring framework for the circular economy⁴⁰, which consists of 10 indicators, some of which are broken down in sub-indicators, covering production and consumption, waste management, secondary raw materials and competitiveness and innovation. In March 2020 Eurostat published an online interactive Sankey diagram of material flows. Eurostat also maintains a resource efficiency scoreboard⁴¹ with 32 indicators on its website.

Eurostat promotes the use of official statistics for climate change information purposes with several activities. Eurostat is member of the Conference of European Statisticians (CES) steering group and task force supporting the implementation of the CES Recommendations on climate change related statistics. Eurostat also participates in the task force focused on measuring extreme events and disasters and the role of official statistics in providing data and support in this domain.

Eurostat is exploring how the environmental economic accounts can better serve the data needs for the European Green Deal. The Green Deal is the new Commission sustainable and inclusive growth strategy and it is increasing significantly the demand for data. In this context, Eurostat and the Member States are discussing a possible update of the legal basis for European environmental economic accounts.

The European Court of Auditors published in October 2019 the special report 2019/16 'European environmental economic accounts: usefulness for policymakers can be improved'. The report makes recommendations, which the Commission (Eurostat and other DGs) accepted. Work to implement them has already started.

The EPC welcomes the progress in the area of environmental economic accounts and wishes to participate in the discussion on the European Green Deal.

4.11 Transport statistics

The challenges for the transport sector in the EU include creating a well-functioning single European transport area, connecting Europe with modern, multi-modal and safe transport infrastructure networks, and shifting towards sustainable and low-emission mobility.

Sustainable transportation can enhance economic growth and improve accessibility while respecting the environment, improving resilience of cities, urban-rural linkages and productivity of rural areas. Sustainable mobility necessitates the combination of various modes of transport in an optimal way, technical innovations and a move towards the least polluting and most energy efficient modes, especially in the case of long distance and urban travel.

Eurostat constantly supports the EU policies through statistics for five transport modes: road, rail, aviation, maritime and inland waterways. Statistics collected under Commission regulations are complemented by voluntary data collections and results of statistical projects.

⁴⁰ <http://ec.europa.eu/eurostat/web/circular-economy>

⁴¹ <http://ec.europa.eu/eurostat/web/europe-2020-indicators/resource-efficient-europe>

In cooperation with DG MOVE and aiming at reducing the administrative burden for the countries and increasing the efficiency by avoiding the duplication of work, the maritime transport statistics directive (EC) 2009/42 has been listed as one of the reporting obligations in the annex to the regulation on the European Maritime Single Window environment. Regulation 2019/1239/EU on the European Maritime Single Window environment entered into force in August 2019. The full application of this regulation is set in 6 years from the date of the entry into force.

Passenger mobility in urban areas, via the different means of transport, is a significant and newly developed field of statistics. In 2020, Eurostat published the first set of data on passenger mobility. This data reflects the effort of the countries in the last 5 years when Eurostat was co-funding the collection of data on passenger mobility. The increased usage of light utility vehicles, especially in urban areas, has led Eurostat to plan the development of relevant statistics. In March 2020, Eurostat and the Member States had their latest meeting on methodological elements of a potential data collection on light utility vehicles. Road transport statistics are complemented by voluntary data on road traffic collected via a joint questionnaire from Eurostat/UNECE/ITF (International Transport Forum) and an Odometer Reading questionnaire.

Inland waterways is an efficient and less polluting mode of transport. In this context, Eurostat and the Member States are currently investigating the feasibility of a future data collection on passenger transport by inland waterways. In December 2020, the Commission will submit a report to the European Parliament and to the Council regarding the outcome of the current investigation.

Delivery services aim to use drone technology for delivering goods to consumers. Drone delivery may prove faster and more environmentally friendly than ground delivery but will also have an impact on local air traffic. The EU is paving the way to establish a drone service market. In cooperation with the European Union Aviation Safety Agency and DG MOVE, Eurostat will investigate the possibilities for providing official statistics on this new mode of transport.

The EPC welcomes the work accomplished successfully thanks to the collaborative work between Eurostat and the Member States, and calls upon the ESS to maintain its commitment to transport statistics.

4.12 Real estate statistics

Among the statistical gaps highlighted by the financial and economic crisis, real estate price and volume statistics have been considered among the areas to be urgently developed to provide appropriate indicators for both residential and commercial property prices and for additional building short-term volume indicators.

Particular attention has been devoted to developing internationally comparable house price indices and statistics on house sales. House Price Indices (HPIs) and Owner-Occupied Housing Price Indices (OOHPIs) have been regularly produced and published based on Commission Regulation 93/2013. Since 2015, Eurostat has been publishing an annual index of the total value of housing transactions, now encompassing 20 Member States.

In the past the quarterly house sales indicator has been the only indicator missing among those on the list of Principal European Economic Indicators (PEEI). Since July 2020, Eurostat has been publishing quarterly indicators of the total value and number of housing transactions. Together with the HPI and the OOHPI, it forms a coherent and conceptually meaningful data set to inform policy makers and other users. The data now covers 12 Member States. The EPC encourages the remaining Member States to transmit these indicators as well.

Against the background of the increasing user demand at the EU level for commercial real estate indicators, in particular from the European Systemic Risk Board (ESBR) expressed in ESRB Recommendation 2019/3, the Eurostat established the new Real Estate Working Group as well as two Task Forces: Task Force on Commercial Real Estate Indicators (TF CREI) and Task Force on short term business statistics related to commercial real estate (TF STS CREI).

- TF CREI provides input into the further development of short and medium as well as long term solutions for the CREI price statistics indicators. The TF discusses the various ongoing pilot projects in the participating countries and addresses the various challenges, e.g. finding the most suitable data sources. The pilot studies feed into the discussions of new methodologies for developing CREI, as well as manuals.
- TF STS CREI was set up in spring 2019 in order to develop the new CREI indicators on construction starts and completions as well as vacancy rates. This task force also discussed the respective methodology needed for these new indicators as well as the supporting grant actions launched. The TF also discussed the organisation and putting in place of the pilot data collections and pilot data production.

The EPC welcomes the publication of quarterly house sales indicators as well as the creation of the task forces, TF CREI and TF STS CREI and their work.

4.13 Labour market statistics and wage indicators

Labour market developments are of key importance to the work of the EPC. At the centre of interest are the effects of the business cycle on employment and unemployment, the impact of the crisis, wage developments and the longer-term evolution of labour demand and supply, in particular with a view to structural features and possible mismatches.

Furthermore, there is also the need for additional relevant indicators as well as for development work on additional monthly indicators (beyond unemployment) to fully describe labour market developments during the COVID-19 pandemic, more statistical information on labour market flows (especially transitions to inactivity) and seasonally adjusted indicators in order to widen the understanding of European labour markets. The EPC welcomes Eurostat's publication, on a quarterly basis, of aggregated quarter-on-quarter ILO labour status transition matrices, both rates and levels, for all EU Member States but Germany (that does not yet have an infra-annual rotational pattern) and of year-on-year transition matrices for all EU Member States. It also appreciates the dissemination of experimental data on transition from unemployment to employment by duration of unemployment, previous work experience and degree of urbanisation; from employment to unemployment by degree of urbanisation and type of contract; from inactivity to employment by labour market attachment; from part-time to full-time work; from fixed term to permanent contracts as well as job-to-job transitions.

The EPC also appreciates the regular dissemination of seasonally adjusted data for the main labour market indicators. As regards job vacancy statistics, the EPC takes note of progress made in coverage but considers it important to close the existing coverage gaps (notably for small businesses) in the two remaining Member States.

A number of structural characteristics of the labour market are already covered by the indicators used under the Europe 2020 Joint Assessment Framework. In this context and beyond, the European Union Labour Force Survey (EU LFS) is the key statistical source. One group particularly exposed are young people, in particular those unemployed. In this context, the EPC appreciates Eurostat's improved communication on youth unemployment indicators.

The EU LFS will be modernised from 2021 under the IESS (Integrated European Social Statistics) regulation – see below - in order to make its contents and design fit for the next decade. This will lead to better information on labour market dynamics, further harmonised measurement of the labour status, a streamlined ad-hoc module process, a reviewed list of variables, better use of administrative data, and improved timeliness. More timely access to the micro data for international institutions could also contribute to a better understanding of EU/EA labour market developments, and through that, could also help to further improve the survey in the future. In addition, data collection should become more efficient by the use of multi-mode computer assistance.

Finally, timely and reliable labour costs statistics are important in the context of the current policy debate on the link between labour cost developments and the reduction of intra-euro area imbalances. In this context, the EPC appreciates the timely release of labour cost levels 2019 and the publication of a new study on 'Wage determinants in the European Union'⁴².

The EPC welcomes the progress made in labour force statistics and wage indicators.

4.14 Framework regulation on social statistics

On 10 October 2019 Regulation (EU) 2019/1700⁴³ of the European Parliament and of the Council establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, has entered into force. The implementing and delegated acts foreseen in that regulation have been adopted for a full implementation in 2021. This package aims at delivering new, integrated ways to collect and use data from social surveys so as to better support policy making in general and social policy in particular.

This Regulation is part of a major programme for the modernisation of social statistics undertaken in close cooperation with the Member States. It addresses the increased challenges in this area of statistics, which include rapid innovation in methodologies and uses of IT, the availability of new data sources, emerging needs and expectations of data users as well as continued pressure on available resources. It also supports the actions in the social fields that require a solid evidence base in subjects such as inequalities, skills, access to employment for all and social protection expenditures - all of which should be better described with sound and timely statistics. This initiative is also part of the Regulatory Fitness and Performance Programme (REFIT) and streamlines the European social statistics collected from samples as well as makes the data collection process more efficient and the statistical output more relevant.

Seven household surveys are targeted with this framework regulation: the Labour Force Survey (LFS), European Statistics on Income and Living Conditions (EU-SILC), the Adult Education Survey (AES), the European Health Interview Survey (EHIS), the Survey on Information and Communications Technologies (ICT) usage in households (ICT-HH), the Household Budget Survey (HBS) and the Harmonised European Time Use Survey (HETUS).

⁴² <https://ec.europa.eu/eurostat/web/products-statistical-reports/-/KS-FT-20-003?inheritRedirect=true&redirect=%2Feurostat%2Fpublications%2Fstatistical-reports>

⁴³ OJ L 261 I, 14.10.2019

Additionally during 2019 in total eight implementing and delegated acts were adopted pursuant to Regulation 2019/1700, assuring swift implementation of the Framework Regulation by the Member States.

The EPC welcomes the Framework Regulation and its 8 implementing and delegated acts adopted in a very short timeframe and assuring its implementation starting in 2021 in a way that will effectively support the modernisation of social statistics.