91ST DGINS CONFERENCE

91ST DGINS CONFERENCE

COPENHAGEN, 26 + 27 MAY 2005

Meeting user's demands for truly European statistics

Steven KEUNING
Director General Statistics, European Central Bank

Alda MORAIS
Senior Economist-statistician, European Central Bank

Meeting users' demands for truly European statistics

Steven KEUNING

Director General Statistics, European Central Bank

Alda MORAIS

Senior Economist-statistician, European Central Bank

This paper reviews some ideas on how to improve effectiveness and efficiency in the provision of European statistics. The credibility of European statistics is currently of much interest to the users. Statisticians should use this "window of opportunity" to improve the 'fitness for use' of statistics. In an environment of growing users' needs as well as scarce human and financial resources, statistical authorities must find effective ways of rebalancing priorities and organising the collection of statistics in a more efficient way. Moreover, there is no use in producing high quality statistics if communication with the users is poor. Statisticians are called upon to refine their "art of external communication" in statistical issues.

1.   The "art of external communication"

The European Central Bank (ECB) attaches the highest importance to the "art of external communication". As the President of the ECB stated in a recent keynote speech (Trichet, 2005), "*Transparency, candid explanations given to investors, savers, market participants, households and, last but not least, to our 306 million European fellow citizens are of the essence for the ECB and its Governing Council. It is fair to say that communication is an integral part of monetary policy*". In the practical implementation of the ECB's communication policy, the ECB relies on a wide range of communication tools. Statistics and statistical publications are, of course, an integral part of this policy.

The Directorate-General Statistics (DG-S) of the ECB provides statistics and accounts in the following main areas[1]: (i) monetary, financial and operational statistics for the euro area (on monetary aggregates and counterparts, interest rates, securities issues, investment funds, other financial market operations, minimum reserves, etc.); (ii) euro area external statistics (balance of payments (b.o.p.), the international investment position (i.i.p.), external reserves and effective exchange rate statistics); (iii) euro area quarterly financial and non-financial accounts for institutional sectors (balance sheets and transactions); and (iv) some other general economic

---

[1] See Bull (2004) for a detailed description of the development of ECB statistics.

statistics (some government finance statistics, the house price index, seasonally adjusted price indices, etc.). [2]

The ECB is obviously an important user of its own statistics, as well as of statistics produced by other institutions, in particular Eurostat. Examples of the latter are the HICP (the Harmonised Index of Consumer Prices, used in the definition of price stability in the euro area), other prices and costs statistics, GDP and breakdowns, labour market statistics and a wide range of other economic statistics (in particular short-term statistics).[3] As *provider of statistics for the euro area* on the one hand and *one of the main users of Community statistics* on the other, the ECB is fully aware of the constantly growing users' requirements - including its own - both in terms of *enhanced datasets* and of a *better accessibility to statistics.* The ECB recognises the difficulties in managing these growing requirements in view of limited financial and human resources and of the sometimes lower priority attached to communication by statisticians. In turn, a good communication is conducive to securing the necessary resources.

This paper assembles some ideas regarding the efficient provision of euro area/EU statistics that are 'fit for use' and easily accessible to policy makers, professionals, EU citizens and others. A major achievement with regard to efficiency gains in the production of euro area/ EU statistics is the Memorandum of Understanding signed by the ECB (DG-S) and the Commission (Eurostat) (see ECB/Eurostat (2003)). It avoids the duplication of statistical work at the EU level. It goes without saying that the process should not stop here. On the contrary, further solutions aimed at improving efficiency in the provision of European statistics will need to be investigated and encouraged. In this context, there is perhaps also still room for negative priorities and saving resources by the European Statistical System, e.g. in the field of financial institutions and financial markets statistics.

The paper touches upon some of these possible further solutions, most notably the adoption of approaches oriented towards a more efficient *priority setting* system (Section 2.1), a more efficient *organisation of statistics* (Section 2.2) and a more efficient *communication* with the users (Section 2.3). Section concludes.

---

[2] DG-S has prime responsibility for monetary, financial institutions and financial markets statistics, while Eurostat is the main responsible party for general economic statistics. The responsibilities for b.o.p. and financial and non-financial national accounts by institutional sector are shared by the two institutions.

[3] See ECB (2004) for a review of the ECB's requirements in the field of general economic statistics.

2. How to address the statistical dilemma?

2.1 *A more efficient priority setting in Europe*

The Ecofin Council Conclusions of June 2004 have emphasised the necessity to allow continuing improvements in European statistics. Discussions taking place since then have confirmed that it is extremely difficult to make choices for European statistics that are agreeable to all EU Member States, in view of different statistical needs, different financial structures and different costs among Member States for a given statistical activity.

Regarding the assessment of the usefulness of statistics, it is important to shift the focus to common EU needs, implying that purely national needs no longer justify the maintenance of European legal acts in the field of statistics. Perhaps the *impact on euro area/EU policy-making* should be the key criterion for prioritisation, meaning that statistics that are crucial for core tasks such as EU budgetary surveillance or European economic policy-making should be given priority over others. This said, the ECB has decided to foster attention on statistics such as *euro area quarterly sector accounts*, *short-term statistics* and *government finance statistics*, while reducing its requirements in other areas such as intra-euro area external trade statistics (i.e. Intrastat). The merits of any new or substantially enhanced requirements for European statistics with potential impact on euro area/EU policy-making may be assessed against the expected costs. The exercise should closely involve the main users of European statistics and, possibly, also the reporting agents.

2.2. *A more efficient organisation of statistics in Europe*

It is clear that not all user demands can be dealt with in the same manner. Whenever *ad-hoc* user needs arise, 'short-term solutions' based on existing data (even if not fully harmonised) and estimations (rather than costly new collection systems) may be investigated. A good example of such initiatives is the publication of "experimental data". These are statistics that are in the testing phase, or not yet fully developed, or do not meet the quality standards usually applied by statistical authorities to official statistics. Despite these caveats, such datasets provide a valuable service to users, at relatively limited costs. They allow extending the basis for analysis, provided that their status is well explained and understood.

In turn, the collection of regular data should be *organised on the basis of the uses made of the statistics concerned*, and striking the right balance between timeliness, frequency, level of detail and quality is a key challenge in the production of official statistics.[4] Taking as an example several

---

[4] See Cordier, J. (2004) for a detailed discussion of these trade-offs.

(high priority) European statistics, we observe that there are significant differences in their features and in the prospective use that is made of them.

Government finance statistics are typically associated with a census-type data collection (except for small municipalities, where samples are mostly used). In this case, *high quality and detailed data are needed.* In view of the political content of these data, quality is inevitably linked to the independence and accountability of the data provider. In addition to the European aggregates, national data on an annual basis (on general government deficit/surplus and government debt) are necessary to monitor national developments in government finances. Moreover, the ECB needs quarterly national data on government revenue and expenditure within three months after the end quarter. These data should also follow ESA definitions. From its perspective as a user, the ECB is conscious that high quality and detail sometimes have a cost in terms of timeliness. As a consequence, the ECB supports a postponement of the timing of the EDP notifications by one month, in order to allow more time for completing the datasets and cross-checking their quality within a national accounts framework. The reform of the Stability and Growth Pact also brings new challenges for government finance statistics in the EU (cf. Bier *et al.* (2004). Additional data are needed to be in a better position to assess the sustainability of public finances (on public corporations, pension liabilities, guarantees, etc.). By the same token, the quality of the data needs to be undisputable, in order to enhance the credibility of the headline figures.

Short-term statistics, in turn, are needed at a *high frequency (monthly or quarterly) and with a short delay*. In this case, timely aggregated results are more important than detailed breakdowns. Good results are within reach for a selected core set of Principal European Economic Indicators (PEEIs). In those cases where high frequency data are now obtained at short target delays, they have proved to be a reliable basis for monetary policy analysis (e.g. the GDP flash estimate). The efforts to coordinate the production, release and revision policy for national data with the needs for euro area/EU aggregates are, therefore, highly welcome. At the same time, there is room for improvement with respect to a number of PEEIs (e.g. labour market indicators) where the targets set for 2005 will most likely not be met. In this respect, we would like to encourage the initiative by France (INSEE), Germany (Destatis) and others to arrive at European employment flash estimates.[5] The ECB also attaches great importance to improvements in the availability of services statistics (turnover and prices), as part of the PEEIs. This is an area in which currently there is a particular shortage of statistical information for the euro area.

---

[5] Cf. FROCH Group (2004).

Euro area analysis does not necessarily require a complete set of statistical series from each of the Member States. Moreover, a range of methods aimed at ensuring accurate timely statistics and/or reducing the reporting burden may be more widely adopted: European sampling approaches (small national samples combined may provide a reliable and early estimate at European level), specialisation among National Statistical Institutes (NSIs) (e.g. via work in centres of excellence), differential reporting obligations (less demanding for the smallest countries), centralised estimation of flash indicators and European harmonised reporting formats (e.g. use of standardised software packages for multinationals' reporting on international trade in services).

While recognising the progress achieved, the requirement of professional users for *consistent data* is not yet fulfilled in all areas. For example, despite the increasing integration of economic and social policies in Europe, much remains to be done to integrate economic and social statistics. A key challenge for the coming years will be to develop more comprehensive and consistent indicators and accounts for labour and to ensure their consistency with national accounts. The development and regular compilation of Social Accounting Matrices is highly recommended in order to allow the professional user to bridge economic and social statistics, by integrating national accounts and labour market statistics. To this effect, we would like to recall that Eurostat has compiled a Handbook (consistent with ESA95/SNA93) aimed at helping NSIs to fill in this gap.[6]

Professional users also see *comparable data and methods* as an important prerequisite of the reliability of the euro area/EU aggregates. A lot remains to be done in this respect. For example, while no doubt the coverage and timeliness of the HICP has clearly improved over the recent years, without damaging its accuracy, a satisfactory harmonisation of methods for quarterly adjustment is still lacking. Moreover, expenditure on owner-occupied housing still needs to be incorporated in the HICP. Users have also expressed an increasing interest in the comparison of the euro area/EU with two other large economic areas (the United States and Japan). A joint ECB/OECD project has investigated the comparability of savings ratios derived from national accounts in these areas and illustrates well the (lack of) comparability of the data.[7] In this context, the disclosure of metadata enables users to better understand the factors affecting international comparability (these may be e.g. differences in concepts, in data coverage, in accounting conventions and in compilation practices).[8]

---

[6] See Eurostat (2003).

[7] See ECB/OECD (2004).

[8] See ECB (2005) for a more detailed discussion.

A smooth exchange of information among all key players in the provision of European statistics (ESCB, European Statistical System (ESS), reporting agents) is also crucial to the effective organisation of statistics in Europe. The use of standardised messages such as GESMES/TS by all parties enhances the timeliness and punctuality of the statistics and enables a better harmonisation and understanding of the concepts by a better linkage of the data to metadata.

The ECB attaches high priority to the *sharing of data between the ESCB and the ESS*. Currently, the quality of the statistics of both constituencies suffers from an insufficient exchange of confidential statistical information across the ESS, across the ESCB and between institutions of each system (e.g. there is an urgent need to share business registers, both on financial and on non-financial corporations). This is also essential to achieving the maximum efficiency of the data reporting systems, minimising the reporting burden and saving resources. The legal framework dealing with confidentiality (Regulation 322/97 for the ESS and Regulation 2533/98 for the ESCB) might need to be amended so as to improve legal certainty and effectiveness. Recently, the Executive Board of the ECB approved the exchange of confidential information within the ESCB under the existing provisions of the Regulation 2533/98 as a transitional arrangement. Moreover, the ECB has decided that confidential statistical data that may be received from NSIs or Eurostat will remain under the framework of Council Regulation 322/97, i.e. will only be used for statistical purposes.

2.3.   *A more efficient communication with the users*

Every attempt to achieve and maintain a high quality of statistics will also depend on an efficient communication with the users. The ECB's Directorate-General Statistics has identified a *better dissemination of ESCB statistics* as one of the main priorities for the medium-term. For instance, the ESCB has developed a framework for a joint simultaneous and identical dissemination of euro area aggregates and all national contributions to these aggregates on the ECB's website and the websites of all Eurosystem NCBs that wish to participate. This framework is scheduled to go live this autumn. The solution implies that the ECB website and the websites of the NCBs involved will include tables with both euro area statistics and all national contributions (see Annex). The content of these tables on all these websites is identical because the data are generated from the ECB's Statistical Databank, but the layout and language of the tables is the same as that of the website of the NCB concerned.

The users of statistics produced by the ESS would welcome a better co-ordination of releases and revisions of European and national results. The First-for-Europe principle gives more visibility to the ESS. ECB President Trichet has pointed out on several occasions: *"This practice of publishing simultaneously area-wide and national data follows the "First for Europe" principle. This principle*

implies that the statistics, at least the Principal European Economic Indicators, are published on the same day for the euro area as for the fastest countries"[9]. The ECB is determined to adopt, promote and share best practices regarding revisions, co-ordinated releases and other quality dimensions. This will take the format of a Quality Framework for ECB Statistics, which DG-S is preparing. The ECB already has a number of procedures in place (e.g. merits and costs procedure, regular user consultations, confidentiality policy, ECB policy for revisions, annual quality and availability reports, etc.), which will feed into this formal Quality Framework. It is also intended to publish output quality indicators, as has already been done in the annual quality report for external statistics.[10] The confidence of the users in revisions can best be maintained by providing informed comments at the time of the release of statistics and by regularly publishing the average magnitude of such revisions in the past.

Finally, a more efficient communication with the users necessarily involves a stronger focus on Internet-based solutions, probably at the expense of paper-based publications of time-series. In this regard, the ECB is lagging behind many NSIs of the ESS and will soon invest in a more user-friendly website. Currently, commercial data providers are often re-packaging the data in an attractive and easily accessible way. However, this situation is suboptimal both for the users (involves significant costs) and for the producers (which do not receive the full credit for the valuable statistics they provide, because the public and the media perceive these data as being produced by the private sector). Therefore, the so-called "European Statistical Data Support" initiative (which nearly all NSIs have joined) and Eurostat's decision to make its databases accessible free of charge are both very welcome.

3.   Conclusions

The credibility of European statistics is currently at the heart of the statistical debate. NSIs in the EU are called upon to use this "window of opportunity" and to improve the 'fitness for use' of their statistics. To this end, statistical authorities will have to find effective ways of rebalancing priorities and to organise the collection of statistics efficiently. The production of high quality statistics and their communication and accessibility are two sides of the same coin. In order to improve the situation, we, European statisticians, should explore the avenue of the "art of external communication of reliable, cost-effective European statistics". This, in our view, will be part of the mission for European statistics in the years to come.

---

[9] Trichet, J-C. (2004).

[10] ECB (2005b).

References

Bier, W., Mink, R., Rodríguez-Vives, M. (2004): "Extended statistics for the support of the Stability and Growth Pact", *Hacienda Pública Española, Monografía 2004*

Bull, P. (2004): "The Development of Statistics for Economic and Monetary Union", ECB, July 2004

Cordier, J. (2004): "EU short-term indicators: how best invest in timeliness and quality?" *90th DGINS Conference*, Paris, 13-14 September 2004

ECB (2004): "Review of the requirements in the field of general economic statistics", 17 December 2004

ECB (2005a): "Comparability of statistics for the euro area, the United States and Japan", *ECB Monthly Bulletin*, April 2005

ECB (2005b): "Euro area balance of payments and international investment position statistics, Annual quality report", 14 January 2005

ECB/Eurostat (2003): "Memorandum of Understanding on Economic and Financial Statistics", Brussels, 10 March 2003

ECB/OECD (2004): "Comparison of household saving ratios Euro area/United States/Japan", 9 June 2004

EC Council (1997): Council Regulation (EC) 322/97 of 17 February 1997 on Community Statistics

EC Council (1998): Council Regulation (EC) 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank

ECOFIN Council (2004): Council Conclusions, 2 June 2004

Eurostat (2003): "Handbook on social accounting matrices and labour accounts", European Commission, Luxembourg, 2003

FROCH Group (2004): "Estimation issues: latest development in the flash estimation of employment", *8th meeting of the Friends of the Chair Group on key EU/EMU short-term indicators*, Paris, 14 September 2004

Trichet, J-C. (2004): "Euro area statistics and their use for ECB policy making", *Keynote speech delivered at the second ECB Conference on Statistics*, Frankfurt, 22-23 April 2004

Trichet, J-C. (2005): "Communication, transparency and the ECB's monetary policy", *Keynote speech at the New Year's reception of the International Club of Frankfurt Economic Journalists*, Frankfurt, 24 January 2005

ECB: International reserves - Microsoft Internet Explorer provided by European Central Bank

File Edit View Favorites Tools Help

Back • • Search Favorites • • • •
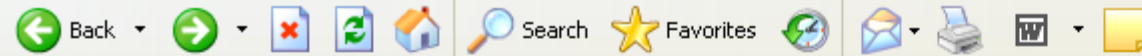
Address http://giufame2.ecb.de:8096/DissTF/dtf_test/Table_ETS_keys/2004-12.html

Home · Site Directory · Glossary · Links · Contact · Copyright & Disclaimer · Search

Languages : en .

EUROPEAN CENTRAL BANK

| The European Central Bank | Press | Events | Publications | Statistics | Banknotes & Coins | Monetary Policy | Payments & Securities |

Home > Statistics > External transactions and positions > International reserves

←Back to Statistics

– External transactions and positions

Balance of payments

External trade in goods

International investment position

– International reserves

Template on international reserves

Official reserve assets and other foreign currency assets

2004-12

[2004-12 ▼] [Go]

EUR millions (approximate market value), unless otherwise stated

	Euro Area	ECB	BE	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT
A. Official reserve assets	284572.8	34185.2	10068.0	67006.7	2061.0	16396.7	64715.8	2201.5	37502.6	223.1	14357.3	9159.0	9876.
1. Foreign currency reserves (in convertible foreign currencies)	113503.7	23491.2	5832.6	31283.9	468.8	8835.2	21509.4	1612.8	15598.4	93.3	5386.1	5567.2	3465.
(1a) Securities	106017.9	24242.6	4086.4	18389.5	251.9	5862.2	18035.8	877.1	15177.7	47.4	1700.3	3868.5	2362.
of which: issuer headquartered in the euro area													
(1b) total currency and deposits with:													
(i) other national central banks, BIS and IMF	12708.7	2351.4	497.5	1944.6	117.2	279.2	761.3	1.0	1962.4	60.0	1922.4	395.9	136.7
(ii) banks headquartered in	8978.1	1897.4	825.3	3923.1	0.0	2.0	217.8	NaN	303.9	0.0	481.1	0.0	281.6