

**Use of NA Data in the EU context,
by John Verrinder (Eurostat, EC)**

**Session 4F, discussant: Gerard J. Eding,
director of National Accounts**



Statistics
Netherlands

Overview

- Use of National Accounts data in the European Union (EU), notably administrative, policy and academic
- To illustrate the paradox of multiple user needs
 - Compilation
 - Dissemination
 - Quality control
- Exploring what practical approaches have been found to reconcile administrative uses with broader user needs

The issue illustrated... GNI 2014 ...

EUROPEAN COUNCIL



EU budget
demands an
outrage

An unpleasant
surprise which
raises a lot of
questions



Background to official statistics in the EU

- European Statistical System (ESS) for the development, production and dissemination of European statistics
 - Eurostat
 - National Statistical institutes (NSIs)
 - EFTA countries
 - Coordination with European System of Central Banks (ESCB)
- Network, harmonisation, cooperation
- Eurostat is a Directorate General of the EC, but with special status (independence)

National Accounts in the EU

- NSIs compile National Accounts
- Eurostat:
 - Conceptual standards (&harmonisation)
 - Compile EU aggregates
 - International cooperation
- European System of National and Regional Accounts (ESA 2010) -> a daughter of SNA2008
- Less options, specific guidance, additional manuals
- ESA2010 is a legal obligation (regulation 549/2013), including detailed transmission programme.

Main uses of NA data at the EU level

Three kind of uses at EU level:

- Key aggregates, e.g. GDP
- Indicators, e.g. sectoral or industrial breakdowns
- Detailed data, eg input-output data

Main groups of users

- European policymakers and opinion formers
- European administrative uses
- Researchers with a focus on the European level

Who uses what?

	Key aggregates	Indicators	Detailed data
Polycymakers & opinionformers	X	X	X
Researchers	X	X	X
Aministrative use	X	Only specific parts	-

Administrative use of NA in the EU

Four main areas:

1. Budgetary contributions, Gross National Income, VAT
2. Stability and growth pact, Excessive deficit procedure (government finance, 3 % and 60 % thresholds)
3. Macroeconomic Imbalances Procedure
4. Eligibility for EU structural funds

Reconciling administrative use with broader user needs

Welcomed for raising profile of the data... but questions and challenges in a number of areas:

- How to best deal with conceptual changes?
- How to cope with revisions?
- How to deal with quality assessment and 'verification' ?
- Selection of indicators?
- Allocation of resources?

How to deal with conceptual changes?

- Our economy changes, so our guidelines have to change periodically,
- Taking on board the progress in economic theory
- (European) users understand this, but prefer grouped periodically changes rather than continuously over time
- Administrative use: what is the optimal point in time?
- Communication is key, also about foreseen (financial) consequences!

How to cope with revisions?

For administrative use 3 helpful strategies have been developed:

1. Proces of open and closed year (GNI)
2. Legislative reference to specific vintage of data to be used
3. Policy makers tend to mainly focus on t-1

Other issues

- Quality assessment and ‘verification’ -> administrative use raises the bar (and burden) and is a natural step to verification by an independent body
- Selection of indicators -> interaction between policymakers and statisticians crucial
- Resources -> resources automatically flow to the focal points...

Conclusion and discussion

- Different groups of users have different needs
- Administrative use important in EU
- This raises particular issues which can be resolved
- Involvement of statisticians in the selection of indicators for administrative use important
- And of course good communication

Agree...

How to stop the ever increasing hunger for details and quality?



Raising the bar, we measure
in centimeters, not millimeters...



Not one size fits all..



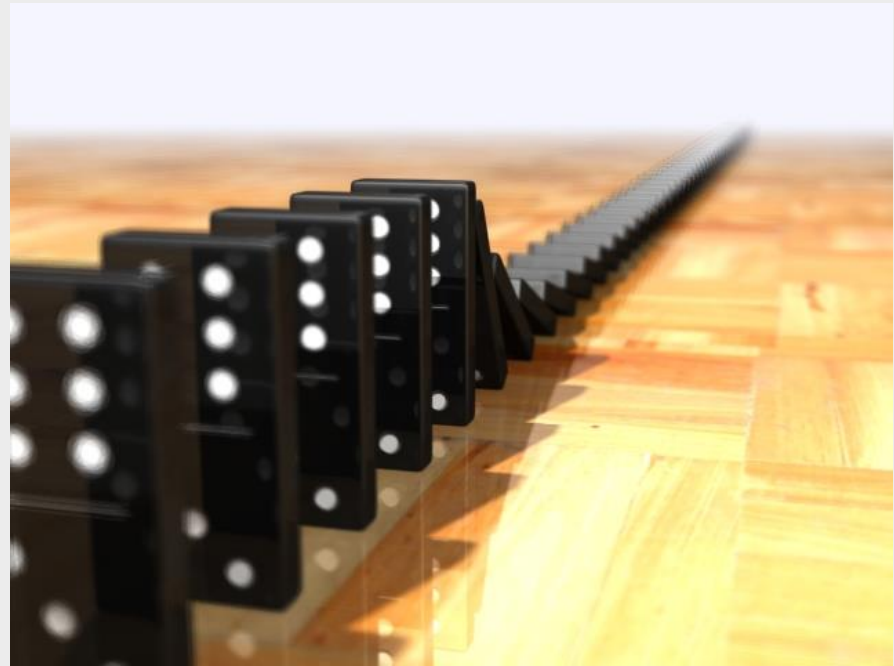
How do we assure a fit for purpose quality assessment, to solve the major issues in international comparability?

Continuity in time series versus administrative level estimates?

What about breaks in our time series?

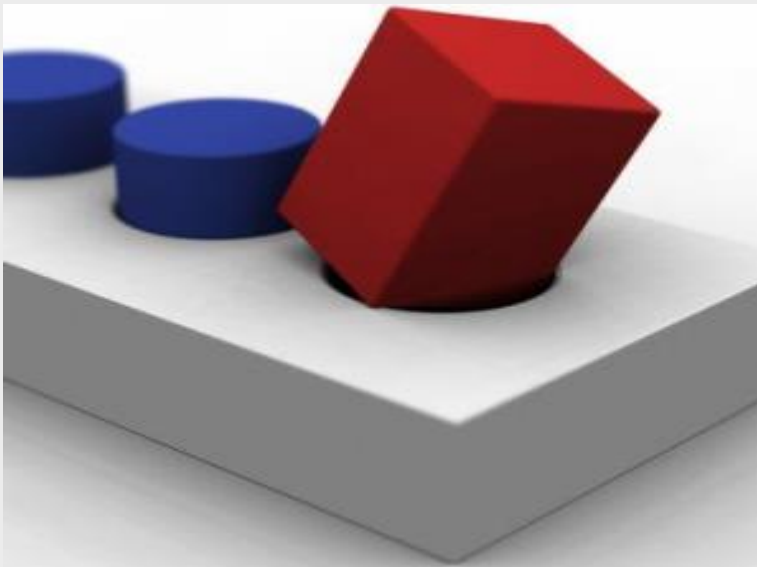
How to maintain internal consistency of the system?

Add a NA satellite for administrative use?



Are indicators used still fit for purpose?

- Take e.g. the Globalisation and GNI
- In the end a political issue/decision,
- What could/should be our role as statisticians/academia?



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