

Eurostat Progress report to the Voorburg Group

Activities of Eurostat in the field of Short-term Statistics

In June 2003, the implementation period of the Short-term Statistics (STS) Regulation formally expired. During the last year, major efforts of Eurostat and the Member States were directed to advance the implementation to a point that the data can be used for national and European aggregates. This was achieved for a part of the services covered in STS, albeit not for all of them. There are still serious gaps that will need to be closed. Nevertheless, Eurostat is confident that by end 2003 European aggregates will be possible for most service sectors within the scope of STS.

Beside the implementation of the current STS Regulation, work concentrated on the formulation of an Amendment Regulation. One of the main objectives is to strengthen the service sector statistics. The draft Amendment Regulation has been agreed with the Member States within the statistics related working groups and committees and will now be transmitted to the European Commission, European Council and European Parliament. The draft Amendment Regulation foresees progress in the following areas:

- corporate service prices in selected service sectors;
- reduced deadlines for the turnover variable from 3 to 2 months;
- reduced reference period for the turnover variable from quarterly to monthly, however, on the condition of a successful feasibility study;
- addition of the variables, hours worked as well as wages and salaries also on the condition of a successful feasibility study.

In case these feasibility studies will come to positive results, a facilitated procedure (comitology) will give them a legal status.

The most important aspect in the Amendment Regulation has certainly been the inclusion of corporate service prices. The identification of priorities was the result of a joined Task Force with the OECD. The Task Force established the list of priorities in close co-operation with experts for national accounts because of the high importance of service prices for national accounts deflation.

In national accounts, Eurostat has now legislated to provide a definite timetable for EU countries to abandon poor estimation methods for prices and volumes across all products. Most services should be estimated using acceptable methods from 2006, which coincides with the timetable adopted in business statistics for work on service prices of priority products.

Activities of Eurostat in the field of classifications

Having successfully implemented the updated European activity classification NACE Rev. 1.1 as well as the European product classification CPA in the Member States 1.1 2003, the NACE/CPA Committee proceeded towards their next challenge: The task to

revise the NACE Rev. 1.1 and CPA and to develop those to a modern classification system for 2007, truly reflecting the economic reality.

The kick-off discussions of major methodological questions that took place at the at the NACE/CPA Committee meeting in September 2002 marked the beginning of in-depth discussions on the basic principles for the 2007 revision.

As agreed at the November meeting of the Statistical Programme Committee, that Europe speak with one voice at the meeting of the UN Statistical Commission, the NACE/CPA Committee met in February 2003 to arrive at a common position on the basic principles for the 2007 revision of ISIC. Having successfully agreed on a great number of basic principles, the EU common position was later presented at the UN Statistical Commission at their meeting in March 2003.

As a part of the revision process the UN distributed a questionnaire, asking for comments on a wide range of questions related to concepts and structure issues. At the May meeting of Statistical Programme Committee it was agreed that a common EU-position should be sought.

Subsequently Eurostat launched a consultation in the EU, and the comments received were subject to in-depth discussions at the meeting of the NACE/CPA Committee that took place 3-5 September: On practically all questions the Committee reached consensus on a common EU-position.

Activities of Eurostat in the field of Information Society Statistics

Statistics on the information society are a vital basis for European policy makers in order to follow the structural changes in the economy. The high political priority of these statistics is demonstrated by the inclusion of indicators on the information society among the structural indicators, as well as the decision by Council to monitor the progress towards the e-Europe 2005 goals through a system of benchmarking indicators. The Council in its Resolution on the implementation of the e-Europe 2005 action plan on 28 January 2003 agreed to improve quality of data by greater use of surveys undertaken by national statistical institutes and Eurostat.

An important step in that direction will be the adoption by the European Parliament and the Council of a Regulation concerning statistics on the information society, which was proposed by the Commission 25 August 2003. That Regulation will set up a framework for developing a flexible system of collecting statistics on the information society. Annual Community surveys on ICT usage in enterprises and in households/by individuals, which have been started on the basis of gentlemen's agreements in 2001 and 2002 respectively, will form the basis for that system. It will be developed further according to the priorities set by the Council and new requirements stemming from technological change, with a view to maintaining the relevance of the production of statistics in a changing environment.

Following the request of the Council Resolution mentioned earlier a formula for a composite indicator to measure e-readiness was developed together with the

Commission's Joint Research Centre for a pilot exercise on 2003 data. A new module on ICT usage in the financial sector, starting with credit institutes and insurance, was developed in close co-operation with Member States and the OECD for a pilot project in 2004. Co-operation with other international organisations, in particular with the OECD, has been reinforced to improve consistency of methods and indicators for better comparability of data at international level. New methodology, i.e. measuring ICT expenditure and investment, use of broadband networks, e-skills and e-government, has been investigated for implementation. Results will be discussed with Member States for the 2005 surveys.

Finally, priority has been given to extension of the '*acquis communautaire*' to the Accessing countries. This concerns in particular the Commission proposal for a Regulation of the European Parliament and the Council on information society statistics. Most of the Candidate countries have already agreed to use the Eurostat model questionnaire on ICT usage in enterprises and in households/by individuals as a basis for the 2004 survey wave.

Activities of Eurostat in the field of Sales by services products (measurement of turnover of detailed products)

The business services development project, whose aim is to develop harmonised statistics at EU-level, was evaluated. The turnover figures broken down by product and client obtained from the project so far were found to be encouraging and of good quality.

The main objectives in the business services development project are to secure a regular data flow to the users, further develop the methodology and extend the project to cover new Member States. The main challenge is to achieve the above objectives.

A second harmonised data collection and further development work will continue the business services project. New Member States will be included. At the same time the work to amend the SBS Regulation will continue with a view to reflecting the grown importance of the service sector in the economy. The overall goal is to put services statistics on equal footing with statistics on the manufacturing sector. Among other things this will require a more detailed breakdown by economic activity and a collection of additional variables from business services – the turnover variable will be broken down by product.

Demand for services: This development project aims at a breakdown of the variable "total purchases of goods and services" for what concerns its services part. A task force has identified services by type and a call for proposals was launched in Member States and Candidate countries. Nine countries will participate in a harmonised data collection, and most other European countries are able to provide some data on the demand side of services. Results are to be expected for end-2004 at the earliest.