

The Present and Future Data Situation in EU Countries for INFORUM Modelling

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 - Transmission of results
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1. Introduction and background

The availability and the access to statistical data are limiting factors for all INFORUM modelling activities.

IO tables and national accounts are of particular importance.

In the European Union (EU) the compilation of statistical data is to a high degree standardized and regulated.

Statistics is not longer primarily viewed as a scientific discipline in order to provide a well organized perception of reality.

Statistics has to play a direct operational (political) role. This statement holds in particular for national accounts.

1. Introduction and background

National accounts results are directly used for many administrative purposes. Examples are:

- GDP figures as basis for the budget of the Commission
- GDP figures basis for the financial contributions of the member states to the EU budget
- GRP results as basis for the definition of criteria for regional policies
- Many NA results serve as criteria for the pact for stability and growth

Because of this role there is an obvious need for strong harmonization, a legal framework, regulations governing statistics and strict control by the European Commission.

Little room is left for alternative concepts and because of budget restrictions additional projects in the Statistical Offices.

1. Introduction and background

Because of this harmonization the data situation in the EU countries is quite similar. INFORUM modelling is confronted with more or less the same statistical environment in all EU member countries.

Therefore it seems worthwhile

- o to describe the present situation,
- o to give some information on developments which are already “in the pipeline” and to
- o to discuss the advantages and disadvantages of the European data situation for INFORUM modelling.

2. The present situation

The European Statistical System (ESS) is governed by Regulations, legal acts which are binding in its entirety and directly applicable in all Member States.

The most important Regulations in the context of IO modelling are

- o European System of National Accounts (ESA)
Council Regulation (EC) No 2223/96
- o NACE Rev 1.1
Commission Regulation (EC) No 29/2002
- o CPA 2002
Commission Regulation (EC) No 204/2002

2. The present situation - ESA

Par. 1.02. The ESA framework consists of two main sets of tables:

- (a) the sector accounts (1);
- (b) the input-output framework (2) and the accounts by industry (3).

The input-output framework is fully integrated into national accounts. An entire chapter (Chapter 9) of the ESA is devoted to the input-output framework .

Par 9.01. The input-output framework consists of three types of tables:

- (a) supply and use tables;
- (b) tables linking the supply and use tables to the sector accounts;
- (c) symmetric input-output tables

2. The present situation - ESA

Par. 9.13. (abridged)

The supply and use tables and symmetric input-output tables can also be used as tools of economic analysis.

(b) the supply and use table provides more detail than the symmetric input-output table;

(c) the information in the supply and use table can be better linked to other types of statistical data.

These features are also helpful when the supply and use tables are integrated in a macro-economic model: the resulting overall model is closer to real statistics, can show a lot of detail and can relatively easily be linked to areas on which other statistical data are available, e.g. on the labour market or the environment.

2. The present situation - ESA

Transmission of results

European legislation does not only define all the standards and concepts in very great detail. It also regulates which data in which classification has to be delivered to EUROSTAT at which date.

The advantage of this situation for the user is, that he knows well in advance which data of which kind he can expect.

REGULATION (EC) No 1267/2003 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 16 June 2003

amending Council Regulation (EC) No 2223/96 with respect to the time limit for transmission of the main aggregates of national accounts, to the derogations concerning the transmission of the main aggregates of national accounts and to the transmission of employment data in hours worked

(Text with EEA relevance)

TRANSMISSION PROGRAMME OF NATIONAL ACCOUNTS DATA

Overview of the tables

First transmission	Delay t + month (days where specified)	Transmission for years	Subject of the tables	Table No
2002	36	1995-1999	Supply table at basic prices including transformation into purchasers' prices, A60 × P60	15
2002	36	1995-1999	Use table at purchasers' prices, A60 × P60	16
2002	36	1995 (*)	Symmetric input-output table at basic prices, P60 × P60, five yearly	17
2002	36	1995 (*)	Symmetric input-output table for domestic output at basic prices, P60 × P60, five yearly	18
2002	36	1995 (*)	Symmetric input-output table for imports at basic prices P60 × P60, five yearly	19
2003	36	2000	Cross classification of fixed assets by industry and by product, A31 × Pi3, five yearly	20
2003	36	2000	Cross classification of production account by industry and by sector, A60 × (S11, S12, S13, S14, S15), five yearly	21
2003	36	2000	Cross classification of gross fixed capital formation by industry and by product, A31 × P60, five yearly	22

2. The present situation – classifications

As may be seen from the Transmission Programme the standard for national accounts data and IO data is the A (activity) 60 and P (product) 60 level of disaggregation, corresponding to the two digit level of the NACE Rev.1.1 and the CPA 2002 .

Both systems are well integrated in the international (UN) system of classifications, both classifications are multi-purpose instruments.

They pay little attention to the specific needs of national accounts in general and IO analysis in particular.

3. The near future - The IO manual

EUROSTAT is preparing the publication of an IO Manual.

Starting from ESA concepts the manual focuses on compilation issues in greater detail. Its main purpose is to provide “best practices” and harmonised solutions and to help member states as well as other countries in the production process of the tables.

Although it is not published yet, the very detailed manual (more than 300 pages) is already used as a guideline for the compilation in many countries.

Chapter 11 is of special interest. It is devoted to the transformation of supply and use tables into symmetric input-output tables.

3. The near future - The IO manual

Chapter 11 evaluates the various assumptions and discusses the problem of negatives in some detail.

In the sub-chapter on the calculation of the symmetric IO table on the basis of the commodity assumption Almon's purification method is mentioned, discussed – and to some degree – also recommended as one of two main approaches of special interest.

Independent of the choice of the method the manual proposes to calculate a difference matrix and publish it.

Use table = IO coefficients matrix * Supply table + Difference Matrix

3. The near future - The IO manual

In one important aspect the basic philosophy of the IO Manual differs somewhat from the text of the ESA.

Whereas it follows from Paragraphs 9.54 pp. that the symmetric tables are not longer consistent with the supply- use framework, the Manual makes a strong plea for consistency (or at least for a well described and documented difference) between the symmetric tables and the basic supply and use tables.

Such a strategy would be of highly welcomed by everybody who wants to combine time series information from national account and IO data.

3. The near future – Data dissemination

A big change in the data dissemination policy of EUROSTAT is due on 1st October 2004.

Almost all statistical data will be available via internet free of charge!

This change in the dissemination policy is the result of numerous complaints, many struggles, a long discussion process and last but not least, probably the by-product of the so-called EUROSTAT scandal.

Romano Prodi in his introductory speech to the Conference of the Directors General of Statistical Offices, Palermo, September 2002:

“Statistics are vital if citizens are to take part in the life of the community in an informed way. They are an essential tool of democracy”.

“Statistical data must be both reliable and easy to grasp”.



Dissemination Policy



- The easy access to statistical results is of salient importance to users
- Important users from institutions of the civil society argue that the provisions of the Council Regulation on Community Statistics (simple and impartial access) are not yet fully and satisfactory realized
- Dissemination will be one of the crucial points in turning the ESS into an instrument for the citizens of Europe

A Vision of the European Statistical System

by

Yves Franchet and
Photis Nanopoulos



Josef Richter, September 8, 2004

Ten Proposals

P₃: The ESS develops an integrated approach in managing relations with users.
Adoption of a common approach:
statistics as a public good, free of charge,
delivery from a common internet portal
with the same data presentation standards.



3. The near future – Data dissemination

A notable step in the direction to free access to statistical data was the resolution adopted by the European Parliament on April 23, 2004.

Among other things the new free dissemination policy of Eurostat was explicitly welcomed.

Although there is still some opposition against the new dissemination policy within the Commission and from some Statistical Offices the new system will start on October 1st.

3. The near future – Data dissemination

The following characteristics are planned:

- o New dissemination tools along the lines of existing instruments such as New Cronos and Comtex
- o Bulk download facilities for “power users”
- o Development of an elaborated meta data system

Limits to free dissemination:

- o Confidentiality
- o Micro data
- o Very detailed trade data and regional statistics

4. Implications for IO modelling

Positive implications

- o The high degree of standardization guarantees a considerable comparability of data; favourable for linking
- o The legal status of the ESA also provides a common language, less misunderstandings
- o “Economies of scale” in model building because of the similarity of the data situation
- o The new dissemination policy will make access to data simpler and cheaper
- o The availability of detailed meta data will help to avoid inadequate use of data

4. Implications for IO modelling

Negative implications

- o Many of the provisions of the ESA were drafted with the operational role of national accounts in the EU in mind; they cannot be considered as the most adequate solutions for the role of national accounts as the empirical basis of empirical economics.
- o The trade-off of standardization is that little room is left for flexibility in general and for methodological alternatives in particular
- o Examples how inadequate European solutions are for IO purposes are the standard classifications that have to be used.

The European Standard Classification of IO Data

CPA	PRODUCTS
01	Products of agriculture
02	Products of forestry
05	Fishes and products of fishes
10	Coal and lignite; peat
11	Crude petroleum, natural gas
12	Uranium and thorium ores
13	Metal ores
14	Other mining and quarrying products
15	Food products and beverages
16	Tobacco products
17	Textiles
18	Wearing apparel; furs
19	Leather and leather products
20	Wood and products of wood
21	Pulp, paper and paper products
22	Printed matter and recorded media
23	Coke, refined petroleum products
24	Chemicals, chemical products
25	Rubber and plastic products
26	Other non-metallic mineral products
27	Basic metals
28	Fabricated metal products
29	Machinery and equipment n.e.c.
30	Office machinery and computers
31	Electrical machinery and apparatus
32	Radio, TV and communication equipment
33	Med., precision, opt. instruments; watches, clocks
34	Motor vehicles, trailers and semi-trailers
35	Other transport equipment
36	Furniture; other manufactured goods n.e.c.
37	Recovered secondary raw materials
40	Electrical energy, gas, steam and hot water
41	Water; distribution services of water
45	Construction work
50	Trade and repair services of motor vehicles etc.
51	Wholesale and comm. trade serv., ex. of motor vehicles
52	Retail trade serv., repair serv., except of motor vehicles
55	Hotel and restaurant services
60	Land transport and transport via pipeline services
61	Water transport services
62	Air transport services
63	Supporting transport services; travel agency services
64	Post and telecommunication services
65	Financial intermediation services (ex. insurance serv.)
66	Insurance and pension funding services
67	Services auxiliary to financial intermediation
70	Real estate services
71	Renting services of machinery and equipment
72	Computer and related services
73	Research and development services
74	Other business services
75	Public administration services etc.
80	Education services
85	Health and social work services
90	Sewage and refuse disposal services etc.
91	Membership organisation services n.e.c.
92	Recreational, cultural and sporting services
93	Other services
95	Private households with employed persons
	Non existing or a share of less than 0,1 %

The European Standard Classification of IO Data

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4. Implications for IO modelling

Negative implications

The aggregates that are formed are neither homogeneous with respect to technology, nor homogeneous with respect to labour input.

70	REAL ESTATE ACTIVITIES	
70.1	Real estate activities with own property	701x
70.11	Development and selling of real estate	7010x
70.12	Buying and selling of own real estate	7010x
70.2	Letting of own property	701x
70.20	Letting of own property	7010x
70.3	Real estate activities on a fee or contract basis	702
70.31	Real estate agencies	7020x
70.32	Management of real estate on a fee or contract basis	7020x

4. Implications for IO modelling

Net implications

- o In many countries more data will be available than in the past.
- o There is room for flexibility and for more adequate solutions if Statistical Offices can be persuaded to make the detailed material which is used internally available to qualified user.
- o The money saved because much data of the standard type will be available free of charge, could me spent for alternative tabulations and made to measure solutions.
- o European standards could serve as the common denominators for models of somewhat different character and detail.

Thank you for your attention