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**Quality Report Prepared for the Meeting of the Balance of Payments Working Group**

**Prepared by Eurostat**



EUROPEAN COMMISSION  
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Directorate B: Economic statistics and economic and monetary convergence  
**Unit B-5: International trade in services, direct investments, balance of payments**



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**Working Group**

**Balance of Payments**

**15 - 16 October 2001**

Quetelet Room, BECH Building  
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starting : 15 October at 10.00 a.m.  
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**Quality Report\***  
**Table document**

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\* Website : <http://forum.europa.eu.int/Public/irc/dsis/bop/home>

This is the first draft of the quality report of Unit B5. The final report will be submitted by the end of the year. The report will be extended to include more indicators for some quality components (e.g. Relevance) and to cover more thoroughly parts of the Unit's production (statistics from Candidate Countries). The report was the result of the co-operation of all members of Unit B5. Comments and suggestions are welcomed.

## **A. INTRODUCTION**

### **Balance of Payments statistics**

Balance of payments statistics measure the economic transactions of the residents of an economy with the residents of the rest of the world for a specific time period. International economic transactions consist of goods, services, income, transfers and financial transactions. Balance of payments statements by providing information on the external transactions of an economy constitute a crucial analytical instrument for a series of users (governments, international organisations as well as private enterprises and researchers).

In that respect ensuring the soundness of information contained in balance of payments statistics is of primary importance for all users and especially for those making decisions.

**Unit B5** produces and publishes detailed quarterly and annual information on all items of balance of payments with a special focus on international trade in services (ITS) and foreign direct investment (FDI).

More specifically the production of the Unit B5 consists of

- Statistics on International Trade in Services (ITS) of Member States
- Statistics on Foreign Direct Investment (FDI) of Member States (quarterly and annual). Flows and positions broken down by economic activity and country
- Geographical breakdown of the balance of payments current account
- Balance of payments of European Union Institutions
- Balance of payments of Candidate countries (ITS, FDI, quarterly and annual figures)
- Quarterly balance of payments and Euro-indicators
- Foreign Affiliates Trade in Services statistics. The full development of this statistics is planned for 2001.

## Definition of Eurostat's quality components

This report aims to provide an overall assessment of bop data produced and published by Unit B5. The approach adopted here is basically identical to the approach proposed by Eurostat for assessing quality.<sup>1</sup> Eurostat's definition of quality is the ISO 8402-1986 definition according to which quality is "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". This definition implies that Eurostat's approach concentrates mainly on the quality characteristics of the statistical products. However, given that statistical 'products' result from specific processes, the assessment of the quality of these products constitutes, to a certain degree, an indirect evaluation of the methods and practices used for producing statistical information.<sup>2</sup>

Eurostat's quality assessment approach consists of the following seven main components

1. **Relevance** which deals with the identification of users and their needs and examines the significance of the produced information to the user's stated needs.

2. **Accuracy** which refers to the closeness of an estimated value to the true population value. Here instead of analysing sampling and non-sampling errors which is irrelevant to the Unit's production, we focus on some practices (e.g. type and level of thresholds, revision policy, adjustments and harmonisation of data) or characteristics of data (asymmetries) which have certain implications regarding the degree of accuracy of statistics.<sup>3</sup>

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<sup>1</sup> See for example "Assessment of the quality in statistics. Definition of quality in statistics", Doc. Eurostat/A4/Qualistat/General/Definition. Also, "Internal Quality Report Standard Form, version Nov. 1999".

<sup>2</sup> This is the case for at least two components: accuracy (see footnote 3) and timeliness (which depends on the overall efficiency of the production procedure), see Eurostat's 'Assessment of the quality in statistics. Definition of quality in statistics.'

<sup>3</sup> A similar treatment of this quality component is also proposed by ECB's quality framework where the assessment of accuracy is considered as being derived from 'an evaluation of the soundness of the entire data production procedure: for instance, it covers the level and type of thresholds, the adjustments for nonresponse or late response, etc', see 'Assessing the quality of the Euro area bop/iip statistics' (paragraph 2.1.1), January 2001, ST/WG/BP/QUALIMPL.DOC.

3. **Timeliness** which has to do with the prompt dissemination of data according to an announced schedule and therefore it is related to the whole process of data collection, editing, estimation and dissemination. Here, on the basis of the deadlines for data delivery to Eurostat stated in Vademecum, we record the delays and the time needed by Eurostat for processing the information received by Member States.<sup>4</sup>

4. **Accessibility and clarity of the information** refers to the modes of data dissemination, the availability of the produced information to the users and the documentation of the statistics.

5. **Comparability** which aims at evaluating the impact of differences in statistical concepts and definitions on comparisons between geographical areas and over time. Although the quantitative evaluation of the impact of conceptual differences on comparability of bop statistics over space and time is not easy, nevertheless an attempt is made here to provide some evidence regarding the differences among Member States in treating specific bop items of relatively increased complexity.

6. **Coherence** refers to the impact of methodological deviations from the agreed rules of compilation on the joint use of statistics. Some aspects of this component are covered by the accuracy component (e.g. the consistency between provisional and final figures and the consistency between quarterly and annual data). Here we focus on the coherence between statistics produced by different sources.

7. **Completeness**. This component is connected to the relevance component since it aims to assess the degree to which the users' expressed needs are satisfied by the produced information. Assuming that the Vademecum questionnaires are depicting the needs of the users, the available information is compared to the data requests defined in these questionnaires.

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<sup>4</sup> According to ECB's framework 'a quantitative assessment of timeliness involves recording the number of days and recurrence of delayed delivery'. Timeliness in ECB's framework is included as an element in the serviceability dimension (together with relevance and stability). In IMF's framework timeliness is considered as an indicator of serviceability and it is assessed according to IMF's data dissemination standards which are similar to Eurostat's deadlines for data delivery (t+3 for quarterly and t+6 for annual data).

## **B. QUALITY ASSESSMENT**

### **1. RELEVANCE**

The production of statistics is justified as long as it remains relevant to the users' needs. Those needs can be identified (or confirmed) by the conduct of regular surveys of the opinion of the users.<sup>5</sup> Unit B5 assesses periodically the needs of the main users of its production.

A recent reassessment of Commission's information needs fully determined the data requested from Member States. Needs of the National Accountants were reassessed whereas ECB'S needs have also been clearly established.<sup>6</sup>

Furthermore the regular presentation of the Unit's production to its main users as well as to the potential users of bop information has a twofold purpose. First, to provide detailed information on the full range of the statistics produced and second to get a feedback from the users concerning their more recent requirements and the level of satisfaction of their needs.<sup>7</sup>

The following list shows the variety of the Unit's production users and their needs<sup>8</sup>

#### **Users**

According to the article 99 of the Treaty establishing the European Community Commission submits reports to the Council in order to enable the Council to monitor economic developments in each Member State as well as the consistency of economic policies with the broad economic guidelines.

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<sup>5</sup> Users' needs can also be indirectly identified from data shops as well as the use of web site. An indicator of the relevance of statistics could be the number of data extractions from a data base. For example, the number of extractions from the bop domain of New Cronos in the period between November 2000 and September 2001 ranged from 184 to 1031 extractions (see New Cronos, Statistics and Consultations).

<sup>6</sup> See documents (a) 'Contribution to the EFC report on Balance of Payments statistics' (paragraph 2), 20 April 2001. (b) 'International Trade in Services, Foreign Direct Investment and Balance of Payments statistics, Information needs of the Commission' where the main changes of the Commission's needs are indicated.

<sup>7</sup> The last presentation took place on 15 December 2000 in Brussels.

<sup>8</sup> The detailed list of clients is included in the Unit's Development Plan, S4, pp. 23-28, June 2001.

The Development Plan of the Unit identifies five types of users.

- **DG Trade** in charge of the follow-up of the GATS (Article 133 of the Treaty establishing European Community). *Required data:* Trade in Services (cross-border trade by type of product and partner countries), FDI (by economic activity and partner countries) and FATS (activity indicators).
- **DG Relex** in charge of monitoring and managing the bilateral relations or regional agreements of EU. *Required data:* geographical breakdown of EU BoP (mainly the current account with major partners) .
- **DG Enlargement.** *Required data:* BoP data for Candidate Countries (Contribution to Regular Reports of the Commission on Candidate Countries' progress towards accession).
- **DG Econ.** *Required data:* general BoP statistics (aggregated data including intra-EU as well as Trade in Services and FDI with a geographical breakdown).
- **DG Market** for monitoring the deepening of the Internal Market. *Required data:* Trade in services and FDI.
- Other DGs with an interest in specific services (e.g. transport and travel). (**Enterprise DG and Energy and Transport DG**).

Other, outside the Commission entities include:

- National Central Banks and National Statistical Offices.
- WTO, OECD, IMF, ECB, UNCTAD
- Enterprises
- Consultants
- Universities and research centers.
- Users interested in information on Community institutions (Member States, ECB, DG Budget)



## 2. ACCURACY

According to Eurostat's quality framework the assessment of accuracy should include information on sampling and non-sampling errors. This approach is suitable for evaluating the accuracy of statistics produced mainly by survey based systems.<sup>9</sup>

Moreover, it mainly refers to quality assessment practices which should be followed by the compilers of individual countries. The statistical information published by Unit B5 is based on the bop data received by Member States and Candidate Countries. Therefore in assessing the accuracy of this information the focus in this particular case should be rather on specific issues that may affect the accuracy of bop statistics. Such issues are (a) the type and level of thresholds, (b) the bilateral asymmetries recorded for the main items of the current account, (c) the adjustments and estimations made by Eurostat for ensuring the accuracy of EU aggregates and (d) the evaluation of accuracy of provisional estimates.

### 2.1. Type and level of thresholds<sup>10</sup>

Table 1 summarises the level and the type of thresholds used by Member States. Most of the MSs (with the exemption of Finland, Ireland and UK which have survey based systems) use a simplification threshold ranging from € 2500 (Italy) to € 50000 (Netherlands). Germany and Sweden have an exemption threshold of € 12500 whereas Greece does not use any threshold.

It should be noted however from the start, that the currently used thresholds are linked to present collection systems which are evolving. From the beginning of 2002 all countries are required to implement an exemption threshold of euro 12500. Nevertheless, a reference to the past and present types and levels of thresholds may provide some indication as to the degree of accuracy of the reported information.

In the case of the *simplification* threshold MSs allocate the sum of unidentified transactions (geographically and by item) by the application of techniques relying mostly on the historical pattern of the relevant transactions (Austria, Belgium, partly

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<sup>9</sup> IMF's framework extends this approach to include international transactions reporting systems and proposes a series of actions to be taken by the compilers in order to insure the accuracy of the produced information. See, IMF, 'A Framework for Assessing the Quality of Balance of Payments Statistics', March 2001.

Denmark, Luxembourg Netherlands, Spain) or the pattern of the transactions in intervals above the threshold (Denmark). The impact of these methods on the quality of the provided information depends on the updating of the keys used for the allocation of the transactions below the threshold.

Germany and Sweden who have an *exemption* threshold use statistical techniques for the estimation of the value of transactions below the threshold. These methods are mainly based on comparisons between transactions above and below the threshold for a period before the implementation of the threshold.<sup>11</sup>

**Table 1. Level and type of thresholds in place in April 2001**

	<b>EURO</b>	<b>TYPE</b>	<b>CHANGES AND NOTES</b>
<b>AUSTRIA</b>	5500	Simplification	Before 1998 it was € 2616
<b>BLEU</b>	9000	Simplification	
<b>DENMARK</b>	12500	Simplification	From January 2001
<b>FINLAND</b>	-	-	Survey based system
<b>FRANCE</b>	15000	Simplification	Since 1990
<b>GERMANY</b>	12500	Exemption	From 2001. In 1998 it was € 2500
<b>GREECE</b>	No threshold		
<b>IRELAND</b>	-	-	Survey based system
<b>ITALY</b>	2500	Simplification	Since 1990
<b>NETHERLANDS</b>	50000	Simplification	Until end 1997 it was € 11400, raised further in 1998
<b>PORTUGAL</b>	5000	Simplification	Same as in 1998
<b>SPAIN</b>	12500	Simplification	From end Jan. 2001. Before it was € 3005
<b>SWEDEN</b>	12500	Exemption	Before July 2000 it was € 9500
<b>UNITED KINGDOM</b>	-	-	Survey based system

Table 2 presents the percentage of transactions (in value of total reported) below the 1998 threshold as well as the estimated percentage of transactions below of a common (exemption) threshold of € 12500 for total services (partner World).

<sup>10</sup> TGA, Questionnaire on the loss of information due to the introduction of the €12.500 reporting threshold. Annex 2.

<sup>11</sup> See *inter alia* Threshold and data collection system. BP/2000/16/E (corrected and updated). 14 March 2000.

**Table 2. Value of transactions below 1998 and € 12.500 thresholds (in %)**

	1998 THRESHOLD		€ 12.500	
	Credit	Debit	Credit	Debit
AUSTRIA	13	9	16	13
BLEU	6	7	9	9
DENMARK	5	6	7	8
FRANCE	8	10	8	10
GERMANY	0	0	1	5
ITALY	0	0	13	17
NETHERLANDS	6	6	6	6
PORTUGAL	6	5	15	13
SPAIN	4	3	12	11
SWEDEN	4	4	6	6

It is evident that in several cases an increase in the level of threshold leads to a considerable loss of information. *The impact of this loss on the accuracy of the reported figures will depend on the methods used for estimating the unrecorded transactions as well as for allocating the estimated amount geographically and by item.* The table 3 indicates the loss of information implied by an exemption threshold of € 12.500 for selected services.

**Table 3. Loss of information (% of the value of transactions below € 12.500, partner world, year 1998)**

	SEA TRANSPORT		OTHER TRANSPORT		TRAVEL		INSURANCE SERVICES		OTHER BUSINESS SERVICES		PERSONAL, CULTURAL SERVICES	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
AT	44	37	29	25	10	6	22	17	8	11	29	26
B-L	2	2	27	31	10	9	-	-	6	10	17	14
DK	2	5	26	24	5	5	15	12	17	17	21	23
FR	10	6	15	18	70	71	35	25	8	11	21	12
IT	-	-	-	-	-	-	20	20	40	40	30	30
NL	10	8	20	23	7	3	12	5	4	4	8	10
PT	21	1	30	1	16	26	16	18	20	11	28	24
ES	13	4	36	28	12	20	5	4	14	11	16	7
SE	-	1	13	9	3	4	2	5	11	9	16	23

## 2.2 Asymmetries

Eurostat has prepared mirror tables for all the main items of the current account showing the major bilateral asymmetries. The recorded differences between the figures provided by the involved partners for the same transaction apparently indicate that the transaction is not measured accurately. This in turn is reflected to the EU aggregate figures. The top ten bilateral asymmetries extracted from the mirror tables show that no specific pattern exists with respect to items, countries or pairs of countries.<sup>12</sup>

The absence of regularities in the recorded asymmetries makes the elimination of those asymmetries and the calculation of an agreed set of asymmetry-free data complicated. The issue is further complicated due to the effect that the removal of asymmetries might have on National Accounts. Nevertheless, a considerable progress has been made in removing asymmetries in the fields of Trade and BoP statistics in the framework of bottom-up and top-down approaches.<sup>13</sup>

Tables 1 and 1a show the percentage of asymmetries at EU level for the main components of current account and selected items of services for the period 1997-99.<sup>14</sup>

**Table 1. Asymmetries at EU level , (in %)\***

	1997	1998	1999
<b>CURRENT ACCOUNT (993)</b>	4	3	2
<b>GOODS (100)</b>	8	7	5
<b>SERVICES (200)</b>	1	0	0
<b>INCOME (300)</b>	-9	-3	-5
<b>TRANSFERS (379)</b>	-1	-1	-1
<b>FDI**</b>	22.4	18.5	1.5

\*  $[\text{Credit (reporter)} - \text{Debit (partner)}] / [(\text{Credit (reporter)} + \text{Debit (partner)}) / 2]$

\*\* The same definition with Outward and Inward flows.

<sup>12</sup> See, Memo to the TG Asymmetry, Luxembourg, 10 July 2001.

<sup>13</sup> See, CMFB, Ad hoc Committee Asymmetries, Report by B. Meganck, Chairman of the ad hoc Committee on Asymmetries, January 2001.

<sup>14</sup> For the major contributors to the top ten recorded asymmetries see graphs annexed to the document referred to in footnote 3 and the final asymmetry tables.

**Table 1a. Asymmetries at EU level for selected services, (in %)\***

	1997	1998	1999
<b>TRANSPORT</b>	-5	-5	-2
<b>TRAVEL</b>	7	7	8
<b>OTHER SERVICES</b>	-2	-3	-4
<b>COMMUNICATION</b>	-10	-12	-5
<b>CONSTRUCTION</b>	3	12	16
<b>INSURANCE</b>	-13	-33	-8
<b>FINANCIAL SERVICES</b>	46	50	34
<b>COMPUTER &amp; INFORMATION SERVICES</b>	-6	-6	39

\* \* [Credit (reporter) – Debit (partner)] / [(Credit (reporter) + Debit (partner)) / 2]

### 2.3 Adjustment and harmonisation of data

Unit B5 applies several adjustments to the data provided by MSs in order to harmonise, correct and estimate missing information for the construction of a more accurate and comparable (over time and across countries) figures of EU balance of payments (EU-15 and EUR-12 aggregates)<sup>15</sup>. These adjustments are necessary since some Member States are not still completely able to comply with the agreed guidelines for the compilation of BoP statistics.<sup>16</sup>

The domains where these interventions are mostly made are (a) the annual current account (International Trade in Services (ITS) and (b) the geographical breakdown of the current account (GBR)).<sup>17</sup>

Tables 1 and 1a show the percentage of interventions made for all Member States for the production period 1996-99 for ITS and FDI.

<sup>15</sup> Here the comparability across countries ensures a more accurate calculation of EU bop aggregates.

<sup>16</sup> IMF BoP Manual, 5<sup>th</sup> edition, BoP Vade mecum, Task Force 2 “Current Account” report.

<sup>17</sup> For a full description of the adjustment and harmonisation procedures applied see ITS Compilation guide, various editions.

**Table 1. Percentage of estimations implemented in 1996-99 production period**

	PRODUCTION 1996		PRODUCTION 1997		PRODUCTION 1998		PRODUCTION 1999	
	ITS	GBR	ITS	GBR	ITS	GBR	ITS	GBR
<b>BLEU</b>	0	0	0	0	14	1	4	0
<b>DENMARK</b>	95	100	91	98	89	98	38	6
<b>GERMANY</b>	13	9	13	9	11	9	11	9
<b>GREECE</b>	77	71	90	98	90	98	89	97
<b>SPAIN</b>	0	0	0	2	1	2	1	1
<b>FRANCE</b>	11	0	11	0	12	0	9	0
<b>IRELAND</b>	95	100	96	99	95	99	38	83
<b>ITALY</b>	22	28	26	26	19	26	0	0
<b>NETHERLANDS</b>	22	13	17	0	16	0	16	0
<b>AUSTRIA</b>	60	42	35	4	3	5	2	4
<b>PORTUGAL</b>	16	4	21	4	7	1	4	2
<b>FINLAND</b>	26	11	26	10	42	22	24	45
<b>SWEDEN</b>	93	100	93	98	84	98	4	0
<b>UK</b>	39	59	16	33	7	47	31	48

**Table 1a. Percentage of estimations implemented in 1996-99 production period for FDI flows**

	PRODUCTION 1996	PRODUCTION 1997	PRODUCTION 1998	PRODUCTION 1999
<b>BLEU</b>	66	66	66	59
<b>DENMARK</b>	65	72	47	66
<b>GERMANY</b>	1	1	1	1
<b>SPAIN</b>	39	39	39	46
<b>FRANCE</b>	42	41	62	86
<b>ITALY</b>	60	61	60	44
<b>NETHERLANDS</b>	26	26	27	25
<b>AUSTRIA</b>	25	22	22	26
<b>PORTUGAL</b>	1	1	1	1
<b>FINLAND</b>	52	51	50	49
<b>SWEDEN</b>	81	70	66	76
<b>UK</b>	25	37	37	42

The percentages shown in the table by no means imply inaccurate measurements of the bop transactions by the MSs. As it was mentioned before, the adjustments carried out by Eurostat aim merely to produce accurate aggregates by applying the defined

methodology. The same purpose is served by the implementation of the consignment principle. For a more accurate geographical allocation of intra-EU/euro-zone imports of goods, Member States were requested to apply this principle. From 1998 onwards the calculation of the EU/euro-zone aggregates is based on the principle of consignment.

## **2.4 Revision policy and schedule of revisions**

In the CMFB Work Programme 2001-2003 among other issues a reference is made to the quality of statistics (paragraph 6)<sup>18</sup>. For the accuracy component of quality the document stresses the importance of “the accuracy of provisional estimates that are later revised and the credibility of definite figures”.

Eurostat conducts three types of revisions in order to ensure the accuracy and consistency of information provided to users:

(a) *Structural revisions* which are needed whenever a methodological change occurs (e.g. changes introduced with BPM5). The aim of these revisions is to ensure the accuracy as well as the consistency of the historical BoP data.<sup>19</sup>

(b) *Consistency revisions* which are made in order to improve the accuracy of quarterly figures and their consistency with the more accurate annual data.

(c) *Complementary revisions* which are necessary since missing information at the first assessment is estimated and therefore when final data is reported the estimated information needs to be revised. Complementary revisions are more frequent in quarterly figures rather than the annual data.

Eurostat after discussions with ECB proposed a revision policy, which aims to provide users with accurate statistics and ensure the credibility of the definite figures by avoiding continuous and frequent publication of revised data. The proposed revision policy was approved by the bop Working Party.<sup>20</sup>

Tables 1 and 1a present the agreed revision policy for ITS, quarterly and FDI data for the production period 2000-2001.

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<sup>18</sup> CMFB, WORK PROGRAMME 2001-2003, Second draft, April 2001.

<sup>19</sup> This is also related to the comparability component of quality where the impact of changes in concepts on the historical series and the adjustments undertaken by Eurostat is presented.

<sup>20</sup> See WP document, Revision policy, BP/2000/14/E, 25 February 2000 and Unit Development Plan (June 2001) p. 4.

**Table 1. Deadlines for data transmission. Reference period. Publication dates. Revision policy (BOP\_Q and BOP\_ITS, not for BOP\_FDI)**

Deadline of data delivery Data flows	Reference period of data included in publications First and second estimates of quarterly data. Publication dates.	First and second estimates of annual data	Final release of annual and quarterly data
28 Feb 2001 2000Q4 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2000Q4 (BOP_EUR). <u>First estimates</u> for 2000Q4. Publication date 14/03/01</li> </ul>		
30 Mar 2001 2000Q4 (BOP_Q)	<ul style="list-style-type: none"> <li>N 2000Q4 (BOP_Q). <u>Second estimates</u> for 2000Q4. Publication date 30/4/01 (*)</li> <li>R 2000Q1-Q3</li> </ul>	<ul style="list-style-type: none"> <li>2000Y (sum of the quarters). <u>First estimates</u> year 2000. Indic.publicat° date : mid-May 2001</li> </ul>	
31 May 2001 2001Q1 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2001Q1 (BOP_EUR). <u>First estimates</u> for 2001Q1. Publication date 14/6/01</li> </ul>		
29 Jun 2001 2001Q1 (BOP_Q) 2000Y (ITS) (***)	<ul style="list-style-type: none"> <li>N 2001Q1 (BOP_Q). <u>Second estimates</u> for 2001Q1. Publication date 30/7/01 (*)</li> <li>R 2000Q1-Q4. (consistent with 2000Y ITS) This revised 2000 quarterly data will only be released together with 2001Q2 release (end October) (**)</li> <li>R 1999Q1-Q4. (consistent with revised 1999Y ITS) This revised 1999 quarterly data will only be released together with 2001Q2 release (end October)</li> <li>N 2000Y (ITS) (production procedures start for publication 2000 second estimates)</li> <li>R 1999Y (ITS) This revised 1999 annual data is not published until the second annual 2000 estimates are released in Nov 2001</li> </ul>		
31 Aug 2001 2001Q2 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2001Q2 (BOP_EUR). <u>First estimates</u> 2001Q2. Publication date 14/9/01</li> </ul>		
1 Oct 2001 2001Q2 (BOP_Q)	<ul style="list-style-type: none"> <li>N 2001Q2 (BOP_Q). <u>Second estimates</u> 2001Q2. Publication date 29/10/01 (*)</li> <li>R 2001Q1</li> </ul>	<ul style="list-style-type: none"> <li>R 2000Q1-Q4 Publication date : 29/10/01</li> </ul>	<ul style="list-style-type: none"> <li>R 1999Q1-Q4 Publication date : 29/10/01</li> </ul>
30 Nov 2001 2001Q3 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2001Q3 (BOP_EUR). <u>First estimates</u> 2001Q3. Publication date 14/12/01</li> </ul>	<ul style="list-style-type: none"> <li>2000Y (ITS). <u>Second estimates</u> year 2000. Indic.publicat° date : end Nov 2001</li> </ul>	<ul style="list-style-type: none"> <li>R 1999Y. "Final" results for year 1999 (*****) Indic.publicat° date : end Nov 2001</li> </ul>
2 Jan 2002 2001Q3 (BOP_Q)	<ul style="list-style-type: none"> <li>N2001Q3 (BOP_Q). <u>Second estimates</u> 2001Q3. Publication date 1/2/02 (*)</li> <li>R 2001Q1-Q2</li> </ul>		



28 Feb 2002 2001Q4 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2001Q4 (BOP_EUR). <u>First estimates</u> 2001Q4. Publication date 15/3/02</li> </ul>		
29 Mar 2002 2001Q4 (BOP_Q)	<ul style="list-style-type: none"> <li>N 2001Q4 (BOP_Q). <u>Second estimates</u> 2001Q4. Publication date 29/4/02 (*)</li> <li>R 2001Q1-Q3</li> </ul>	<ul style="list-style-type: none"> <li>2001Y (sum of the quarters). <u>First estimates</u> year 2001. Indic.publicat° date : mid-May 2002</li> </ul>	
31 May 2002 2002Q1 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2002Q1 (BOP_EUR). <u>First estimates</u> 2002Q1. Publication date 14/6/02</li> </ul>		
28 Jun 2002 2002Q1 (BOP_Q) 2001Y(ITS) (*****)	<ul style="list-style-type: none"> <li>N 2002Q1 (BOP_Q). <u>Second estimates</u> 2002Q1. Publication date 26/7/02 (*)</li> <li>R 2001Q1-Q4. (consistent with 2001Y ITS) This revised 2001 quarterly data will only be released together with 2002Q2 release (end October) (****)</li> <li>R 2000Q1-Q4. (consistent with revised 2000Y ITS) This revised 2000 quarterly data will only be released together with 2002Q2 release (end October)</li> <li>N 2001Y (ITS) (production procedures start for publication 2001 second estimates)</li> <li>R 2000Y (ITS) This revised 2000 annual data is not published until the second annual 2001 estimates are released in Nov 2002</li> </ul>		
30 Aug 2002 2002Q2 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2002Q2 (BOP_EUR). <u>First estimates</u> 2002Q2. Publication date 16/9/02</li> </ul>		
30 Sep 2002 2002Q2 (BOP_Q)	<ul style="list-style-type: none"> <li>N 2002Q2 (BOP_Q). <u>Second estimates</u> 2002Q2. Publication date 28/10/02 (*)</li> <li>R 2002Q1</li> </ul>	<ul style="list-style-type: none"> <li>R 2001Q1-Q4 Publication date : 28/10/02</li> </ul>	<ul style="list-style-type: none"> <li>R 2000Q1-Q4 Publication date : 28/10/02</li> </ul>
29 Nov 2002 2002Q3 (BOP_EUR)	<ul style="list-style-type: none"> <li>N 2002Q3 (BOP_EUR). <u>First estimates</u> 2002Q3. Publication date 13/12/02</li> </ul>	<ul style="list-style-type: none"> <li>2001Y (ITS). <u>Second estimates</u> year 2001. Indic.publicat° date : end Nov 2002</li> </ul>	<ul style="list-style-type: none"> <li>R 2000Y. "Final" results for year 2000 (*****) Indic.publicat° date : end Nov 2002</li> </ul>
2 Jan 2003 2002Q3 (BOP_Q)	<ul style="list-style-type: none"> <li>N 2002Q3 (BOP_Q). <u>Second estimates</u> 2002Q3. Publication date 31/1/03 (*)</li> <li>R 2002Q1-Q2</li> </ul>		

Legend:

N: New data; R: Revisions; Y: Annual; Q: Quarterly; (BOP\_EUR) quarterly current account and trade in services balances, to be transmitted two months after the reference quarter (T+2); (BOP\_Q) quarterly questionnaire Q1 (T+3).

Notes:

- (\*) Eurostat releases simultaneously these quarterly estimates coinciding with the ECB's quarterly statistical press release for the corresponding quarter.

- (\*\*) MS can keep transmitting revised quarterly data for year 2000. They will be stored and published by the end of Oct 2001.
- (\*\*\*) MS could transmit revised annual data for 1999. In this case, a set of consistent quarterly data for 1999 should be transmitted together. They will be stored and published by the end of Nov 2001
- (\*\*\*\*) MS can keep transmitting revised quarterly data for year 2001. They will be stored and published by the end of Oct 2002.
- (\*\*\*\*\*) MS could transmit revised annual data for 2000. In this case, a set of consistent quarterly data for 2000 should be transmitted together. They will be stored and published by the end of Nov 2002
- (\*\*\*\*\*) Data could be revised after these cut-off dates if major methodological revisions are carried out. Consistent annual and quarterly consistent data should always be transmitted for the concerned periods

**Table 1a. Revision policy of Eurostat for FDI annual data**

Deadline of data delivery	Reference period - Flows	Publication Flows	Reference period - Stocks	Publication Stocks
April 2000 (preliminary and less detailed)	N 1999 R 1998	July 2000	-	-
June 2000	N 1999 R 1998 R 1997	November 2000	N 1998 R 1997	November 2000
April 2001 (preliminary and less detailed)	N 2000 R 1999	July 2001	-	-
June 2001	N 2000 R 1999 (R 1998)	November 2001	N 1999 R 1998	October 2000

N: New data, R: Revisions,

The degree of accuracy of the first assessment (first arrival of the data set) can be evaluated by comparing this data set with the revised data sent to Eurostat (second assessment). Tables 2, 2a and 2b show the difference between the first and the second assessment of annual data as well as the percentage of the upward (+) and downward (-) revision of net flows, credits and debits for selected bop items.

**Table 2. Differences between the first and the second (final) assessment of BoP net flows (Reporter: EU15, Partner: World) for 1997-1998 period (mill. ECU/EURO)**

	1997	ABSOLUTE DEVIATION	%	1998	ABSOLUTE DEVIATION	%	1999
<b>CURRENT ACCOUNT</b>							
<b>1998</b>	124230*						
<b>1999</b>	130032**	5802	4.7	96169*			
<b>2000</b>				92898**	-3271	-3.4	40450*
<b>GOODS</b>							
<b>1998</b>	142671*						
<b>1999</b>	143698**	1027	0.7	122704*			
<b>2000</b>				125640**	2936	2.4	84095*
<b>SERVICES</b>							
<b>1998</b>	16797*						
<b>1999</b>	19394**	2597	15.5	14545*			
<b>2000</b>				12403**	-2142	-14.7	10850*
<b>INCOME</b>							
<b>1998</b>	-11568*						
<b>1999</b>	-9526**	-2042	-17.7	-18387*			
<b>2000</b>				-21905**	3518	19.1	-30131*
<b>CURRENT TRANSFERS</b>							
<b>1998</b>	-23669*						
<b>1999</b>	-23537**	-132	-0.6	-22695*			
<b>2000</b>				-23242**	547	2.4	-24363*

\* First assessment

\*\* Second assessment

**Table 2a. Differences between the first and the second (final) assessment of BoP credits (Reporter: EU15, Partner: World) for 1997-1998 period (mill. ECU/EURO)**

	1997	ABSOLUTE DEVIATION	%	1998	ABSOLUTE DEVIATION	%	1999
<b>CURRENT ACCOUNT</b>							
<b>1998</b>	2968620*						
<b>1999</b>	2987743**	19123	0.6	3134284*			
<b>2000</b>				3162893**	28609	0.9	3346280*
<b>GOODS</b>							
<b>1998</b>	1823524*						
<b>1999</b>	1827585**	4061	0.2	1911744*			
<b>2000</b>				1940496**	28752	1.5	2030287*
<b>SERVICES</b>							
<b>1998</b>	488033*						
<b>1999</b>	494091**	6058	1.2	514493*			
<b>2000</b>				513019**	-1474	-0.3	554200*
<b>INCOME</b>							
<b>1998</b>	466184*						
<b>1999</b>	476072**	9888	2.1	506952*			
<b>2000</b>				508205**	1253	0.2	546327*
<b>CURRENT TRANSFERS</b>							
<b>1998</b>	190881*						
<b>1999</b>	189995**	-886	-0.5	201094*			
<b>2000</b>				201172**	78	0.0	215466*

\* First assessment

\*\* Second assessment

**Table 2a. Differences between the first and the second (final) assessment of BoP debits (Reporter: EU15, Partner: World) for 1997-1998 period (mill. ECU/EURO)**

	1997	ABSOLUTE DEVIATION	%	1998	ABSOLUTE DEVIATION	%	1999
<b>CURRENT ACCOUNT</b>							
<b>1998</b>	2844391*						
<b>1999</b>	2857711**	13320	0.5	3038115*			
<b>2000</b>				3069995**	31880	1.0	3305830*
<b>GOODS</b>							
<b>1998</b>	1680853*						
<b>1999</b>	1683886**	3033	0.2	1789040*			
<b>2000</b>				1814856**	25816	1.4	1946191*
<b>SERVICES</b>							
<b>1998</b>	471235*						
<b>1999</b>	474697**	3462	0.7	499948*			
<b>2000</b>				500616**	668	0.1	543350*
<b>INCOME</b>							
<b>1998</b>	477752*						
<b>1999</b>	485598**	7846	1.6	525339*			
<b>2000</b>				530110**	4771	0.9	576458*
<b>CURRENT TRANSFERS</b>							
<b>1998</b>	214550*						
<b>1999</b>	213531**	-1019	-0.5	223789*			
<b>2000</b>				224414**	625	0.3	239829*

\* First assessment

\*\* Second assessment

Some additional information concerning the degree of accuracy of **preliminary figures** estimated by Eurostat for selected BoP items is presented in the following Table 3. These estimations of annual BoP items are based on quarterly figures provided by Member States. The percentage deviations of final figures from the preliminary estimations show indirectly the degree of accuracy of quarterly figures. As annual figures are considered more accurate, the initial quarterly data are readjusted with the co-operation of MSs to ensure consistency between quarterly and definitive annual data.

**Table 3. Percentage deviations of final from preliminary annual data (net flows).  
Reporter: EU15-Partner:World, 1996-99**

	1996	1997	1998	1999
<b>CURRENT ACCOUNT</b>	3.5	2.8	0.2	1.1
<b>GOODS</b>	-3.5	-1.0	4.5	-0.1
<b>SERVICES</b>	85.0	75.8	-10.4	6.6
<b>INCOME</b>	-6.4	-7.2	19.6	2.3
<b>CURRENT TRANSFERS</b>	-2.5	22.9	1.0	-2.2

### 3. TIMELINESS

The timely dissemination of data depends on the efficiency of the data production process. Therefore the assessment of this quality component indirectly evaluates the effectiveness of the production processes in providing users with the required information timely and on a regular basis.

The dissemination of bop statistics from Unit B5 depends on the time the data is delivered by Member States as well as on the time needed for processing this data.

#### 3.1 Deadlines for data delivery and recorded delays (Annual data, questionnaires Y1,Y3,Y4, quarterly data, questionnaire Q1)

Vademecum indicates the time periods within which Member States should deliver their data to Eurostat. Table 1 shows the agreed deadlines for all data sets transmitted to Eurostat (column 5). Table 2 presents the recorded delays in the delivery of annual current account data (Y1, Y3, Y4 questionnaires) for the period 1995-99.

Graphs 1-12 depict the delays recorded for each MS. Graph 13 presents (a) the total delays of MS (the time between all MS usable date and NC update)<sup>21</sup>, (b) Eurostat's data preparation period (between last arrival and NC update) and (c) the total delay (between deadline for MS data transmission and NC update) in disseminating the EU final results.

<sup>21</sup> All MS usable date refers to the arrival of the last data set. Therefore MS total delay refers to the time between the deadline and the arrival of the last data set when all the needed information is usable.

Graph 13a shows Eurostat's preparation period for the EU *preliminary* results (the time between the deadline for MS data transmission and NC update). Preliminary results of selected aggregate BoP items are calculated from the quarterly figures reported to Eurostat by MS. Therefore the relevant deadline for MS here is T+3 months for the delivery of the last quarter of the reference year.

As for the individual MS, Spain is the only country which has transmitted annual data on time in all years. Netherlands and UK have shown considerable improvement throughout the period 1995-99. The fluctuations exhibited by the other countries could be related to changes in their systems (see Graphs 1-12).

**Table 1. Deadlines for data delivery to ESTAT (2000)**

<b>DEADLINE</b>	<b>REFERENCE PERIOD</b>	<b>DATA FLOW</b>	<b>QUESTIONNAIRE</b>	<b>DELAY (T=REFERENCE PERIOD)</b>
March 30, 2001	2000 Q4	BOP-KEY	KEY ITEMS*	T + 3months
March 30, 2001	2000 Q4	BOP-Q	Q1	T + 3months
May 31, 2001	2001Q1	BOP-EUR	EURO-INDICATORS	T +2 months
June 29, 2001	2000 A	BOP-ITS	Y1, Y3, Y4	T + 6 months
June 29, 2001	2000 A	BOP-FDI	Y5, Y6	T + 6 months
June 29, 2001	1999 A	BOP-POS	Y7, Y8	T + 18 months
June 29, 2001	1999 A	BOP-FATS	Y9, Y10	T + 18 months

\* The key items is a sub-set of questionnaire Q1

**Table 2. Delays in data delivery (1995-1999)  
Annual Current Account data (Y1, Y3, Y4 questionnaires)**

	1995		1996		1997		1998		1999	
	Arrival	Late	Arrival	Late	Arrival	Late	Arrival	Late	Arrival	Late
<b>BLEU</b>	Oct. 1996	4 months	August 1997	2 months	Jan. 1999	7 months	Oct. 1999	4 months	June 2000	On time
<b>DENMARK</b>	May 1997	11 months (1)	Feb. 1998	8 months (1)	Jan. 1999	7 months (1)	June 1999	On time (1)	August 2000	2 months
<b>GERMANY</b>	Oct. 1996	4 months	Sept. 1997	3 months	July 1998	1 month	August 1999	2 months	Sept. 2000	3 months
<b>GREECE</b>	May 1997	11 months (2)	May 1998	11 months (2)	No data received		No data received		No data received	
<b>SPAIN</b>	June 1996	On time	May 1997	On time	May 1998	On time	June 1999	On time	June 2000	On time
<b>FRANCE</b>	Oct. 1996	4 months	Sept. 1997	3 months	Oct. 1998	4 months	Nov. 1999	5 months	August 2000	2 months
<b>IRELAND</b>	Feb. 1997	8 months (1)	May 1997	On time (1)	May 1998	On time (1)	June 1999	On time (1)	August 2000	2 months
<b>ITALY</b>	August 1996	2 months	July 1997	1 month	July 1998	1 month	Dec. 1999	5 months	June 2000	On time
<b>NETHERLANDS</b>	April 1997	10 months	Jan. 1998	7 months	July 1998	1 month	June 1999	On time	June 2000	On time
<b>AUSTRIA</b>	July 1997	13 months (3)	Jan. 1998	7 months (3)	Jan. 1999	7 months	June 1999	On time	August 2000	2 months
<b>PORTUGAL</b>	August 1996	2 months	July 1997	1 month	Jan. 1999	7 months	June 1999	On time	August 2000	2 months
<b>FINLAND</b>	Feb. 1997	8 months	Oct. 1997	4 months	July 1998	1 month	Sept. 1999	3 months	Sept. 2000	3 months
<b>SWEDEN</b>	July 1997	13 months (4)	July 1997	1 month (4)	July 1998	1 month	August 1999	2 months (5)	August 2000	2 months
<b>UK</b>	March 1997	9 months	July 1998	13 months	Jan. 1999	7 months	Sept. 1999	3 months	August 2000	2 months
<b>MS total delay+</b>	<b>13 months</b>		<b>13 months</b>		<b>7 months</b>		<b>5 months</b>		<b>3 months</b>	
<b>Eurostat preparation period-EU preliminary results++</b>	:		<b>10 months</b>		<b>7 months</b>		<b>2.5 months</b>		<b>2.5 months</b>	
<b>Eurostat preparation period+++</b>	<b>2 months</b>		<b>1 month</b>		<b>2 months</b>		<b>8 days</b>		<b>2.5 months</b>	
<b>Total delay-final results*</b>	<b>15 months</b>		<b>14 months</b>		<b>9 months</b>		<b>5 months</b>		<b>5.5 months</b>	

+ It refers to the period between the deadline and the last arrival (all MS usable date)

++ Between deadline for MS data transmission and New Cronos update

+++ Between last arrival and New Cronos update

\* Between deadline for MS data transmission and New Cronos update.

(1) Very partial data-No geographical breakdown

(2) Data with a lot of inconsistencies

(3) Important items missing. Data do not conform to definitions

(5) Geographical breakdown not usable.



Table 3 presents the delays in the delivery of *quarterly* data by MS. It is clear that a considerable progress has been made between 1997 and 2000 in the time of delivery of quarterly data. Almost all MS have transmitted the fourth quarter of 2000 to Eurostat within the defined deadline. And Eurostat has always transmitted quarterly data according to the defined calendar.

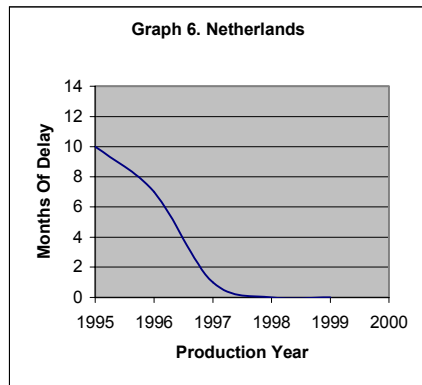
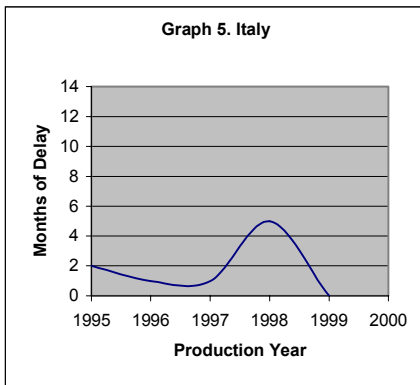
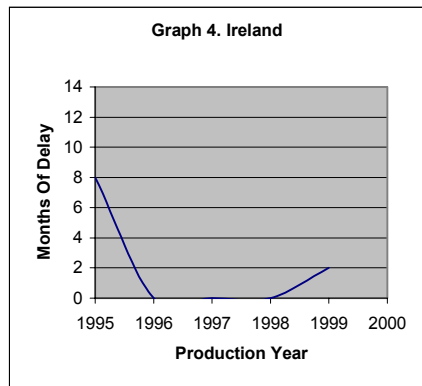
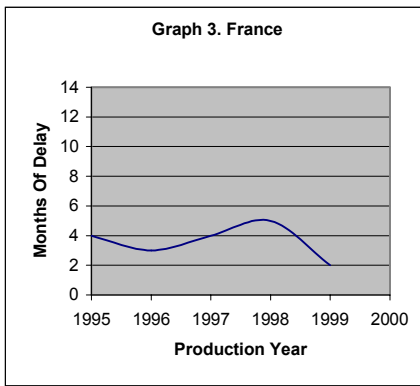
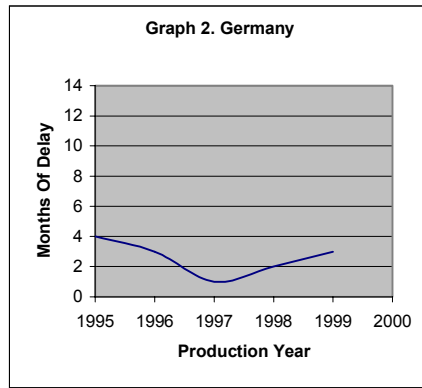
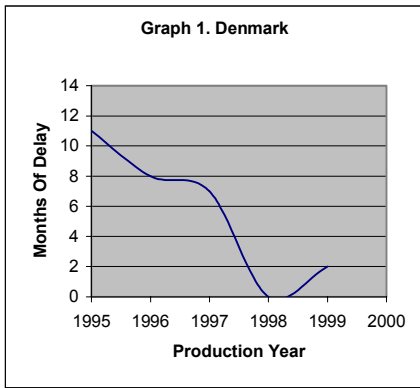
As it is mentioned above, quarterly figures are used for the calculation of *preliminary* EU aggregates. Therefore the timely delivery of this information along with the reduction of the processing period needed by Eurostat (see Graph 13a), has contributed to the significant shortening of the time period needed for disseminating preliminary information (in June for 1998 and 1999 production compared to October for 1997 aggregates).

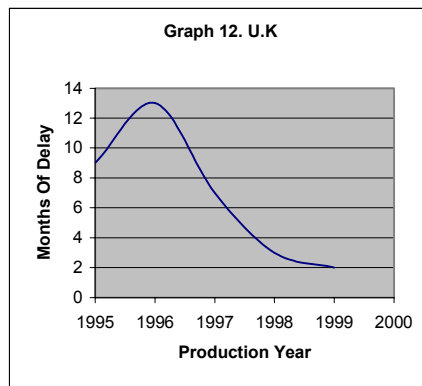
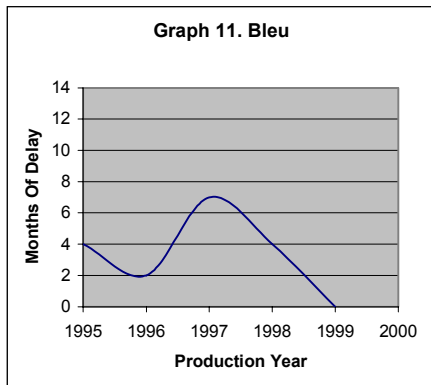
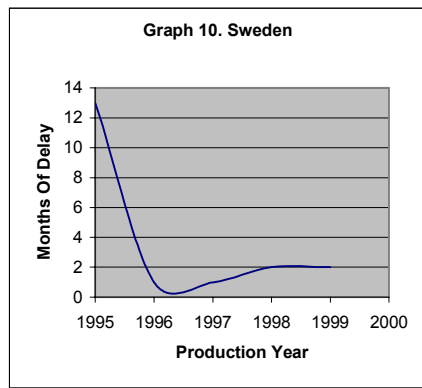
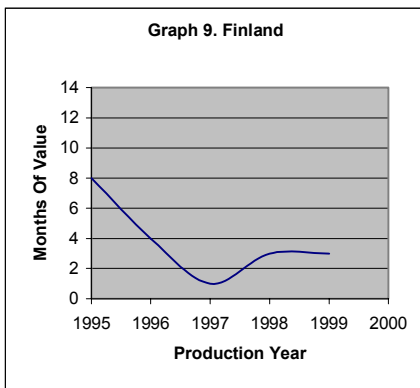
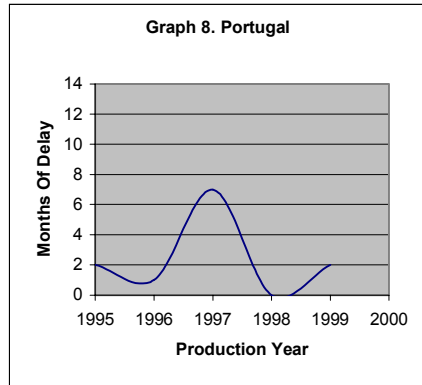
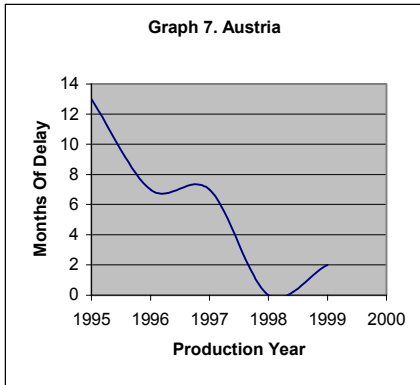
Likewise, as it is evident from Graph 13, given Eurostat's constraints related to resource availability, the reduction in the time period needed for disseminating final *annual* EU figures, resulted from the drastic decline in MS total delay (from 13 months in 1995 to 3 months in 1999).

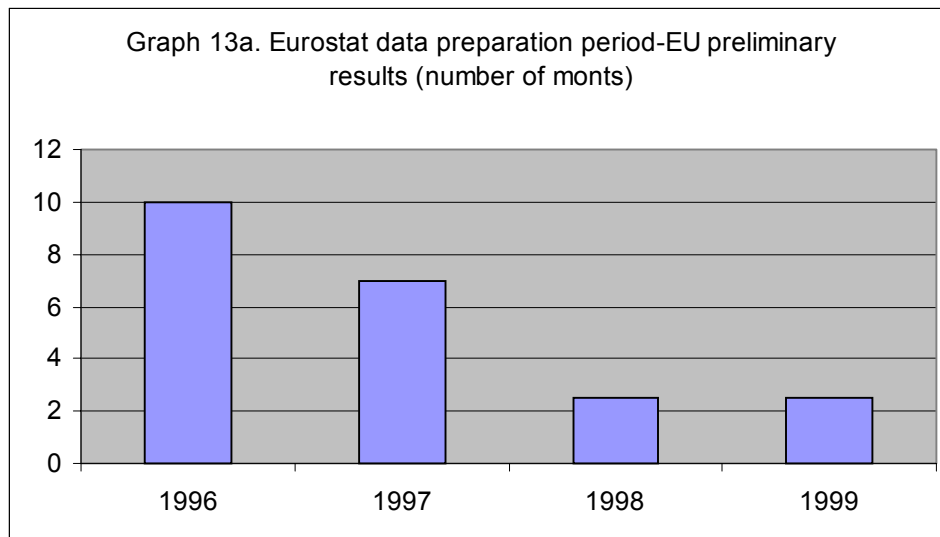
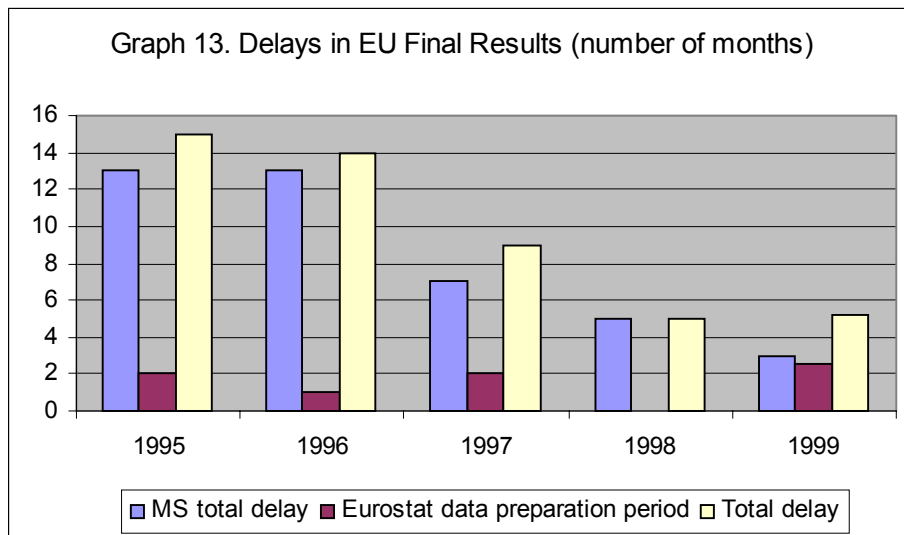
**Table 3. Delays in data delivery (1997Q4, 1998 Q4, 2000Q4)  
Quarterly data (Q1 questionnaire)**

	1997 Q4	1998Q4	2000 Q4
<b>BLEU</b>	10/04/98	12/05/99	30/03/01
Delay	10 days	42 days	1 day
<b>DENMARK</b>	05/04/98	22/03/99	28/03/01
Delay	5 days	-9 days	-3 days
<b>GERMANY</b>	15/04/98	01/07/99	30/03/01
Delay	15 days	92 days	-1 day
<b>GREECE</b>	04/05/98	21/04/99	-
Delay	4 days	21 days	-
<b>SPAIN</b>	20/04/98	16/04/99	29/03/01
Delay	20days	16 days	-2 days
<b>FRANCE</b>	28/03/98	01/04/99	16/03/01
Delay	-3 days	1 day	-15 days
<b>IRELAND</b>	25/05/98	01/04/99	04/04/01
Delay	55 days	1 day	4 days
<b>ITALY</b>	14/04/98	30/03/99	30/03/01
Delay	14 days	-1 day	-1 day
<b>NETHERLANDS</b>	02/04/98	01/04/99	30/03/01
Delay	2 days	1 day	-1 day
<b>AUSTRIA</b>	21/04/98	31/03/99	29/03/01
Delay	21 days	0 days	-2 days
<b>PORTUGAL</b>	09/04/98	05/05/99	12/04/01
Delay	9 days	35 days	12 days
<b>FINLAND</b>	07/04/98	31/03/99	27/03/01
Delay	7 days	0 days	-4 days
<b>SWEDEN</b>	18/05/98	24/03/99	26/02/01
Delay	48 days	-7 days	32 days
<b>UK</b>	14/04/98	02/07/99	28/03/01
Delay	14 days	93 days	3 days

**Graphs 1-12. Delays in the delivery of annual data by MS**







Concerning **FDI** figures as indicated in Vade mecum the deadline for delivery of data on positions is T+18 (months) and on flows T+6 (months). The following table presents the time of FDI data delivery to Eurostat.

**Table 4. Delays in FDI data delivery to Eurostat (in months)**

	<b>FDI POSITIONS (Y7&amp;Y8) (T+18)</b>		<b>FDI FLOWS(Y5&amp;Y6) (T+6)</b>
	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>BLEU</b>	Data not received	-1	0
<b>NETHERLANDS</b>	0	0	0
<b>FRANCE</b>	2	0	0
<b>ITALY</b>	1	-10	0
<b>SPAIN</b>	-3	-2	0
<b>SWEDEN</b>	4	-2	n.a.
<b>DENMARK</b>	n.a.	-1	0
<b>GREECE</b>	Data not received	0	Data not received
<b>IRELAND</b>	-	-	-
<b>UK</b>	-3	-3	0
<b>GERMANY</b>	n.a.	0	0
<b>AUSTRIA</b>	1	0	0
<b>PORTUGAL</b>	2	0	0
<b>FINLAND</b>	0	-1	1

#### 4. ACCESSIBILITY AND CLARITY OF INFORMATION

The usefulness of statistical information is improved when data is easily accessible by users, readily available in forms friendly to users and adequately documented.

The accessibility and clarity component refers to a series of issues related to

- How the produced information is disseminated
- The availability of the information to the users
- The awareness of potential users as to the existence of the produced information
- The documentation of the disseminated information (methodological notes and guidance provided to users).

##### **Dissemination of bop statistics**

###### 1. NEWCRONOS (The Eurostat's reference database)

BoP statistics are published under:

Theme: theme2 Economy and Finance

Domain: bop International trade in services, Foreign direct investment and Balance of payments.

##### **BoP areas covered:**

- Foreign Direct Investment (fdi)
- International Trade in Services (its)
- Quarterly BoP (qbop)
- BoP of the EU Institutions (eu inst)
- Candidate Countries (bopec)

##### **Elements of BoP statistics in NewCronos**

- Declaring entity-geo (country,region or economic area)
- Partner entity-partner (country,region or economic area)
- BoP item-post (according to IMF BOPM5)
- Flow-flow (credit, debit, net)
- Economic activity-activ (sector of activity for FDI only)
- Period of observation-time (year, quarter or month)

The information section of the bop domain includes the BoP Vademecum (Eurostat's-B5 reference document) describing in detail the statistical request of Eurostat to data providers. Furthermore the figures published for each bop area are supplemented by explanatory information concerning data sources, legal basis, nomenclatures and methodology.

FDI and ITS (annual data) are updated in Newcronos at least twice per year. The first for the preliminary results (usually by the end of September of each year) and the second for the final figures (end of November of each year).

## 2. EURO-INDICATORS

It includes balance of payments monthly (ECB data) and quarterly (Eurostat data) information covering:

### *(a) Monthly figures:*

Current Account (Total, Goods, Services, Income, Current Transfers)

Capital Account

Current and Capital Account

Financial Account (Total, Direct investment, Portfolio investment, Financial Derivatives Other investment Reserve Assets)

### *(b) Quarterly figures:*

Current Account (Total, Goods, Services, Income, Current transfers)

Capital Account (Total)

Current and Capital Account (Total)

These short term indicators are published with complementary information on metadata, release calendar and available datashops.

## 3. OTHER PUBLICATIONS

- EU Foreign Direct Investment Yearbook, Analytical aspects (paper with detailed tables in CD-ROM) (PANORAMA OF THE EUROPEAN UNION)
- EU International Transactions (with detailed tables, paper)
- International Trade in services-EU (with detailed tables, paper and CD-ROM)
- Geographical breakdown of the EU Current Account (with detailed tables, paper and CD-ROM)



- Balance of Payments of the EU Institutions ( detailed tables, paper)
- **Contributions:** (a) Eurostat Yearbook. The Statistical guide to Europe (PANORAMA OF THE EUROPEAN UNION). (b) Statistical Yearbook on Candidate and South-East European Countries (PANORAMA OF THE EUROPEAN UNION)

All the above publications include methodological and explanatory notes concerning the figures presented in the tables.

- **Press releases**

Quarterly current account and services balance for EU15 and Eurozone aggregates are published according to a fixed calendar available in NewCronos and the BoP Vademecum. The press release is simultaneously co-ordinated with the quarterly press release of the ECB.

- **Statistics in focus**

Paper publications examining special issues of bop including tables and graphs. The following table presents the statistics in focus published in 2000.

PROJECT	TITLE	NR
ITS	With a 12% share in 1998 <i>Postal and courier services</i> remained an essential mean of EU external communications	9/2000
ITS	EU remains world's top destination for tourists but external travel balance shows a deficit of ECU -1.3 bn in 1998	13/2000
FDI	Growing foreign direct investment into the EU <i>Decreasing shares for Italian and German markets</i>	15/2000
ITS	The EU current external surplus in 1998 shrank to ECU 16 bn after a record ECU 49 bn in 1997	18/2000
FDI/ITS	EU trade and investment with Mexico before the new trade agreement	19/2000
FDI	Income and rate of Return from EU Foreign Direct Investments	24/2000
FDI	European Union FDI with Candidate countries: an overview	26/2000
FDI	Strong growth in FDI among EU Member States <i>First results FDI 1999</i>	28/2000
CCs	Balance of current transactions of Candidate countries: Annual data 1995-1998	32/2000
FDI	European Union's FDI links with EFTA countries	34/2000
ITS	In 1999, the EU current balance with the rest of the world showed a EUR -2.9 bn deficit	39/2000
CCs	Current account transactions of Candidate countries: Annual data 1996-1999	42/2000

All the above listed publications (paper and electronic) are available and easily accessible by all users mainly via Eurostat's data shops.

### **Documentation of published data**

As it has been mentioned before, explanatory notes concerning bop data are included in the information part of all bop selections in NewCronos and Euro-Indicators. Similarly all publications contain notes on methodological and analytical aspects. A complete documentation of the Unit's production is sited on Circa including:

- Vademecum
- Compilation guide
- MDT Guide (Unit B5 database system)
- Reports of technical groups
- Working party papers

Furthermore a detailed inventory of methodologies used by Member States is available in the framework of Gentleman's Agreements signed by Eurostat and each Member State. Although the text is not accessible by all users it is nevertheless a useful guide for identifying methodological deviations which are stated in several publications of bop data.

Users of bop statistics for more specialised information and clarifications can refer to:

- Domain managers and responsible teams for each selection of data published in NewCronos
- Eurostat's data shops network

## **5. COMPARABILITY**

The comparability component measures the effect of differences in concepts and definitions used on comparing statistics over space, domains and time. Geographical comparability refers to comparisons between data produced at National level and data produced at European level. Comparability over time has to do with the continuity of the time series and the impact of changes in concepts, methods of measurement on comparing data for different reference periods.

In general bop data produced by MS should be comparable to the extent that all rules and recommendations for the compilation of BoP statistics are followed. These rules are clearly defined in

- the IMF Balance of Payments Manual, 5<sup>th</sup> edition (BPM5)
- the supplementary guidelines included in the report of Task Force 2
- the “nature of transactions” classification (joint OECD/Eurostat classification) and the geographical classification described in the Eurostat BOP Vade mecum.

For many reasons all Member States have not attained full compliance with the defined compilation rules. Some of the problems facing the national compilers in producing bop statistics are linked to the nature of the services transactions (difficulties in defining certain services, problems with mixed transactions and problems of identifying gross flows) whereas others are problems specific to individual countries (lack of resources or different treatment of certain activities). The complexity of these problems results in (sometimes inevitable) deviations from the recommended standards.

This section examines the basic deviations between National concepts and European definitions and the actions taken by Eurostat for harmonising national data according to the defined guidelines. Furthermore, a general assessment of the impact of major changes in concepts on the continuity of historical time series is provided.

### **Geographical comparability over space**

Differences in the definitions, concepts and methods of measurement adopted by Member States give rise to inconsistencies between National and European statistics.<sup>22</sup> As it was mentioned before for a series of reasons not all Member States comply fully with the defined rules. Some characteristic examples are the following.

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<sup>22</sup> The components or dimensions of accuracy, consistency and comparability are interrelated or even sometimes identical. Obviously inaccurately measured data are poorly compared. According to ECB’s definition consistency refers to “differences in statistics pertaining to a specific phenomenon when collected or compiled by different sources (internal consistency of statistics compiled by different international organisations)”. This aspect of consistency coincides with Eurostat’s quality component of comparability over space (comparability of statistics compiled by the Member States, international organisations, the main partners and by the European Union ). External consistency according to ECB’s definition refers to “the degree to which data pertaining to different statistical fields are *comparable* (external consistency which for instance has to do with the consistency between trade in goods according to the bop trade statistics and national accounts). This is considered under the coherence component of Eurostat’s quality framework. Notwithstanding the differences in terminology accuracy, consistency and comparability should be considered as closely interrelated. For ECB’s approach, see ‘Assessing the quality of the Euro area BoP/IIP statistics’, 29 January 2001, ST/WG/QUALIMPL.DOC.

- For *insurance services* BPM5 recommends the estimation of service charges included in total premiums earned. The estimation of these charges has not been attained by all Member States. For some of them insurance services are measured as the difference between premiums received and claims paid.
- *Construction services* is another complex item sometimes including transactions which according to the rules should be recorded under direct investment.
- The value of certain services is not always reported separately but it is reported with the value of other transactions. Transportation, transportation insurance and financial services are among the services for which different treatments may render the reported figures not comparable.

The following Tables 1 illustrates some methodological deviations recorded for FDI related items.<sup>23</sup>

**Table 1. Methodological deviations for FDI related items  
(1992-99 for flows and 1994-98 for stocks)**

	Owner-ship threshold	Directional principle	Reinvested earnings	Trade credits	Special Financial Institutions	Annual Stock data
<b>AUSTRIA</b>	10%	OK	OK	Trade credits between FDI enterprises are now recorded under DI and no longer under other investment	OK	From 1994 are published at book value according to the ultimate beneficial owner principle.
<b>BLEU</b>	10%	Directional principle not used for geographical allocation	Excluded	Excluded	OK	Not calculated
<b>DENMARK</b>	10%	From 1992 to 1997 data collected on an asset/liabilities basis	Not covered from 1992 to 1997	OK	OK	Calculated at book value. For stock exchange listed companies value adjustments are included. Stock data is disaggregated according to the ultimate beneficial owner criterion.

<sup>23</sup> A full description of the methodological deviations from the general bop compilation rules for all Member States is presented in Compilation Guide (edition 2001) along with the corrections and estimates carried out by Eurostat for calculating consistent and comparable EU aggregates.

<b>FINLAND</b>	10%	OK	OK	OK	OK	Recorded at book value and available from 1994.
<b>FRANCE</b>	10%	Applied only to long-term loans. All other FDI activities are recorded gross on an asset/liability basis.	From 1995 applied only for totals.	OK	OK	From 1994 published at book value.
<b>GERMANY</b>	Before 1999 a 20% threshold was used	OK	OK	OK	OK	Recorded at book value and available from 1994.
<b>GREECE</b>	*	*	*	*	*	*
<b>IRELAND</b>	**	**	Included	**	**	Not available
<b>ITALY</b>	OK	OK	Available from 1999 for totals and for extra-Euro zone	OK	OK	Calculated by cumulating and revaluing flows. Valuation is based on market prices for listed securities and on book values in all other cases.
<b>NETHERLANDS</b>	No minimum threshold for equity holding. In practice a 10% threshold is used for defining DI	From 1999 it is applied for equity and other capital flows. Until 1998, data collected on an asset/liability basis.	OK	OK	Not under FDI	Valuation is based on market prices for listed securities and on book values in other cases. Available from 1994.
<b>PORTUGAL</b>	10%	OK	OK	It is recorded under other investment	OK	First released figures based on accumulated flows. Definitive figures are compiled by using survey results. Published at book value from 1995.
<b>SPAIN</b>	10%	OK	Not included	Not covered by FDI figures	OK	Published only for totals, calculated by accumulation of flows at historical value.
<b>SWEDEN</b>	10%	OK	OK	OK	Funding through Special Purpose entities is not covered before 1998	Published from 1994 at book value.
<b>UK</b>	Before 1999, a 20% threshold was used.	OK	OK	OK	OK	Recorded at book value, available from 1994.

\* For Greece only figures for total flows are available

\*\* Ireland has provided data only on total capital flows and intra EU/extra EU/Eurozone GBR. All other figures have been estimated.

**The consignment principle.** Member States were asked to change the geographical allocation of intra EU/Eurozone imports of goods from country of origin to country of consignment in order to comply with the internationally agreed methodology. The EU/Eurozone aggregates from 1998 onwards have been calculated according to the consignment principle.

The change in the geographical allocation of intra EU imports after the implementation of the consignment principle will affect the comparability of the geographical pattern of intra EU imports (as long as some countries continue to apply the principle of origin) as well as the over time comparability of the GBR of each country's intra EU imports.

The following table shows the method used by each MS in allocating intra EU imports.

**Table 3. Allocation of intra EU imports**

	1993	1994	1995	1996	1997	1998	1999
<b>AUSTRIA</b>			<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>BLEU</b>	*	*	*	*	*	*	*
<b>DENMARK</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>
<b>GERMANY</b>	<b>O</b>	<b>O</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>GREECE</b>	**	**	**	**	**	**	**
<b>SPAIN</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>C</b>	<b>C</b>
<b>FRANCE</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>IRELAND</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>
<b>ITALY</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>NETHERLANDS</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>PORTUGAL</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>FINLAND</b>			<b>O</b>	<b>O</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>SWEDEN</b>			<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>
<b>UK</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>

C: Consignment, O: Origin

\* Data on goods on settlement basis

\*\* In 1999 partial implementation of the consignment principle

### **Comparability between bop statistics produced by Eurostat, other international Organisations USA and Japan.**

Eurostat publishes bop data for USA and Japan which are fully comparable. Especially for US bop data, in order to avoid deviations arising from differences in the classification of transactions, Eurostat makes the appropriate adjustments by applying the recommendations of BPM5. The published figures are fully in line with those published by IMF.

Data on International Trade in Services are produced according to the joint Eurostat/OECD questionnaires and therefore they are fully comparable.

Concerning the comparability of bop data produced by Eurostat and ECB, quarterly figures are fully comparable whereas annual figures are almost similar with the exception of non-allocated flows and Special Purpose Entities.

### **Comparability over time**

Major changes in concepts, definitions and compilation methodologies in general affect the comparability of bop statistics over time. Such a major change occurred with the introduction of BPM5. MS were asked to report bop according to the new framework of BPM5 from 1992 onwards. Eurostat carried out a “structural” revision of the bop figures for the period 1985-91.

Likewise the implementation of the consignment principle, as it has mentioned before, will affect the over time comparability of the MSs’ geographical allocation of intra EU imports.

## **6. COHERENCE**

The coherence component refers to the impact of conceptual and methodological deviations on the joint uses of statistics produced for different primary purposes. According to Eurostat’s approach the assessment of this quality component should consider issues like

- The coherence between provisional and final statistics
- The coherence between annual and short-term statistics
- The coherence of statistics in the same socio-economic domain.
- Comparison of statistics with national accounts

The first issue refers to possible lack of coherence between provisional and final data. Provisional data are usually less accurate than final data as the latter is containing more information. In other words, while those two sets of statistics are generally compiled according to the same concepts and definitions, differences in accuracy affect their coherence. This feature of quality has been dealt with under the accuracy component where the recorded differences can be considered as an indirect indication of the coherence between provisional and final bop statistics.

The second aspect has to do with differences between quarterly and annual figures. According to the deadlines stated in Vademecum quarterly figures must be delivered to Eurostat at T+3 months and annual data at T+6 months. In the time period between the delivery of the last quarter and the first delivery of annual figures and even after that, quarterly figures are often revised. The sum of quarterly figures provided frequently does not coincide with the first report of annual figures. In any case countries are asked when revising their data to do so in a way that ensures the coherence between the annual and quarterly figures. Any discrepancies detected are remedied through direct co-operation with MSs.

The third aspect refers to different type of representation of the same phenomenon (in value or volume terms, constant prices). BoP statistics are published only in value terms. However users should be aware of the effect of sometimes-considerable changes in market prices and exchange rates on time series analysis or comparisons across countries.

### **Coherence between statistics compiled by different sources**

Several items of bop are compiled by different sources like National Accounts and Foreign Trade Statistics. The possible lack of coherence between the data produced by these different sources should be attributed to the fact that each source compiles its statistics according to the recommendations of the manuals drafted by various international organisations (Eurostat, IMF, OECD, UN).

Concerning the differences between Foreign Trade statistics and BOP statistics we should mention that a full reconciliation of the published data on item Goods was made in December 1999 and updated in June 2001. The results of this exercise give an indication of the magnitude in absolute value and relative terms of the CIF/FOB



adjustment and the Other Adjustments performed by BOP compilers starting from Foreign Trade statistics.

The following table compares the compilation methods and practices used by different sources.

	<b>EUROSTAT BOP</b>	<b>EUROSTAT FTS</b>	<b>EUROSTAT NATIONAL ACCOUNTS</b>
<b>CONCEPTS AND DEFINITIONS</b>	IMF BOPM5 Vademecum	Community definition	ESA 95. The rest of the world account based on national definition
<b>CLASSIFICATIONS</b>	IMF, Eurostat/OECD	Harmonised system	NACE
<b>AGGREGATION LEVEL</b>	Detailed geographical breakdown	Detailed geographical breakdown	Intra EU, Extra EU, World
<b>REFERENCE PERIOD</b>	Quarterly and Annual	Monthly	Annual
<b>CORRECTION METHODS</b>	National corrections and Eurostat corrections and estimations	National corrections	National corrections

## 7. COMPLETENESS

The basic aim of the European Statistical system is to satisfy the information needs of the users by creating the appropriate concepts and developing suitable tools of measurement. The completeness component assesses how well the available data correspond to the needs and priorities expressed by the users. The needs of the users are presumably depicted in the questionnaires included in Vade mecum. Member States (central banks or statistical offices) are expected to provide Eurostat with data according to the requirements of these questionnaires. As it has been mentioned not all Member States are still able to comply with the requirements of BoP Vade mecum for several reasons.

In this sections the available data is compared with the user's requests described by the BoP Vade mecum questionnaires. More specifically, based on the available

records, the following tables present the rate of coverage of the required information and the number of bop items published by Eurostat.

Table 1 shows the ratio of reported data by Member States to the total number of bop items required (Y1 questionnaire) and agreed in the framework of Gentleman's agreements based on the report of Task Force 2 'Current Account'.

Table 2 presents for selected bop items the ratio of the reported partners to the total number of partners defined for the questionnaires Y1, Y3 and Y4.<sup>24</sup>

Tables 3 and 4 show the percentage of reported bop quarterly and fdi data to the required total.

Table 5 illustrates the degree of completeness of bop information for Candidate Countries.

Table 6 shows the number of bop items published in New Cronos both for Member States and Candidate Countries from 1994 to 1999. It is worth mentioning the very significant improvement made over the period in the quantity of published information on FDI both for Member States and Candidate Countries.

**Table 1. Percentage of the required data reported (ITS, 1999)**

<b>AT</b>	<b>BLEU</b>	<b>DE</b>	<b>DK</b>	<b>FI</b>	<b>FR</b>	<b>IR</b>	<b>IT</b>	<b>NL</b>	<b>PT</b>	<b>SP</b>	<b>SE</b>	<b>UK</b>
81	78	65	54	62	60	43	88	67	85	73	75	53

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<sup>24</sup> Some countries provide 0 to indicate either no transactions or no recording. In the percentages of the table zero values are not included.

**Table 2. Percentage of the required GBR reported (1999)**

	GOODS, SERVICES AND INCOME (LEVEL 3)	ITEMS REQUIRING GBR LEVEL 1	CURRENT ACCOUNT (LEVEL 4)
AT	89	71	79
BLEU	92	79	87
DE	93	93	98
DK	90	79	91
FI	91	79	73
GR*	-	-	-
FR	88	79	93
IR	9	-	3
IT	91	79	93
NL	90	79	90
PT	90	79	77
SP	91	71	83
SE	90	57	91
UK	44	-	20

\* By the time this report was prepared Greece sent a data set with detailed GBR. The rate of coverage for this country will be included in the table in the final version of this report.

**Table 3. Percentage of the required data reported (quarterly figures)**

	1999 Q1	1999Q2	1999Q3	1999Q4	2000Q1	2000Q2	2000Q3	2000Q4
AT	43	43	43	43	43	43	43	43
BLEU	61	61	61	61	61	61	61	61
DE	64	64	64	64	62	64	63	63
DK	10	10	10	10	15	15	15	15
FI	61	61	61	61	61	61	63	63
GR	3	3	3	3	53	52	53	53
FR	54	54	54	54	54	54	54	54
IR	44	44	44	44	50	50	50	50
IT	60	59	59	61	59	59	59	59
NL	67	67	67	67	67	67	67	67
PT	70	70	70	70	70	70	70	70
SP	62	62	62	62	32	32	33	63
SE	63	63	63	63	63	63	63	63
UK	7	7	7	7	10	10	10	10

**Table 4. Percentage of the required data reported (FDI flows, 2000 transmission)**

	1996	1997	1998	1999
<b>AT</b>	7	10	10	10
<b>BLEU</b>	1	2	2	4
<b>DE</b>	81	84	83	84
<b>DK</b>	2	6	15	5
<b>FI</b>	20	20	28	27
<b>GR</b>	0	0	0	0
<b>FR</b>	8	8	16	1
<b>IR</b>	1	1	1	1
<b>IT</b>	8	7	8	16
<b>NL</b>	62	63	59	58
<b>PT</b>	91	91	91	91
<b>SP</b>	5	5	4	4
<b>SE</b>	4	10	11	1
<b>UK</b>	86	77	77	77

**Table 5. Candidate countries. Percentage of the required data reported  
(Questionnaire Y1, Reference year 1999 published in New Cronos)**

<b>BG</b>	<b>CY</b>	<b>CZ</b>	<b>EE</b>	<b>HU</b>	<b>LT</b>	<b>LV</b>	<b>MT</b>	<b>PL</b>	<b>RO</b>	<b>SI</b>	<b>SK</b>	<b>TR</b>
25	21	24	24	24	24	24	21	22	25	24	25	18

**Table 6. Number of items published in New Cronos (1994-99)**

	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	
<b>MEMBER STATES</b>	<b>ITS annual</b>	49930	54558	51746	49483	50847	55564
	<b>Quarterly (Q4)</b>	1575	1573	1709	1708	1541	1531
	<b>FDI flows</b>	51958	102782	100337	163294	171106	159244*
	<b>FDI stocks</b>	9823	29707	33419	34743	40382	-
<b>CANDIDATE COUNTRIES</b>	<b>ITS annual</b>	812	1096	1410	1802	2113	1941
	<b>Quarterly (Q4)</b>	391	744	724	1322	1452	1288
	<b>FDI flows</b>				18920	51954	75665
	<b>FDI stocks</b>				10104	20864	17973

\* Preliminary, not including revisions.

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