

# Procedure file

Basic information	
CNS - Consultation procedure Regulation	1997/0171(CNS) Procedure completed
EC statistics: legislative framework for the production of short-term EC statistics	
Amended by <a href="#">2003/0325(COD)</a> Repealed by <a href="#">2017/0048(COD)</a>	
Subject 8.60 European statistical legislation	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	ELDR <a href="#">GASÒLIBA I BÖHM Carles-Alfred</a>	03/09/1997
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2095</a>	19/05/1998

Key events			
23/06/1997	Legislative proposal published	COM(1997)0313	Summary
15/09/1997	Committee referral announced in Parliament		
05/02/1998	Vote in committee		Summary
04/02/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0047/1998</a>	
19/02/1998	Debate in Parliament		
20/02/1998	Decision by Parliament	T4-0106/1998	Summary
19/05/1998	Act adopted by Council after consultation of Parliament		
19/05/1998	End of procedure in Parliament		
05/06/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/0171(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amended by <a href="#">2003/0325(COD)</a> Repealed by <a href="#">2017/0048(COD)</a>

Legal basis	EC before Amsterdam E 213
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09234

## Documentation gateway

Legislative proposal	<a href="#">COM(1997)0313</a> <a href="#">OJ C 267 03.09.1997, p. 0001</a>	24/06/1997	EC	Summary
Economic and Social Committee: opinion, report	<a href="#">CES1202/1997</a>	30/10/1997	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0047/1998</a> <a href="#">OJ C 080 16.03.1998, p. 0004</a>	05/02/1998	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0106/1998 <a href="#">OJ C 080 16.03.1998, p. 0284-0290</a>	20/02/1998	EP	Summary
Follow-up document	<a href="#">COM(2003)0036</a>	29/01/2003	EC	Summary
Implementing legislative act	<a href="#">32006R1502</a> <a href="#">OJ L 281 12.10.2006, p. 0001-0014</a>	28/09/2006	EU	Summary
Implementing legislative act	<a href="#">32006R1503</a> <a href="#">OJ L 281 12.10.2006, p. 0015-0029</a>	28/09/2006	EU	Summary
Follow-up document	<a href="#">COM(2008)0340</a>	09/06/2008	EC	Summary
Follow-up document	<a href="#">COM(2011)0329</a>	08/06/2011	EC	Summary
Follow-up document	COM(2014)0381	26/06/2014	EC	Summary
Follow-up document	<a href="#">COM(2017)0411</a>	02/08/2017	EC	Summary
Follow-up document	<a href="#">COM(2021)0126</a>	18/03/2021	EC	

## Additional information

European Commission	<a href="#">EUR-Lex</a>
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## Final act

<a href="#">Regulation 1998/1165</a> <a href="#">OJ L 162 05.06.1998, p. 0001</a> Summary
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## EC statistics: legislative framework for the production of short-term EC statistics

OBJECTIVE: to require Member States to supply Eurostat with comparable statistics on short-term trends in the European business community. SUBSTANCE: the proposal for a Regulation has the aim of making available to all users of short-term indicators harmonized statistics on the economic cycle within the EU. This information is vital for the purpose of formulating, monitoring and appraising Community policies, especially monetary, economic, social, industrial, sectoral and regional policy and policy on competition, enterprises and the environment. In practical terms, the proposal lays down the rules, standards and definitions necessary for producing comparable statistics within the European Union, without imposing any specific collection method. Member States will be responsible for collecting the data, not the Commission.?

## EC statistics: legislative framework for the production of short-term EC statistics

The Committee considers that the proposal takes sufficient account of the principle of subsidiarity in requiring the Member States to provide the necessary data whilst leaving to them the choice of collection method. The Committee approves the Commission's desire to ensure that the new measure does not increase the administrative workload of small and medium-sized enterprises. Breaking down the data by company

size would over time make it easier to identify the effects of the economic cycle on enterprises of different size. The Committee feels that the proposal should be adapted to reflect the requirements of the employment policies of the Member States and the coordinating role which the European Union is required to play in this field by the provisions of the Treaty of Amsterdam. ?

## EC statistics: legislative framework for the production of short-term EC statistics

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The Committee adopted the report by Mr Carles-Alfred Gasòliba i Böhm (-ELDR, E) on the Commission proposal for a regulation on the collection of short term statistics. The proposal under consideration is for Member States to provide Eurostat with comparable statistical data on the short-term evolution of the European business community. This is thought to be required in order to assess the effects of the completion of the internal market and the likely effects of the introduction of the single currency. The Committee approved the Commission subject to eight amendments. Several amendments aim at ensuring a regional breakdown of the statistics. The rapporteur points out that it is not necessary to provide information only on the situation at the national level, as there is a considerable demand amongst decision makers for regional information, i.e. facts concerning a certain area like Catalonia, Lombardy or Wales as well as the territory of present Member States such as Denmark. Other amendments seek to further ensure that the data collected under the proposal is comparable between Member States.?

## EC statistics: legislative framework for the production of short-term EC statistics

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Adopting the report by Mr Alfred Carles Gasoliba I Böhm (ELDR, ES), Parliament added some amendments to the draft regulation on business cycle statistics. In particular, it stressed that the statistics must be comparable between Member States and enable information to be provided at regional level. ?

## EC statistics: legislative framework for the production of short-term EC statistics

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OBJECTIVE: to establish a common framework for the production of short-term Community statistics on the business cycle. COMMUNITY MEASURE: Council Regulation (EC) No 1165/98 concerning short-term statistics. SUBSTANCE: the purpose of the Regulation is to make available to all users short-term harmonised statistical indicators on the business cycle within the European Union. These statistics comprise the (variable) information necessary to maintain a uniform basis for analysing short-term trends in supply and demand, the factors of production and production prices. In practical terms, the Regulation lays down the standards, rules and definitions essential for the compilation of comparable statistics for the European Union, without imposing any specific method of collection. The Member States are responsible for collecting the data, not the Commission. ENTRY INTO FORCE: 25/05/1998. ?

## EC statistics: legislative framework for the production of short-term EC statistics

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The European Commission has submitted a report concerning short-term statistics which also contains a summary of the quality report as required by the Council Regulation 1165/98/EC. The main findings, as of the end of 2001 are as follows: - 3 years after the adoption of the Regulation on short-term statistics the overall data situation is far from satisfactory. Although Eurostat can calculate important EU15/Euro-zone indicators, no aggregates can be estimated for 14 of the 32 demanded indicators. The situation should improve in 2002 as about 60% of the derogations will lapse during this year. However, the remaining 40% of Member States' derogations will expire only by mid-2003; - the availability of historic time series is a major concern for users. This concerns all indicators, especially retail trade and output prices. Timeliness and the issue of revisions are concerns for industrial production and particularly critical for the volume of retail sales index. Compared to these issues, the accessibility of data is considered a minor problem. Users also expressed their need for additional business cycle indicators; - to reduce publication delays any further, additional efforts are therefore needed from Eurostat and the Member States which go beyond the existing regulation; - the metadata situation is currently satisfactory. However, some areas - especially in construction, retail trade and other services - lack sufficient information. The challenge for the future is to keep the metadata-base STS-Sources up to date; - many indicators are already transmitted according to common definitions although this is not yet obligatory. Quality problems will persist for these indicators until all Member States apply the common definitions; - revision practices are not harmonised between Member States. This leads to significant problems for the users of the indicators. The evidence presented here supports strongly the case for additional steps towards a common revision policy. - as regards the selected sampling characteristics, the report states that the unweighted and weighted sample coverage compared to the overall population in percent differs widely between Member States. Most but not all Member States use size classes for different indicators. Questions arising from sampling characteristics should be studied further in order to seek common approaches; - Eurostat proposes to exchange best practices in these areas in order to reduce the burden on business; - together with Member States, this issue of the cost for national statistical system should be further explored in order to arrive at a better and more harmonised measurement, and consequently a deeper understanding of the costs involved in producing business cycle statistics.?

## EC statistics: legislative framework for the production of short-term EC statistics

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ACT: Commission Regulation (EC) No 1503/2006 implementing and amending Council Regulation (EC) No 1165/98 concerning short-term statistics as regards the definition of variables, the list of variables and the frequency of data compilation.

CONTENT: Regulation (EC) No 1165/98 established a common framework for the production of short-term Community statistics on business cycles and defined the necessary variables. Regulation (EC) No 1158/2005 introduced new variables and obligations for the Member States concerning the collection of data.

Consequently, this Regulation introduces implementing measures as well as amendments to Regulation (EC) No 1165/98 regarding the definition of variables, the list of variables and the frequency of data compilation.

Commission Regulation (EC) No 588/2001 implementing Council Regulation (EC) No 1165/98 on short-term statistics as regards the definition of variables is repealed.

ENTRY INTO FORCE: 01/11/2006.

## EC statistics: legislative framework for the production of short-term EC statistics

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ACT: Commission Regulation (EC) No 1502/2006 implementing Council Regulation (EC) No 1165/98 concerning short-term statistics as regards derogations granted to Member States.

CONTENT: Regulation (EC) No 1165/98 established a common framework for the production of short-term Community statistics on business cycles. Regulation (EC) No 1158/2005 introduced new variables and imposed new obligations on Member States regarding reference periods, levels of detail and the transmission deadlines. Consequently, national statistical systems need to be adapted.

The tables included in the Annex to this Regulation detail the transition periods and the derogations granted to Member States for individual indicators in each annex to Regulation (EC) No 1165/98 amended by Regulation (EC) No 1158/2005.

ENTRY INTO FORCE: 01/11/2006.

## EC statistics: legislative framework for the production of short-term EC statistics

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In accordance with provisions set out in Regulation 1158/2005 concerning short-term statistics (the STS-Regulation) the Commission is required to submit a report to the European Parliament and the Council on statistics compiled under the terms of the Regulation. The report is required to address their relevance, quality and the revision of indicators. It is also specifically required to address the costs of the statistical system, the burden on business arising from the Regulation and on best practices for lessening the burden on business. If appropriate the report should indicate ways to reduce any unnecessary costs.

### Relevance of short-term statistics and benefits

An improved supply of data has resulted in a significant increase in the use of STS for economic analysis. For example, in 1999, at the launch of Stage Three of the EMU, industrial production was available on a monthly basis only; in 2007 data are now available for monthly and quarterly indicators on output, demand, prices, wages, employment, construction, retail trade and market services. The data are used for current economic analysis at EU and euro area level, for country analysis and country comparisons, for forecasting, economic research and for economic and monetary policy decisions. Further, the STS dataset has been recently extended to their services sector. The increased amount of data are now four times bigger than five years ago.

Deadlines for the submission of STS data have improved and have been achieved with systematic work in the Member States in order to maintain a high level of data quality. However, the release of some EU indicators are still behind those of the US and Japan. The 2005 amending Regulation introduced some European sampling, which is particularly suitable for first and timely estimates at European level and, therefore, fulfil major requirements of users while minimising the cost and burden in each Member State.

As far as the scope and quality of statistics is concerned, the report finds that data are available earlier. Similarly the country coverage at the moment of first release has improved. This is an important quality feature as it reduces the risk of subsequent revisions of first releases. Based on unbiased and accurate assessments, the quality of short term statistics has been described by users as generally good or satisfactory. There has been limited revisions of the STS. For some indicators, however, (for example retail trade turnover) further work is needed in order to improve the reliability of first estimates.

As with most EU countries, Eurostat has established an advance release calendar for many of the indicators. The release dates pre-announced on the Eurostat website for the whole year have been respected. The punctuality of STS statistics is unanimously assessed as optimal, very good or satisfactory. On a final point, the definitions, methods and quality between the EU and euro area economies and other major economies is very good and permits better economic analysis. Eurostat works closely with the OECD and other international institutions to ensure comparable methodologies and data as well as the use of common tools. When comparing the timeliness of some statistics, the US and Japan maintain faster delivery deadlines than Europe in terms of labour force and wages.

### Data Quality

Five principles govern the European statistics code: quality of statistical output; relevance; accuracy and reliability; timeliness and punctuality; coherence and comparability; accessibility and clarity. The report finds that the accuracy of the statistical output is tackled at both national and Community level in order to eliminate, as far as possible, non-sampling errors and by calculating sampling errors and studying revisions. All short-term statistical data are accessible on the Eurostat website. As from 2006 onwards a dedicated section of the Eurostat website on short-term statistics provides the latest publications, access to data, background information and answers to frequently asked questions. As for clarity, this is ensured by a comprehensive and coherent set of metadata, tables and graphs related to published series.

### Costs and burdens

In 2005 a task force was set up of short-term statistics specialists in order to develop a tool to measure the statistical burden on businesses and the cost of the statistical system arising from the common European methodology. Based on a sample of 26 countries, a good overall picture for the EU has been obtained. In a typical year, around 930 000 European businesses responded to a statistical survey related to the 39 short-term statistics indicators. On average each business spent around 4 hours and 20 minutes per year filling in statistical survey relating to the STS Regulation and the 39 indicators. Respondents tend to be larger enterprises given that SMEs are, mostly, exempted.

### Best practices

Examples of best practice includes: some twenty countries introducing electronic data collection rather than the post of fax; all Member States avoid burdening small businesses by including thresholds or implementing sample strategies; and some National Statistical Offices have successful experiments with a 'one entry data point' for larger companies known as the large business profiler programme. This latter policy

creates a very good long-term relationship between businesses and statistical offices.

## EC statistics: legislative framework for the production of short-term EC statistics

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In accordance with Council Regulation (EC) 1165/1998 the Commission presents its second report concerning short-term statistics. European short-term statistics provide a comprehensive set of short-term business indicators for the European economies covering industry, construction, retail trade, repair and certain service industries. The report outlines:

- the uses of short-term statistics and their relevance for key European policies and the steering of European monetary policy;
- major developments in short-term statistics since the last quality report;
- details of the different quality aspects of short-term statistics;
- the cost and the burden imposed by the collection and processing of data for the statistics are presented along with some examples on how such cost and burden might be reduced.

Relevance of short-term statistics: the establishment of short-term statistics had been a prerequisite for the establishment of the euro area and for monitoring the European monetary policy. The European Central Bank and National Central Banks are among the most important users of short-term statistics. Other important users are the Commission itself, national governments, research institutes, businesses and business organisations. News releases about short-term statistics generally receive wide attention in the media. Last but not least, short-term statistics also provide important input for other statistical areas such as national accounts.

Between 2009 and 2010 short-term statistics were the subject of a "rolling review". In order to identify ways to make the collection, processing and dissemination of short-term statistics more efficient, external experts analysed the framework and process for the production of short-term statistics from the point of view of users, of Eurostat and of the associated partners (national statistical institutes).

The majority of users need short-term statistics frequently and at regular intervals, and they consult the publications (database, news releases etc.) several times a month or at least once a month (e.g. when a news release is published). Accuracy is perceived by many users as the most important quality aspect of short-term statistics. However differences between the various quality aspects are not so significant and it seems fair to say that timeliness, comparability, accessibility, clarity, coherence and completeness are considered of almost the same importance as accuracy. This poses a great challenge for the producers of statistics as there are trade-offs between several quality aspects, notably between accuracy and timeliness or comparability and completeness.

In the review, users declared themselves to be satisfied with the quality of short-term statistics and the related services. 95% of the users who formulated a judgement on the quality found short-term statistics to be adequate, and 60% found it to be good or very good.

Two important methodological changes took place in 2009. Firstly, short-term indicators were rebased from the year 2000 to the year 2005: the arithmetical change of the base year (average 100 in 2005 instead of 2000) and an update of the weights used in the indicators to reflect the economic structure of 2005. In parallel with the rebasing, the new classification of economic activities in the European Union, NACE Rev. 2, replaced the older version NACE Rev. 1.1. The classification was modernised by introducing new detail to reflect different forms of production and emerging industries. The detail of the classification has substantially increased in service-producing activities. NACE Rev. 2 provides a better picture of the overall economy and facilitates international comparisons. The transition to NACE Rev. 2 was accomplished without noticeable effects on quality aspects such as timeliness or stability of data.

Scope and quality: Commission Regulation (EC) No 329/2009 amended the basic legal act and introduced hours worked and gross wages and salaries as new employment indicators for retail trade and repair and for other services. Following this amendment, hours worked and gross wages and salaries will be compiled for all branches of the economy covered by short-term statistics. Data will be calculated for quarterly reference periods and will become available in 2013.

Member States' compliance with the short-term statistics Regulation in terms of reliability, timeliness, coherence and comparability is monitored by Eurostat every six months and shows a high level of compliance and constant improvement. The EU27 average score was 8.9 (out of 10) as of 1 October 2010, as compared to 8.5 for 1st April 2005 and 6.6 for 1 January 2004. Most Member States are now close to full compliance with the Regulation.

Burden on business: the available data for the EU as a whole indicate a reduction in the production cost by 6% and a reduction in the burden on enterprises by 15% (both measured in hours per year) between 2006 and 2009. As found in the last quality report, the costs for the statistical system (e.g. national statistical offices) and the burden on businesses are roughly identical despite the slight shift of the overall cost and burden from businesses towards statistical authorities.

Improvements in the collection and processing of short-term statistics: there is a bundle of factors that explain why the cost reduction and the rough data available do not allow a quantitative distinction of the various influences on the total figure. In several cases, sample sizes for surveys have been reduced or postal or fax surveys have been replaced by electronic and internet surveys. This leads to a reduction of the costs for the statistical authorities. The positive effect for businesses stems from the possibility to include plausibility checks in the electronic questionnaire which results in fewer mistakes and a lower number of queries regarding classifications.

A major reason for the reduction in the burden on businesses appears to be the increased reliance by statistical offices on administrative data, especially for the employment indicators (hours worked, persons employed, gross wages and salaries). This kind of information is often already available e.g. within tax offices, labour administrations, public social insurances or building authorities and does not have to be collected again for statistical purposes. While the use of existing administrative sources for statistical purposes reduces the burden on businesses it may lead to higher costs within statistical offices as data might have to be adjusted. The use of administrative data also requires continuous coordination especially where countries have decentralised administrations.

## EC statistics: legislative framework for the production of short-term EC statistics

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In accordance with Council Regulation (EC) No 1165/98, the Commission has presented a report on short-term statistics.

European short-term statistics (STS) describe the most recent developments in European economies in four major areas: industry,

construction, retail trade and services (excluding financial services).

The present report:

- outlines the uses of short-term statistics and their relevance for key European policies and the steering of European monetary policy;
- indicates major developments in short-term statistics since the last quality report in June 2011;
- describes in greater detail the different quality aspects of short-term statistics;
- presents the cost and burden involved in the collection and processing of data for short-term statistics, and some examples of how Member States have been able to reduce these;
- provides an outlook on future developments in short-term statistics.

Overview of statistics and main developments: short-term statistics rank among the most important statistics produced by the Statistical Office of the European Union (Eurostat).

The Commission recalls that of the initial 22 principal European economic indicators (PEEIs) developed to monitor the economic development of the European Union and its Member States and in particular to conduct monetary policy in the euro area, eight are provided by short-term statistics: (i) industrial production, (ii) industrial output prices on the domestic market, (iii) industrial import prices, (iv) production in construction, (v) volume of retail trade and repair, (vi) turnover in services (excluding retail trade services) (other) services, (viii) service output prices and building permits.

A number of changes have taken place since the last quality report on short-term statistics was adopted in June 2011:

- with Commission Regulation (EU) No 461/2012 of 31 May 2012, the collection of data on industrial new orders was discontinued;
- in March 2012, a new seasonal adjustment method was introduced for European short-term statistics;
- in October 2012, short-term statistics became subject to the ESS guidelines on revision policy;
- in early 2013, the short-term indices were rebased from 2005 to 2010;
- as of 2013, quarterly data for hours worked and gross wages and salaries have been available for retail trade and repair and for other services.

Future developments: the report notes that between 2000 and 2012, the share of industry and construction in all economic activity dropped from 27.3% to 24.7%. Over the same period, the share of market services (excluding banking and insurance) increased from 43.2% to 45.5%. The high and increasing economic importance of the service sector is, however, not adequately reflected in current short-term statistics.

In 2011, Eurostat launched an intensive consultation of all key users and national producers of short-term statistics in order to assess ways of improving the short-term statistics indicators relating to service industries. Notwithstanding some concerns about a possible increase in cost and burden, the consultation showed a broad consensus on the need for improvement in this area.

Taking into account users and producers comments, the Commission plans to propose changes to the current Regulation to ensure the relevance of short-term statistics in view of the increasing economic importance of services in European economies, while fully taking into account concerns as to increasing cost and burden for their production.

## EC statistics: legislative framework for the production of short-term EC statistics

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The Commission presented a report on short-term statistics drawn up pursuant to Council Regulation (EC) No 1165/98.

Further to the reports submitted in June 2008, June 2011 and June 2014, this report:

- provides an overview of the uses of short-term statistics and their relevance for key European policies and the steering of European monetary policy;
- describes the different quality aspects of short-term statistics;
- presents some facts regarding the cost and the burden of collecting and processing the data required for short-term statistics;
- an outlook of future developments in short-term statistics, in particular with regard to the framework Regulation on the integration of business statistics (FRIBS).

Overview of the statistics and main developments: the Commission recalled that short-term statistics provide eight of the 22 principal European economic indicators (PEEIs) which were developed to monitor the economic development (business cycle) of the European Union and its Member States and in particular to conduct monetary policy in the euro area. These indicators are: (i) industrial production, (ii) industrial output prices on the domestic market, (iii) industrial import prices, (iv) production in construction, (v) volume of retail trade, (vi) turnover in services (excluding retail trade services), (vii) service output prices and (viii) building permits.

In order to ensure the relevance of short-term statistics for their users and to further enhance the quality of the data Eurostat has undertaken a number of initiatives since the last report on short-term statistics was adopted in June 2014. In

A number of changes have taken place since the adoption of the latest report on the quality of short-term statistics in June 2014:

- more extensive quality monitoring of short-term statistics was introduced to complement the existing system for regular assessment of data compliance;
- the national reference metadata for short-term business statistics were created and updated according to Eurostats metadata standards in March 2016.

Compliance with the Regulation: in general, the Commission considered that the results of the monitoring show a high level of compliance with the Regulation:

- Eurostat and the national statistical institutes cooperate to maintain, or even improve, a high degree of accuracy, reliability and consistency in the indicators of short-term statistics;
- the timeliness of short-term statistics can be considered very good;
- Eurostat publishes 48 press releases per year for four main indicators (industrial production, industrial output prices, production in the construction sector and volume of retail trade). In recent years, all press releases have been published according to schedule and all

statistics are available free of charge on the Eurostat website;

- the available data suggest that the statistical burden has declined slightly in recent years.

Outlook: the report showed that since 2000, the share of industry and construction in the value added of all economic activity has dropped from 34.0 % to 30.5 %. Over the same period, the share of market services (excluding banking and insurance) has increased from 41.0 % to 45.6 %.

In order to adequately represent this increased importance of the service sector in short-term statistics, Eurostat, in co-operation with Member States and after thorough consultation of key users, has prepared a proposal for a comprehensive enlargement and improvement of the legislative basis for short-term statistics, aiming at better covering the services sectors. This so-called STS-package is part of the [proposal for a Framework Regulation](#) Integrating Business Statistics (FRIBS), which the European Commission adopted on 6 March 2017.

In particular, according to the FRIBS proposal a production (volume) indicator for the service industries (including financial and public services) will be included in the set of short-term statistics indicators.

The proposed changes will guarantee that short-term statistics continue to fulfil their task of correctly and adequately measuring business cycle developments in a rapidly changing economic environment.