

## III

*(Preparatory acts)*

## EUROPEAN CENTRAL BANK

## OPINION OF THE EUROPEAN CENTRAL BANK

of 10 October 2013

**on a proposal for a regulation of the European Parliament and of the Council on the provision and quality of statistics for the macroeconomic imbalances procedure**

(CON/2013/72)

(2014/C 14/06)

**Introduction and legal basis**

On 2 July 2013 and on 12 July 2013, the European Central Bank (ECB) received requests from the European Parliament and from the Council, respectively, for an opinion on a proposal for a regulation of the European Parliament and of the Council on the provision and quality of statistics for the macroeconomic imbalances procedure <sup>(1)</sup> (hereinafter the 'proposed regulation').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union, and Article 2 and Article 3.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'), since the proposed regulation contains provisions with implications for certain ESCB tasks and objectives. Article 5.1 of the Statute of the ESCB allows the ECB to collect the necessary statistical information to undertake ESCB tasks. Pursuant to Article 5.3 of the Statute of the ESCB, the ECB is required to contribute to the harmonisation, where necessary, of the rules and practices governing the collection, compilation and distribution of statistics in the areas within its fields of competence. Statistics for the macroeconomic imbalances procedure are required to define monetary policy, which is a task of the ESCB pursuant to Article 127(2) of the Treaty and Article 3.1 of the Statute of the ESCB, and in order to maintain price stability, which is the ESCB's primary objective in accordance with Article 127(1) of the Treaty and Article 2 of the Statute of the ESCB.

In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

**1. General observations**

- 1.1. The ECB underlines the importance of ensuring reliable statistical data for the macroeconomic imbalances procedure (MIP) established under Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances <sup>(2)</sup>. In one of its previous opinions <sup>(3)</sup>, the ECB has supported the introduction of Regulation (EU) No 1176/2011.
- 1.2. According to Article 4(2) of Regulation (EU) No 1176/2011, the MIP scoreboard should comprise a small number of relevant, practical, simple, measurable and available macroeconomic and macro-financial indicators for Member States. Moreover, in accordance with Article 4(7), the Commission should assess on a regular basis the appropriateness of the indicators, including their composition, the thresholds set and the methodology used, adjusting or modifying them where necessary.

<sup>(1)</sup> COM(2013) 342 final.

<sup>(2)</sup> OJ L 306, 23.11.2011, p. 25.

<sup>(3)</sup> ECB Opinion CON/2011/13 of 16 February 2011 on economic governance reform in the European Union (OJ C 150, 20.5.2011, p. 1). All ECB opinions are published on the ECB's website at: <http://www.ecb.europa.eu>

1.3. Within this context, the Commission has started a legislative initiative to assure the statistical quality of the MIP. The initiative aims to secure that the compilation, monitoring and release of the macroeconomic and financial statistics relevant for the elaboration of MIP scoreboard indicators set by the Commission on the basis of Article 4 of Regulation (EU) No 1176/2011 (hereinafter the 'MIP relevant data') is conducted in a manner that delivers sound and independent figures. The proposed regulation provides that the Commission may carry out missions to investigate any problems and propose that the Council imposes fines on Member States that misrepresent MIP relevant data intentionally or by serious negligence.

2. ***Compilation of macroeconomic and financial statistics supporting economic and monetary union and other Union policies***

2.1. The indicators for the MIP are as a rule derived from available macroeconomic and financial statistics, such as balance of payments statistics, financial and national accounts. The European Statistical System (ESS) and the European System of Central Banks (ESCB) <sup>(1)</sup> have been producing these macroeconomic and financial statistics for many years within their respective spheres of competence and continuously apply statistical quality assurance mechanisms to ensure that these statistics are in line with international statistical standards and reliable and comparable across Member States.

2.2. By striking a balance between timeliness, reliability and the degree of detail, the ESS and the ESCB produce fit for purpose macroeconomic and financial statistics in a cost-effective manner. High-frequency statistics are compiled with less detail to ensure the appropriate timeliness, while more detailed statistics typically become available with a longer time lag. These statistics rely on surveys, administrative data and necessary estimations, in addition to using statistical techniques and expert judgements. The whole process also takes into account the need to limit the reporting burden for respondents such as small and medium-sized enterprises.

The macroeconomic and financial statistics have been the basis for economic and monetary policy decisions on the national and European level for many years. The same statistics are also used by international organisations such as the International Monetary Fund and the Organisation for Economic Co-operation and Development in their surveillance reports.

3. ***ESS and ESCB quality assurance of the statistics underlying the MIP***

3.1. The quality assurance of macroeconomic and financial statistics is secured by the ESS and the ESCB as producers of European statistics. The ECB considers that overall these quality assurance arrangements have produced high-quality statistics supporting the economic and monetary policies serving the economic and monetary union and the Union as a whole.

3.2. For balance of payments statistics, financial accounts, national accounts, government finance statistics and price statistics, the Union statistical legislation in force already provides for regular quality reports on the statistical data, which often accompany inventories containing a description of the sources and methods applied in collecting the statistics.

3.3. The quality reports produced by the ESS and the ESCB assess, inter alia, whether the statistics produced correspond to the requirements laid down in Union law, whether they are reliable and comparable across Member States, and whether they are fit for the purposes for which they are used.

3.4. The quality framework suggested by the proposed regulation targets statistical data for the MIP, while neglecting other economic and monetary policy purposes. It thereby seems to establish parallel quality assessments instead of integrating the statistical data for the MIP into the existing quality frameworks.

3.5. Consequently, the ECB recommends that rather than introducing a new quality assurance framework by means of the proposed regulation, the already existing quality assurance arrangements of the ESS

<sup>(1)</sup> See Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (OJ L 87, 31.3.2009, p. 164) and Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8).

and the ESCB should also be applied to statistical data for the MIP. This approach is supported by the principles of data relevance, cost effectiveness and minimisation of the reporting burden as laid down in Regulation (EC) No 223/2009 and Regulation (EC) No 2533/98.

**4. *Enhancing quality assurance of statistics through a closer cooperation of the ESS and ESCB***

- 4.1. Since the responsibilities for the production of the macroeconomic and financial statistics underlying the indicators for the MIP are shared between the ESS and the ESCB, close cooperation between the two systems is necessary to assure their quality, as required by Article 9 of Regulation (EC) No 223/2009 and Article 2a of Council Regulation (EC) No 2533/98, and as emphasised by the Council in its conclusions on EU statistics of 30 November 2011 and 13 November 2012 <sup>(1)</sup>.
- 4.2. Considering the above, the ECB points to the work initiated by the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), with a view to assessing the quality and comparability of the MIP relevant data under the current statistical legal framework. The CMFB may also advise on possible ways to develop public awareness of such issues. Once the work of the CMFB has progressed, practical arrangements for the cooperation between the ESS and the ESCB on quality assurance frameworks for statistical data for the MIP could be laid down in a memorandum of understanding, if considered appropriate.

Done at Frankfurt am Main, 10 October 2013.

*The President of the ECB*

Mario DRAGHI

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<sup>(1)</sup> Council conclusions on EU statistics, 3129th Economic and Financial Affairs Council meeting, Brussels, 30 November 2011 and Council conclusions on EU statistics, 3198th Economic and Financial Affairs Council meeting, Brussels, 13 November 2012, available on the Council's website at: <http://www.consilium.europa.eu>