

# EUROPEAN CENTRAL BANK

## OPINION OF THE EUROPEAN CENTRAL BANK

of 24 March 2006

**concerning the proposal for a European Parliament and Council regulation establishing the statistical classification of economic activities NACE Rev. 2 and amending Council Regulation (EEC) No 3037/90 and certain EC regulations on specific statistical domains**

**(CON/2006/18)**

(2006/C 79/07)

On 6 March 2006 the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a European Parliament and Council regulation establishing the statistical classification of economic activities NACE Rev. 2 and amending Council Regulation (EEC) No 3037/90 and certain EC regulations on specific statistical domains (hereinafter the 'proposed regulation').

The ECB's competence to deliver an opinion is based on the first indent of Article 105(4) of the Treaty establishing the European Community, as the proposed regulation falls within the ECB's fields of competence. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the ECB, the Governing Council has adopted this opinion.

### 1. General observations

- 1.1. The ECB welcomes the proposed regulation which intends to establish the common statistical classification of economic activities within the Community (hereinafter 'NACE Rev. 2'). The ECB objects neither to the new NACE structure nor to its detailed classification.
- 1.2. The ECB supports the principles underlying NACE Rev. 2, namely (i) adherence to economic reality (extension of the classification as regards the services industries); and (ii) comparability with other international classifications, in particular the International Standard Industrial Classification of all economic activities (ISIC) Rev. 4; and (iii) continuity vis-a-vis the previous classification. The ECB further considers that all necessary efforts should be made and all the requisite legal provisions should be introduced to ensure maximum consistency with other international classifications and statistical standards.
- 1.3 Furthermore, the ECB welcomes the implementing measures in the proposed regulation for key monthly, quarterly and annual statistics; in particular, Articles 12 and 16 for short-term statistics and the labour cost index. However, these implementing measures as well as the implementation rules for the European System of national and regional accounts in the Community, must be defined to prevent a damaging loss of information e.g. breaks in time series and the consequent unavailability of long time series.
- 1.4 Furthermore, for euro area and European Union statistics, which are compiled by using country information as the main source, simultaneous implementation in Member States is crucial. A differentiated implementation schedule of NACE Rev. 2 throughout the EU would have severe adverse consequences on the quality and availability of euro area and EU aggregate statistics until all Member States have fully adopted the new classification and revised their time series accordingly. The ECB therefore suggests strengthening recital 9 and Article 6(c) to ensure fully coordinated implementation of NACE Rev. 2 in Member States and consistency across statistical domains.

## 2. Drafting proposals

The ECB's proposed amendments are annexed to this opinion.

Done at Frankfurt am Main, 24 March 2006.

*The President of the ECB*  
Jean-Claude TRICHET

### ANNEX

#### Drafting proposals

Text proposed by the Commission <sup>(1)</sup>	Amendments proposed by the ECB <sup>(2)</sup>
Amendment 1 Recital 9	
'Use of the classification of economic activities in the Community requires that the Commission be assisted by the Statistical Programme Committee set up by Council Decision 89/382/EEC, Euratom in particular as regards the examination of problems arising from implementation of NACE Rev. 2, the smooth transition from NACE Rev. 1 to NACE Rev. 2, as well as the incorporation of amendments to NACE Rev. 2'.	'Use of the classification of economic activities in the Community requires that the Commission be assisted by the Statistical Programme Committee set up by Council Decision 89/382/EEC, Euratom in particular as regards the examination of problems arising from implementation of NACE Rev. 2, the smooth <b>and fully coordinated</b> transition from NACE Rev. 1 to NACE Rev. 2, as well as the incorporation of amendments to NACE Rev. 2'.
<i>Justification</i> — See paragraph 1.4 of the opinion	
Amendment 2 Article 6(c)	
'measures ensuring the smooth transition from NACE Rev. 1.1 to NACE Rev. 2, especially with respect to issues related to breaks in time series, including double reporting and back-casting of time series.'	'measures ensuring the smooth <b>and fully coordinated</b> transition from NACE Rev. 1 to NACE Rev. 2, especially with respect to issues related to breaks in time series, including double reporting and back-casting of time series, <b>and the simultaneous implementation in the Member States</b> .'
<i>Justification</i> — See paragraph 1.4 of the opinion	
(1) Italics in the body of the text indicate where the ECB proposes deleting text. (2) Bold in the body of the text indicates where the ECB proposes inserting new text.	