

## III

*(Preparatory acts)*

## EUROPEAN CENTRAL BANK

## OPINION OF THE EUROPEAN CENTRAL BANK

of 2 January 2018

**on a proposal for a regulation of the European Parliament and of the Council on European business statistics amending Regulation (EC) No 184/2005 and repealing 10 legal acts in the field of business statistics**

(CON/2018/1)

(2018/C 77/03)

**Introduction and legal basis**

On 24 March 2017, the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council on European business statistics, amending Regulation (EC) No 184/2005 and repealing 10 legal acts in the field of business statistics <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 since the proposed regulation concerns the collection of balance of payments (BOP) statistics, which is a European System of Central Banks (ESCB) task in line with Article 5 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB') and Article 2 of Council Regulation (EC) No 2533/98 <sup>(2)</sup>, relevant to the basic tasks of the ESCB to define and implement monetary policy, conduct foreign exchange operations and hold and manage the official foreign reserves of the Member States pursuant to the first, second and third indents of Article 127(2) of the Treaty. 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 welcomes the Commission's aim of further improving the consistency, quality and harmonisation of European business statistics, in particular by providing fit-for-purpose statistics to formulate and monitor Union policies that affect businesses, while keeping the reporting burden on these businesses to a minimum.
- 1.2. The envisaged response to outstanding data requirements is also very much welcome. The ECB is pleased to note the proposed improvements, in the overall availability of information for the services sector in the context of 'short-term statistics', particularly as the frequency of the provision of such data is to increase from a quarterly to a monthly basis. This improvement reflects the increased relevance of services industries, which now account for more than two thirds of euro area gross domestic product. It also responds well to the ECB's requirements <sup>(3)</sup>, which have been expressed over recent years, and to the conclusions of the Economic and Financial Affairs Council <sup>(4)</sup>.
- 1.3. The ECB proposes that Recommendation ESRB/2016/14 of the European Systemic Risk Board <sup>(5)</sup>, which concerns the closure of real estate data gaps, should be reflected in the construction data required and their breakdowns. In particular, data on construction starts and completions as well as vacancy rates should be considered for inclusion in the proposed regulation.

<sup>(1)</sup> COM (2017) 114, final. The measures set out in the proposed regulation are intended to replace those contained in the 10 legal acts to be repealed, which are listed in recital 36 of the proposed regulation.

<sup>(2)</sup> 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).

<sup>(3)</sup> Review of the requirements in the field of General Economic Statistics, European Central Bank, 2004, available on the ECB's website at [www.ecb.europa.eu](http://www.ecb.europa.eu)

<sup>(4)</sup> ECOFIN Council Conclusions on EU Statistics, 2972nd Council meeting, Economic and Financial Affairs, Brussels, 10 November 2009, available at [www.consilium.europa.eu](http://www.consilium.europa.eu)

<sup>(5)</sup> Recommendation ESRB/2016/14 of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps (OJ C 31, 31.1.2017, p. 1).

- 1.4. Article 2 of Regulation (EC) No 2533/98 allocates to the ECB, assisted by the national central banks (NCBs), the task of collecting information on, inter alia, BOP and international investment position (IIP) statistics, either from the competent national authorities or directly from economic agents. The ECB's statistical reporting requirements are set out in Guideline ECB/2011/23 of the European Central Bank <sup>(1)</sup>.
- 1.5. BOP and IIP statistics are crucial for the performance of the ESCB's basic tasks under the Treaty of defining and implementing the monetary policy of the Union, conducting foreign exchange operations, and holding and managing the official foreign reserves of the Member States. They also support the assessment of external vulnerabilities and interconnectedness for financial stability purposes and are used in the indicators of the 'risk dashboard' of the European Systemic Risk Board (ESRB) pursuant to the ESRB tasks under Article 3 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council <sup>(2)</sup> and of the 'scoreboard' of the macroeconomic imbalances procedure pursuant to Article 4 of Regulation (EU) No 1176/2011 of the European Parliament and of the Council <sup>(3)</sup>. BOP and IIP statistics are part of the 'Special Data Dissemination Standard Plus' of the International Monetary Fund (IMF) and are required for the 'Article IV consultations' undertaken by the euro area and the euro area Member States under Article IV of the Articles of Agreement of the International Monetary Fund.
- 1.6. The ECB notes that some of the requirements to be included in the proposed regulation, in particular quarterly international trade in services (ITS) statistics, are currently defined in Table 2 of Annex I to Regulation (EC) No 184/2005 of the European Parliament and of the Council <sup>(4)</sup> and that identical requirements are defined in Table 2 of Annex II to Guideline ECB/2011/23. It is in the interest of the overall quality of European BOP and IIP statistics produced by the European Statistical System (ESS) and the ESCB that such consistency is preserved. It is also of the utmost importance that BOP and IIP statistics remain internally coherent and comprehensive.
- 1.7. Moreover, as these requirements are partly satisfied at national level by data collection initiatives developed by NCBs, the ECB very much welcomes Article 23 of the proposed regulation and the role assigned to the Committee on Monetary, Financial and Balance of Payments Statistics established by Council Decision 2006/856/EC <sup>(5)</sup>. More generally, close cooperation between the ESCB and the ESS must be ensured when defining, amending or updating such requirements, as well as all other business statistics requirements (e.g. to address data needs in the field of 'globalisation') that would directly or indirectly affect the compilation of BOP and IIP statistics.
- 1.8. *Implementing powers for the precise definition of the data requirements*

Article 7 of the proposed regulation empowers the Commission to adopt implementing acts for the purpose of further specifying certain elements of the data to be transmitted. These include fundamental methodological aspects, such as the definition of the relevant statistical unit and other applicable statistical classifications. In this context, from the perspective of both users and compilers of statistics, it will be important to ensure coherence between the ITS requirements defined in the proposed regulation and those defined in Regulation (EC) No 184/2005. Hence, the ECB wishes to highlight the importance of methodological closeness and coherence between the two data sets.

- 1.9. Finally, the ECB wishes to stress the importance of the ECB being consulted on all delegated and implementing legal acts that fall in its field of competence, and in a timely manner, pursuant to Article 127(4) first indent and Article 282(5) of the Treaty on the Functioning of the European Union <sup>(6)</sup>.

<sup>(1)</sup> Guideline ECB/2011/23 of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (OJ L 65, 3.3.2012, p. 1).

<sup>(2)</sup> Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

<sup>(3)</sup> 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 (OJ L 306, 23.11.2011, p. 25).

<sup>(4)</sup> Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment (OJ L 35, 8.2.2005, p. 23).

<sup>(5)</sup> Council Decision 2006/856/EC of 13 November 2006 establishing a Committee on monetary, financial and balance of payments statistics (OJ L 332, 30.11.2006, p. 21).

<sup>(6)</sup> See further, e.g. para. 4 of ECB Opinion CON/2012/5 (OJ C 105, 11.4.2012, p. 1); para. 8 of ECB Opinion CON/2011/44 (OJ C 203, 9.7.2011, p. 3); and para. 4 of ECB Opinion CON/2011/42 (OJ C 159, 28.5.2011, p. 10).

## 2. **Technical observations and drafting proposals**

Where the ECB recommends that the proposed regulation is amended, specific drafting proposals are set out in a separate technical working document accompanied by an explanatory text to this effect. The technical working document is available in English on the ECB's website.

Done at Frankfurt am Main, 2 January 2018.

*The President of the ECB*

Mario DRAGHI

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