

#### **Box 4**

##### **Delayed changeover to the ESA 95**

On 14 June 1999 the European Commission (Eurostat) released first estimates of the main euro area national accounts indicators for the first quarter of 1999. This release, containing estimates for GDP and the main expenditure components at constant prices, was partly based on data compiled in accordance with the new European System of Accounts 1995 (ESA 95), as transmitted by the Member States to Eurostat (for more details on the ESA 95, see page 23 of the June issue of the ECB Monthly Bulletin). As not all Member States had transmitted their ESA 95 data by then, the estimate for the euro area as a whole was still partially based on national data compiled in accordance with the old methodology and, as usual, on Eurostat's own estimates for those countries which had not published any estimates for the first quarter of 1999.

The next publication by Eurostat on ESA 95 euro area quarterly national accounts data – scheduled for July 1999, but after the cut-off date for this issue of the ECB Monthly Bulletin – is expected to include more data at constant prices and, for the first time, data at current prices. However, a full set of quarterly indicators, as required for transmission to Eurostat by individual Member States according to the ESA 95 Regulation, will be published at a later date by Eurostat for the euro area. The delayed changeover to the ESA 95 for euro area results makes a comprehensive analysis of economic developments in the euro area more difficult. The delay only partly reflects derogations from the transmission programme granted to individual Member States under the ESA 95 Regulation.

The ESA 95 data published by Member States in time for the first estimate produced by Eurostat show changes in the growth rates of real GDP which are generally larger than expected. Germany, which accounts for one-third of the euro area in terms of GDP, revised the annual growth rate of real GDP downwards for the years 1996-98 by an average of nearly 0.5 percentage point, while there was an upward revision for 1995. France also revised its real GDP growth downwards, but to a lesser extent, for the years 1995-97, while the results for 1998 remained unchanged. The revisions observed in these two countries, which represent more than 50% of the euro area in terms of GDP, are the main causes of the revisions observed in connection with Eurostat's first estimate. For Italy, the first data compiled in accordance with the ESA 95 point to only minor revisions to real GDP growth in earlier years.