

Box 7

Progress and gaps in euro area short-term statistics

Council Regulation (EC) No. 1165/98 of 19 May 1998 concerning short-term statistics entered into force in June 1998 and provided for a five-year period in which the EU Member States were to implement its provisions. As a result, a number of short-term indicators for the euro area have recently become available, or should be available in the near future. They will improve the basis for analysis of the euro area business cycle. This box summarises the current availability of short-term general economic statistics for the euro area (for a general overview, see also the article entitled “Developments in general economic statistics for the euro area” in the April 2003 issue of the ECB’s Monthly Bulletin) and concludes by indicating future developments in this field.

The Regulation requires the provision of a broad range of indicators at quarterly or monthly frequency, with a detailed breakdown by branch in industry, construction and retail trade. Moreover, it includes new quarterly indicators for the increasingly important market services sector, which covers, among other things, hotels and restaurants, transport, communication and IT services. The Regulation requires the provision of leading and concurrent activity indicators (e.g. new orders, production), as well as producer prices, labour volume and wage indicators. It lays down statistical methods and definitions which are comparable across countries.

Euro area aggregates for these indicators are compiled and published by the European Commission (Eurostat). Some of the indicators have been fully available for some time and are regularly reported in the ECB's Monthly Bulletin in the analysis of the euro area economy (i.e. industrial production, domestic producer prices and retail trade turnover). The recent progress in the implementation of the Regulation has increased the availability of various other indicators (i.e. industrial turnover, new orders, employment, wages and salaries, and hours worked) and improves the timely monitoring of the economic situation in the euro area.

Availability and timeliness of short-term indicators for the euro area

Variables required by the Regulation	Euro area aggregate available	Timeliness required by the Regulation (days after the reference period) ²⁾	Actual availability of euro area aggregates (days after the reference period) ²⁾
Industry/construction			
Production	Yes	45/60	45 to 50 / 70 to 80
Turnover (total, domestic ¹⁾ , non-domestic ¹⁾)	Yes	60	60 to 65
New orders ¹⁾ (total, domestic, non-domestic)	Yes	50/90	50 to 65 / 100 to 190
Persons employed	Yes	90/90	65 to 75 / 55 to 120
Hours worked	Yes	90/90	65 to 75 / 90 to 110
Gross wages and salaries	Yes	90/90	65 to 75 / 90 to 110
Output prices (total ¹⁾ , domestic, non-domestic ¹⁾)	Yes	35	35
Construction costs ¹⁾	Yes	90	60 to 120
Building permits ¹⁾	Yes	90	70 to 160
Retail trade			
Turnover	Yes	60	60
Persons employed	Yes	90	190
Other services			
Turnover in wholesale trade ¹⁾	Yes	90	190
Turnover in other market services	No	90	n.a.
Persons employed	No	90	n.a.

1) Incomplete country coverage affects the reliability of the euro area aggregate.

2) Where two numbers are given, the first refers to industry, the second to construction.

However, although the Regulation's implementation period has expired, several national and euro area indicators are still lacking or incomplete. Eurostat calculates euro area aggregates when a country coverage of at least 60% of the euro area is achieved. There are still no quarterly aggregates for turnover and employment in the market services sector, as are required by the Regulation. In industry and construction, some indicators are not yet wholly reliable because data for at least one large country (and a number of smaller countries) are missing. Furthermore, the timeliness of several euro area indicators still falls short of the requirements (e.g. statistics for construction). Eurostat is co-ordinating efforts in the different countries in order to improve timeliness and minimise further delays in the implementation of the Regulation.

Moreover, other initiatives have been taken in order to fill the gaps in this field. The Principal European Economic Indicators (PEEI) – a list of old and new major euro area indicators selected by Eurostat, the national statistical institutes (NSIs) and European authorities – stipulate targets for euro area statistics. These will require both the introduction of new indicators and the shortening of current publication schedules. In order to meet these targets, a longer-term revision of the Regulation is currently under preparation. The revision, which will incorporate new requirements and refine some of the current obligations, is expected to introduce short-term statistics on, for example, euro area import prices and output prices for business services, as well as to improve timeliness.