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Directorate G: Global Business Statistics
Unit G-1: Business statistics - coordination and registers

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Task Force on Statistical Units

Meeting 18-19 March 2015

Eurostat, Bech Building,
5 rue Alphonse Weicker, Luxembourg
18 March 2015 9:30h – 19 March 2015 13:30h

Room BECH B2/404

Chairperson: Martina Hahn

Item 7 of the agenda

Joint declaration by the BSDG and the DMES [on the implementation of Council Regulation \(EC\) No 696/93 on statistical units](#)

Proposal of the sub-group of the Task Force on Statistical Units composed of

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as revised by the Task Force

JOINT DECLARATION BY THE BSDG AND THE DMES [on the implementation of Council Regulation \(EC\) No 696/93 on statistical units](#)

Considering the background

- [Council Regulation \(EEC\) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the statistical production system in the Community](#) was and is meant to bridge the gap between the different administrative structures in the Member States of the ESS and harmonised statistical practices concerning statistical units, but so far it has not been fully implemented, or implemented in a common way, by the ESS Member States.
- Implementation of Council Regulation (EEC) No 696/93 is needed where and when it is invoked by other [Council](#)-Regulations. In this respect Council Regulation (EEC) No 177/2008 on business registers for statistical purposes is of particular importance, since it underlies the system of business statistics and statistics that take business statistics as an input, such as National Accounts.
- [It needs to be emphasised that Member States are obliged to follow the ESA 2010, BoP Regulation and other European statistical regulations beyond those regulations governing European business statistics. These Regulations may require different statistical units as the basis, for example the local kind-of-activity unit used in the National Accounts. These requirements go beyond the ones for European business statistics.](#)
- The compliance with Council Regulation (EEC) No 696/93 is needed in order to achieve good quality business statistics, National Accounts and related statistics like Balance of Payments and Regional Accounts, in accordance with the Code of Practice. This is needed for the users of statistics at the national level as well as the supra-national level, who request comparability across statistical domains and across the ESS of business statistics and statistics based on them.

Considering recent [ESSC and ESS](#) developments

- The compliance with Council Regulation (EEC) No 696/93 is a necessary condition for meeting the increasing need for consistent data on cross-border aspects of the statistical system in the European Union, including those on global value chains, as described in the Riga Memorandum *Towards better measurement of the globalised economy*, adopted by the ESSC on 26 September 2014.
- The compliance with Council Regulation (EEC) No 696/93 is implicit in the ESS Vision 2020 and the ESS business architecture, which is currently being developed.
- In the context of FRIBS, the decision was taken not to replace Council Regulation (EEC) No 696/93 with a new regulation, but to focus on the proper implementation of the existing regulation. However, the discussion leading to this decision showed that a more fundamental discussion on statistical units, [separate from the Regulation 696/93, has to take place.](#) ~~including the choice of units for different statistical domains, would be warranted once the current regulation would have been implemented properly. A similar exercise is currently being considered for National Accounts. For example, OECD and~~

[Eurostat are leading an exercise to reconsider the statistical units used in National Accounts, BoP and beyond.](#)

Considering the work of the Task Force on Statistical Units

- The Task Force on Statistical Units, created on 22 April 2013 and extended on 2 December 2014 (henceforward called the Task Force), has drafted a set of Operational Rules for statistical units as defined in Council Regulation (EEC) No 696/93, taking into consideration ESA 2010 and BPM 6.
- The Task Force has also developed Guiding Principles and a time frame for the implementation of the Operational Rules in statistical business registers and business statistics.
- The Task Force has taken note of the results of the ESSnet on Profiling and the ESSnet on Consistency as well as the on-going work on the [European Groups Register](#) and the [European-national Statistical Business Registers](#).
- The Task Force has taken into account:
 - Legislative changes, changes in the structure of the economy and the creation and development of the ESS that took place after the adoption of Council Regulation (EEC) No 696/93.
 - In particular, new legislation concerning business statistics, the evolution of international accounting standards, changes in the international statistical systems, and the development of business statistics with the enterprise unit at its centre.
- The Task Force also included international experts from National Accounts nominated by DMES as well as ECB and OECD to assist in bridging the links between business statistics and National Accounts, as well as other users such as Balance of Payments and Regional Accounts.

Considering the consultation ~~and role~~ of the Member States

- A combined paper was drafted by Eurostat Directorates C and G, based on the outcomes of a consultation process with the [National Statistical Authorities and ESCB members](#)~~Member States~~. This was discussed at a joint workshop on statistical units of business statistics, National Accounts and Balance of Payments on 24 November 2014. The results of the workshop have also been taken into account by the Task Force.
- The principle of subsidiarity implies that Member States are free to organise data collection, processing and analysis for business statistics in a way that they deem optimal, taking into account their national administrative structure, provided that the quality requirements of ESS business statistics, National Accounts and related statistics like Balance of Payments and Regional Accounts are met.
- The further implementation of Council Regulation (EEC) No 696/93 has to be coordinated throughout the ESS.

Way forward through a joint declaration: The BSDG and the DMES

- Confirm their commitment to ensuring compliance with Council Regulation (EEC) No 696/93.
- [In order to enhance compliance with Council Regulation \(EEC\) No 696/93, a](#) adopt the:

- Operational Rules for statistical units ~~as drafted by the Task Force~~ (annexed to this declaration) as leading reference for the interpretation of Council Regulation No 696/93.
 - ~~Guiding Principles and time frame for the implementation of the Operational Rules in statistical business registers and business statistics, as drafted by the Task Force~~ (annexed to this declaration).
 - ~~in order to enhance compliance with Council Regulation (EEC) No 696/93.~~
 - Recognise that through this approach:
 - Fully meeting the ESS statistical business registers and business statistics quality requirements will involve costs and efforts for NSIs.
 - ~~National conditions are taken into account by respecting the subsidiarity principle, by which NSIs are allowed to organise data collection, processing and analysis in a way that they deem optimal, provided that the ESS quality requirements are met.~~
 - ~~The users of statistics at the national as well as the supra-national level will benefit significantly from the increased quality of business statistics, National Accounts and related statistics, in particular concerning their relevance and the comparability across statistical domains and across the ESS. National conditions are taken into account by respecting the proportionality and subsidiarity principles, by which NSIs are allowed to organise data collection, processing and analysis in a way that they deem optimal, provided that the ESS quality requirements are met.~~
 - ~~The costs and efforts of the implementation of Council Regulation (EEC) No 696/93 will be offset by these benefits to the users of the statistics concerned and costs will be incurred only where the benefits to users are real, substantial and proportional. The guiding principles and timeframe have been designed so that investments can focus on real and substantial benefits. This will lead to greater compliance, and in turn improved comparability and relevance of European statistics.~~
 - Encourage the on-going efforts in the context of the European Group Register and the ~~European national~~ Statistical Business Registers to improve coordination and consistency across Member States for situations where enterprise groups operate across borders, thereby ensuring an accurate description of the activities of the enterprise group in the EU without double counting or omissions, improving the quality of the data at national level and providing the basis for meeting the increasing need for data on cross-border aspects of the statistical system in the European Union, including those data to better inform the work on global value chains.
 - Call for the continuous sharing of knowledge and practices by ESS-members for statistical purposes, where needed, in order to implement Council Regulation (EEC) No 696/93 in a co-ordinated way.
 - ~~Call for the organisation of a more fundamental discussion on statistical units, after the adoption of FRIS separate from the Regulation 696/93. This would include reconsidering the statistical units used in National Accounts, BoP and beyond. The Task Force on Statistical Units has reflected upon criteria(footnote) which can be used as a starting point.~~
- ~~the choice of units for different statistical domains of business statistics and National Accounts, including related domains such as Balance of Payments and Regional Accounts.~~

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Annexes attached cover:

- Operational Rules for statistical units as defined in Council Regulation (EEC) No 696/93
- Guiding Principles for the implementation of the Operational Rules in statistical business registers and business statistics
- A time frame for the implementation of the Operational Rules in statistical business registers and business statistics