

MAIN CONCLUSIONS AND LIST OF ACTIONS OF THE
CMFB MEETING HELD ON 5-6 FEBRUARY 2009

(Final – 19 June 2009)

1. OPENING OF THE MEETING

- 1.1. The Chairman opened the meeting. He welcomed Walter Radermacher as new Director General of Eurostat and he welcomed the participants, especially participants new to the CMFB.
- 1.2. Walter Radermacher briefly presented the plans for the new ESS governance structure. The work on the new ESS Regulation had its root in the 2005 Council recommendation and the development of the Code of Practice. The Regulation focuses on co-operation and coordination between the partners in the system, and it gives – for the first time – a legal definition of the ESS. The ESS Committee will be the highest body in the system with coordination, development; management, planning and commitment duties. The existing Commitment Committees for, e.g., BoP, external trade, agriculture, etc., would remain responsible for their respective domains. The around eight Directors Groups would take care of the level between the ESS Committee and the Working Groups including overall regular reporting. As regards Advisory Committees, the CMFB would play an important role together with the ESAC and ESGAB Committees. The CMFB could have an observer role in the ESS Committee (like at the SPC now) and that this could be extended to the Directors of National Accounts Group and the BoP Committee. Mr Radermacher concluded by saying that he welcomes the close co-operation with the CMFB as an advisory body within the new governance structure.
- 1.3. The Chairman thanked Mr Radermacher for the presentation and noted that the new governance structure was mentioned in the 2009-10 work programme for the CMFB (see item 3.2).
- 1.4. Interpretation was available in English, French, German, Italian, Portuguese, and Spanish.

2. ADOPTION OF THE AGENDA

- 2.1 The agenda was adopted.

3. ORGANISATIONAL MATTERS

3.1. Work performed by the CMFB, 2007-2008 – Review by outgoing Chairman (Outgoing Chairman)

Presentation

3.1.1 Hans-Peter Glaab, outgoing Chairman, presented an overview of the work performed by the CMFB during the previous two years. He explained that most of the information was already available in the log of events distributed at the Plenary meetings, in minutes of CMFB meetings, and in the regular reports from the CMFB to the EFC SCS.

3.1.2 He illustrated the main themes analysed and the main results achieved by the CMFB during the period 2007-2008. He particularly emphasised:

- The amended procedures for EDP consultations, which had been adopted in February 2007, and the two important EDP consultations, which had respectively been finalised (securitisation) and started (accounting consequences of financial turmoil) during the two years.
- The discussions on topics related to the coordination and implementation of the revision of various international manuals.
- The development and finalisation of guidelines on 'major revisions' and 'seasonal adjustment';
- For the balance of payments, the CMFB had discussed the update of Regulation 2560/2001 regarding threshold, clarification of article 6, and the sunset clause.
- The Task Forces, which had reported to the CMFB on various subjects including measurement of pension assets and liabilities, Accounting Standards, simplification of Intrastat, etc.
- Regarding the proposals for a simplification of Intrastat and the modernisation of the Customs code (with impact on Extrastat), the CMFB had conveyed its concerns to the EFC SCS with a positive effect.
- Finally, the CMFB website had been improved in a number of aspects.

3.1.3 The outgoing Chairman concluded by saying that the CMFB is well established with regard to its role and procedures, and that it had functioned smoothly over the past 2 years. It had served as a forum for contacts in European statistics and had played a positive role in the integration of new members to the EU. The increasing size could become a problem but CMFB has coped so far. He emphasised the role of the Executive Body in structuring and preparing the plenary meetings and the work in general. He noted that the Exchange of Views forms make the meetings more effective and B-items should be used even more in future.

3.1.4 Finally he thanked the outgoing Executive Body, the two CMFB Secretaries, Roberto Barcellan and Carsten Olsson, and Eurostat for their support.

Discussion

3.1.5 The Chairman, the CMFB members, ECB DG-S, and Eurostat all thanked the outgoing Chairman for his excellent chairmanship, especially for his willingness to listen to all sides and for his ability to reach good results. The Chairman thanked also the outgoing members of the Executive Body for their valuable contributions: Bill Keating, Colin Mowl, Laurs Nørlund, Federico Signorini, and George Simigiannis.

3.2. Work programme 2009-2010 of the CMFB (Chairman)

Presentation

3.2.1 In his presentation, the Chairman highlighted some of the most important issues in the 2009-10 CMFB Work Programme, in particular:

- the financial turmoil would be a very important subject in the near and medium future;
- there would be a need to look at ways to improve the co-operation between the ESS and the ESCB and to define the position and role of the CMFB in the new ESS governance structure;

- provide advice relating to the update and coordination of international manuals including the ESA-95, BMP6, etc.;
- ensure progress in the area of revision policies, and
- consider statistical problems relating to globalisation

The CMFB members were invited to comment on the Work Programme.

Discussion

- 3.2.2 The Members of the CMFB generally agreed the Work Programme 2009-2010 underlining the need for open discussions and exchanges of views. Members were urged to become more involved in the issues and the proposal to present more 'best practices' was supported.
- 3.2.3 There was a general agreement that the CMFB has been very successful in the past but that there is a need to reflect further on the future functioning of the CMFB since it is sometimes seen as a vehicle for the ESCB to express user demands rather than the other way around. The confirmation of the position of CMFB in ESS Regulation was welcomed.
- 3.2.4 A concern was expressed about an increased number of Task Forces, in relation to the financial implications, especially regarding travelling costs.

Conclusion

- 3.2.5 The Chairman thanked for the support to the Work Programme. He took note of the comments expressed during the discussion and in the Exchange of Views forms, especially regarding presentations of best practices and the involvement of members. He emphasised that further reflection is needed on the functioning of the CMFB and the governance structure.
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4. STATISTICAL CONSEQUENCES OF TURMOIL IN FINANCIAL MARKETS

4.1. ESS Action Plan (Eurostat)

Presentation

- 4.1.1 Eurostat explained that the ESS Action Plan on the accounting consequences of the financial turmoil had been established and broadly agreed by the SPC in autumn 2008. The key elements were a set of basic principles (same treatment of similar cases, transparency, enhanced co-operation at national level, need for reliable and complete information), and a set of operational principles that was under development in the ongoing CMFB consultation. Eurostat had informed the SPC, ECB, Member States, relevant Commission services, EFC and EFC-SCS as well as international organisations including OECD, UN, and IMF about the ESS Action Plan. Furthermore, a number of internal structures had been set up in order to allow an adequate response to emerging needs.
- 4.1.2 Regarding communication, Eurostat had adopted a strategy that would accommodate different types of recipients, channels, and methods for distribution depending on the sensitivity and level of detail of the information. In particular, Eurostat had set up a public web page dedicated to statistical information related to the financial turmoil¹.
- 4.1.3 In an international context, Eurostat was participating in the "Inter-agency Group on Economic and Financial Statistics" together with the IMF, UN, OECD, ECB, and BIS.

Discussion

- 4.1.4 The CMFB generally appreciated the initiatives of Eurostat and the ESS as expressed in the Action Plan and the transparency of the process. The importance of the work was underlined, especially regarding communication. It was mentioned that these efforts would boost the credibility of the statistical system.
- 4.1.5 The need to stick to existing rules was emphasised and the basic principles presented by Eurostat were deemed very important.
- 4.1.6 Eurostat clarified that the Eurostat web page contained links to the CMFB site where the CMFB Opinions were made publically available. Regarding a paragraph in the ESS Action Plan that could be seen as pre-empting the work of the CMFB Task Force, Eurostat explained that the document should be considered as a 'living document', which could be updated if necessary. Regarding the vademecum and the Barometer mentioned in the Action Plan, Eurostat said that these documents had been used by the CMFB Task Force and that the distribution of these documents was limited for the moment but Member States would be consulted in case of a wider distribution.
- 4.1.7 It was noted that much of the Action Plan was dealing with government statistics but that other aspects such as the output of the financial sector could be affected. It was suggested that this should be taken up in the longer term. ECB DG-S added that the STC already had been working in this area and that, for example, a Regulation on Financial Vehicle Corporations had been adopted in December 2008 – even if data would only become available in 2010.

Conclusion

- 4.1.8 The CMFB thanked Eurostat for the presentation and welcomed the timely and constructive initiatives by Eurostat following the escalation of the financial crisis in September 2008. The CMFB took note of the clarifications by Eurostat and noted that the Action Plan would not pre-empt the outcome of the CMFB Task Force. The CMFB generally endorsed the Action Plan and the transparency with which it has been carried out by Eurostat.
- 4.1.9 The CMFB took note of the proposal to examine the impact in other areas than government statistics and welcomed further information by ECB DG-S regarding the financial sector.

4.2. Task Force on the accounting consequences for government of the financial turmoil – Progress report (Eurostat)

Presentation

- 4.2.1 Eurostat made a brief presentation of the background for the Task Force and the events up to the meeting, and thanked the Task Force for the efficient work. The next steps would be the finalisation

¹ See http://epp.eurostat.ec.europa.eu/portal/page/portal/financial_turmoil/introduction

of the CMFB consultation questionnaires and background documents. It was expected that the documentation would be submitted to the CMFB Chair by 10 February.

Discussion

4.2.2 Eurostat clarified that the Task Force had assessed the methodological implications of existing cases. The Task Force mandate had in principle been fulfilled.

Conclusion

4.2.3 The CMFB thanked Eurostat for the presentation and noted that the consultation would start as soon as possible. Although the Task Force would have fulfilled its initial mandate with the finalisation of the consultation documents, it would be kept dormant until the next CMFB Plenary meeting in July 2009 in case new issues arise.

Deadline:	Recommendation or Action:	Responsible:
asap	Finalise background documents and questionnaire, and launch consultation step	CMFB Executive Body and CMFB Secretariat

5. EXCESSIVE DEFICIT PROCEDURE

5.1. EDP activities – Progress report (Eurostat)

Presentation

- 5.1 Eurostat informed the CMFB about the October 2008 notification.
- 5.2 The Editorial Committee overseeing the update of the Manual on Government Debt and Deficit (MGDD) had met three times. Eurostat recapitulated that the FAWG would be asked to approve the amended chapters and the CMFB would be asked for its opinion if a clarification required a change in substance. The full revised EDP manual would be submitted to the CMFB at the end of the process.
- 5.3 Finally, a calendar for 2009 EDP visits was distributed to the CMFB.

Discussion

- 5.4 Eurostat clarified that all finalised documents for the MGDD would be added to the EDP section of the Eurostat website.
- 5.5 There was some concern about the timetable for the update of the MGDD, especially if difficult subjects, like lump sum payments, would need discussions beyond the scope of the Editorial Committee mandate. It was also indicated that the chapter on financial defeasance might need further updating because of the financial turmoil. Some country specific issues were also mentioned.

Conclusion

- 5.6 The CMFB thanked Eurostat for the presentation and the work done by Eurostat. The CMFB welcomed the clear timetable for the updating of the MGDD. It was underlined that the present mandate allows light editing of the MGDD. If certain difficult issues need to be reopened and if these issues may lead to significant changes in substance, then the CMFB will be consulted on those issues.

Deadline:	Recommendation or Action:	Responsible:
Summer 2009	Continue the update of the MGDD in accordance with the timetable	Editorial Committee and Eurostat

6. REVISION OF INTERNATIONAL STANDARDS

6.1. SNA 93 - Progress report (Eurostat/ECB DG-S)

Presentation

- 6.1.1 Eurostat presented a progress report on the SNA. Volume 1 had been released on the UNSC website in August 2008. Subsequently, the ISWGNA had considered a number outstanding issues relating to Volume 1 in November 2008. Regarding codes, the European proposal had been accepted. Regarding pension schemes, issues related to pension entitlements and pension reforms and the criteria for including unfunded government employers pension schemes in the core accounts had been discussed. The treatment of non-life insurance claims related to major catastrophes will be clarified. An international Task Force will be set up to address issues related to insurance. Finally, it had been agreed that generally the principles of the new SNA make it possible to deal with the main financial operations identified so far during the financial crisis.
- 6.1.2 Volume 2 of the SNA contains extensions of the accounts, like satellite accounts, and it is expected to be approved at the UNSC meeting 24-27 February 2009. The EU delegation will be fully briefed before the meeting. Eurostat encouraged CMFB members to check the SNA for inconsistencies after the expected approval of Volume 2 at the UNSC.
- 6.1.3 Furthermore, a new Task Force on the treatment of Emission Permits will be set up. It will be co-chaired by Eurostat and OECD.
- 6.1.4 Finally, Eurostat mentioned that issues related to globalisation are followed closely, in particular the work of the UNECE Working Group on the Impact of Globalisation on National Accounts.

Discussion

Conclusion

- 6.1.5 The CMFB thanked Eurostat for the overview of the progress made.

6.2. Revision of ESA-95 (Eurostat)

Presentation

- 6.2.1 Eurostat reported on the progress of the ESA-95 revision. Fourteen chapters out of twenty-four had been posted on CIRCA and most of these chapters had already been discussed in the NAWG, FAWG, or ESA Review Group. The Eurostat/ECB Technical Group on Consistencies had met twice. Eurostat was currently considering which specific issues would need a second round of consultations with Member States, possibly in a written procedure, before they could be finalised. The second versions of the fourteen chapters were being prepared for posting on CIRCA. The remaining ten chapters would also be posted on CIRCA and be fully discussed in the relevant working groups.
- 6.2.2 Eurostat distributed a revised timetable to the CMFB. This new timetable, which had been discussed in the Directors of National Accounts meeting, provided more time for the interim phases but the target date for the implementation would still be 2014. Eurostat underlined that the timetable remained ambitious and that the discussions should stay focused. Eurostat added that the transmission programme would be taken up in the coming months and that issues related to FISIM would still be taken up in second half of 2009 with the aim of an implementation in 2014. It was also clear that the preparation of the implementation in Member States should start at an early stage in order to reach the 2014 target.

Discussion

- 6.2.3 The revised timetable was welcomed by several CMFB members and the importance of a stable timetable was underlined. Eurostat added that a more detailed timetable would be prepared in the coming months.
- 6.2.4 It was noted that the issue of market/non-market distinction had recently been reopened at the FAWG. It was generally agreed that changes to the distinction criteria would have far-reaching consequences and it had been suggested in the meeting of the Directors of National Accounts that Eurostat should prepare a paper on the issue.

Conclusion

6.2.5 The CMFB thanked Eurostat for the progress report and welcomed the new time table, especially that drafting period had been extended while keeping the target date of 2014. The CMFB underlined the importance of having a stable timetable. Finally, the CMFB noted that Member States could raise specific issues of concern and acknowledged that the timetable did not foresee a full second round of consultations.

7. PUBLIC FINANCE STATISTICS

7.1. Pension entitlements in EU countries - analysis of country data provided by the Contact Group on Pensions (ECB DG-S/Eurostat)

Presentation

- 7.1 ECB DG-S and Eurostat made a brief progress report. The Contact Group on Pensions had been established after the January 2008 CMFB Plenary meeting. It had provided an issues note for the AEG meeting in November 2008 and it was providing methodological input to the ESA chapter on pensions.
- 7.2 The Contact Group had prepared a questionnaire on pension schemes. More than 20 replies to the questionnaire had been analysed, and both national estimates and central benchmark estimations (Freiburg model) were presented in the report prepared by the Contact Group. Some data had not yet been fully included in the report. Roughly, social security schemes accounted for pension entitlements of 200-300% of GDP while an estimate of government employee pension schemes accounted for around 35% of GDP. It was found that government employee pension schemes were recorded in the non-core account and there were no significant borderline cases.
- 7.3 A workshop was planned for 29-30 April 2009 to analyse the data received further and to discuss methodological issues with main users.
- 7.4 Eurostat mentioned that the revised ESA transmission programme would likely include tables on pensions along the lines of the supplementary tables in the SNA. If a regular transmission on voluntary basis would start soon, it would give time to clarify outstanding issues and facilitate a regular transmission by 2014.
- 7.5 The CMFB was asked to support the continuation of the work of the Contact Group.

Discussion

- 7.6 Italy mentioned some national problems related to the provision of data on pensions.

Conclusion

- 7.7 The CMFB thanked ECB and Eurostat for the presentation and welcomed the report from the Contact Group on Pensions. Those countries, which had not yet replied to the questionnaire, were encouraged to do so and the report should be updated with the outstanding information. The CMFB supported the objectives for the further work of the Contact Group, especially regarding outstanding methodological issues, which are needed for new the ESA chapter on pensions. Finally, the CMFB recognised the difficulties encountered in Italy and expressed the hope that these difficulties will be resolved soon.

8. NATIONAL ACCOUNTS

8.1. Towards a revision policy for National Accounts (Eurostat)

8.2. Revision practices for European accounts, balance of payments/international investment position and government finance statistics (ECB DG-S/Eurostat)

Presentation

- 8.1 The chairman proposed that items 8.1 and 8.2 were presented together.
- 8.2 Eurostat explained that a fact-finding exercise had been carried out with questionnaires addressed to NAWG, EAA WG and QSA WG following the CMFB discussion in June 2008 on the broad principles for revision policies. As regards the national accounts, it had emerged that revision policies exist in almost all countries for specific areas, and these policies are sometimes linked to government policy cycle, revision policies in related areas or to the availability of source data. There is also often a link between release policy and revision policy. Furthermore, most countries recognized different types of revisions. However, the frequency of revisions, the length of revisions, and the timing during the year varied among countries. In addition, the connection between the revision policies for annual accounts and for quarterly accounts differed between countries. It was concluded from the replies to the questionnaires that most countries would appreciate a better coordination between domains at national level and that this could be extended to the EU level.
- 8.3 ECB DG-S reported on the possible alignment of revision practices for European Accounts, BoP, and International Investment Positions. Research had shown that different vintages could explain part of the regular gaps between the data sets. Focusing on the BoP and NA revision practices, there had been a convergence over the past five years, and it was noted that regular revisions had become more aligned across countries for BoP and for government finance statistics. In general, it was found that from a users' perspective, a convergence in revision practices among countries was essential, if only because it would make the data more stable. This would ease the communication to users and facilitate their use of EU aggregates. Finally, it was acknowledged that certain issues regarding seasonal adjustment, indirect estimation of quarterly series, and stability of annual series would have to be addressed.
- 8.4 The Chairman added that the current efforts are very positive but that the necessary strategic decisions have to be made.

Discussion

- 8.5 Several CMFB members congratulated Eurostat and ECB DG-S for the presentations, the documents, and the emerging terminology.
- 8.6 It was generally agreed that there is a need for a common revisions policy, both at national level and at EU level. Such a policy should align both statistical domains and countries. It was observed that major revisions, such as NACE Rev 2 and ESA, were being aligned at European level. It was also observed that it was easier to align statistics originating from a single institution than from several institutions and that there would be a need for NCBs and NSIs to co-operate at national level. Furthermore, national needs could not be ignored. In at least one case there was a greater need for revisions of annual accounts data during the first year, partly because of political needs (budget preparation) and partly because not all source data are available at the time of the first estimates.
- 8.7 On a more technical level, the trade-off between quality and consistency was underlined and several examples were given. For example, improved detailed data, which would satisfy a specific user group (travel), could have an adverse effect on the other user groups because the revision would produce less stable data in other parts of the accounts (e.g. main aggregates). Similarly, a revision of BoP, which would improve the most recent data, could have an adverse effect on National Accounts where growth rates typically are more important than levels. It was also noted that full consistency would require a parallel update of all statistical domains but a sequential update, where e.g. BoP feed into NA, had other advantages, in particular it would satisfy different user requirements better.

- 8.8 It was also noted that some of the constraints arose from legal requirements.
- 8.9 It was proposed that Eurostat and ECB should come forward with more concrete proposals, and that a revision model should be developed, not just a calendar. With reference to the examples above, it was observed that it is an illusion that everything must be consistent. There is a need to review the choices, identify the trade-offs, and set the priorities for an alignment of revision policies. It was also suggested that a key element would be a common long-term planning both at national and EU level. This would also have a positive impact on the planning of new surveys and production systems.
- 8.10 It was clear that several additional problems would have to be addressed, and that the implementation would be difficult.

Conclusion

- 8.11 The CMFB thanked DG-S and Eurostat for their documents and presentations. NSIs and NCBs were thanked for replying to the questionnaires and the remaining countries for responding soon.
- 8.12 The CMFB expressed a considerable sympathy with the proposal to define a common revision policy. As regards regular revisions, there are trade-offs to be made and it is important to strike a good balance. There is a need to reflect further on the issues and more concrete proposals are needed for the next CMFB Plenary meeting. It is important to limit the extent of the proposals to the core statistical domains, in particular NA, BoP, and public finance statistics. It was proposed that 2014 may provide a window of opportunity for introducing a common revisions policy but this should not be linked to the ESA revision process.

Deadline:	Recommendation or Action:	Responsible:
July 2009	Prepare more concrete proposals for a revision policy for the CMFB	Eurostat/ECB

8.3. Task Force on quarterly European accounts by institutional sector - Progress report (ECB DG-S/Eurostat)

Presentation

- 8.3.1 Eurostat informed about the recent work of the Task Force on quarterly European accounts by institutional sector, and highlighted that the timeliness of the data transmission had been reduced from t+95 to t+90 days. The quality had also improved, partly because derogations had expired, and partly because of the implementation of a data sharing exercise where countries could compare detailed data. Finally, the Task Force had started preparing an inventory of QSA methodologies.
- 8.3.2 As regards the future, the Task Force would concentrate on the development of seasonal adjustment for some key indicators and on volume estimates for some specific variables, although this would also depend on resources available at national level. Furthermore, Eurostat would encourage as many countries as possible to publish key QSA indicators on a voluntary basis. For example, the data sharing exercise had shown very different developments of household investment in recent quarters and it was felt that users should have access to such information. Finally, the aim of producing Euro Area Accounts at t+90 was reiterated. Eurostat acknowledged the difficulties but underlined that the request only concerned provisional data - not final - from BoP, STPF, or other domains at t+80 or t+85, and that the data would only be used for the production of provisional QSA results.

Discussion

- 8.3.3 Several CMFB members had concerns about the general quality of data provided at t+80 as well as the consistency between the provisional STPF data for QSA and the data provided for the EDP notification at the end of March. Furthermore, it was clear that a two-cycle provision of data at t+80 and t+90 could be inefficient and would have additional implications on resource requirements.
- 8.3.4 DG ECFIN emphasized the interest in national data, especially for private household debt and deficit and disposable income. ECB DG-S underlined that the transmission of national data would be on voluntary basis and that there was a high-priority policy demand for the more timely information. Some members explained that the quality is indeed not sufficient for publication at t+80 and that double work may have to be undertaken if countries should publish national data at t+90, hence, the proposal was considered resource demanding without a sufficient return. Eurostat

explained that the main payoff might not be seen immediately at national level, while it would be very significant at level of EU aggregates.

- 8.3.5 Finally, it was recognized that it may be difficult to reconcile the quest for consistency (in the context of revision policies), the request for early transmission of provisional QSA data, and the need for publication of national data.

Conclusion

- 8.3.6 CMFB thanked Eurostat and ECB DG-S for the document and the presentation. The CMFB broadly supported the work programme. The CMFB expressed sympathy for the proposal to transmit provisional STPF, BoP, or other relevant data at t+80 or t+85 because of user needs. Several members noted the inefficiency of a double transmission.
- 8.3.7 Furthermore, the lower quality of national data at t+80 and the consistency with certain sensitive data for general government were highlighted. The CMFB recognized that the publication of national data would be on a voluntary basis although there is a significant user demand.

8.4. COFOG data – Progress report (Eurostat)

Presentation

- 8.4.1 Eurostat explained that the availability of COFOG level II data was much appreciated by the Economic Policy Committee (EPC) and the ECOFIN Council. The latter concluded in May 2008 that the remaining gaps should be filled quickly and best efforts should be made for publication by the end of 2008. Compared to 2006, there was very good progress. Data are now available from 24 countries and published for 19 countries. It was expected that the remaining countries would deliver data soon.
- 8.4.2 The COFOG Task Force is currently checking the quality, as there are differences in length and coverage of the data supplied. In connection with the new ESA Transmission Programme, it is expected that some variables will become compulsory.

Discussion

- 8.4.3 Several members mentioned the user perspective and the importance of COFOG level II data. The analysis of public expenditure may bring about a transparency on how public money is spent, which is important in a general political context. Furthermore, COFOG level II data are important for the analysis of fiscal policy both in the context of quality of public finances and in the context of monetary policy.
- 8.4.4 It was also pointed out that the overall quality of national accounts may be improved through better COFOG data since the public sector is relatively big, e.g., compared to the manufacturing sector.
- 8.4.5 It was noted that several new Member States have problems with past data due to lack of sources. Eurostat confirmed that the TF was investigating estimation methods for missing data.

Conclusion

- 8.4.6 The CMFB thanked Eurostat for the progress report. The CMFB welcomed progress so far and supported the aims set out in the documents, i.e. a continued compilation and publication of COFOG level II data. The CMFB appreciated that most countries, which are not yet providing COFOG level II data, are committed to improve the situation and, finally, took note of the problems in one Member State (Italy) hoping that they will be solved soon.

Deadline:	Recommendation or Action:	Responsible:
asap	Remaining countries to supply COFOG data	

8.5. EU-KLEMS – progress report (Eurostat)

Presentation

- 8.5.1 Eurostat briefly explained that a Task Force had been set up to draft an implementation plan for EU-KLEMS. This plan had been presented to the EFC and the ECOFIN in autumn 2008, and the

ECOFIN had, among other things, stressed the importance of changing EU-KLEMS from a research project to an ESS project.

- 8.5.2 Eurostat described some of the technical details and explained that the development of the EU-KLEMS would follow a structured step-by-step approach starting with a restricted dataset and ending with a full implementation in 2012. It is the intention that the project is mostly based on existing data sets and the data requirements will only be extended to the extent necessary.
- 8.5.3 The EU-KLEMS Task Force had met on 29 January 2009 to discuss open issues including the impact on the project of the NACE Rev 2 implementation and the revision of the ESA Transmission Programme. It had been agreed at the meeting that the objectives of the Task Force should change, so that it would focus more on methodological issues in the future. Eurostat mentioned that it is likely that a dedicated Task Force on Capital Stock and Capital Services would need to be set up.
- 8.5.4 Concerning financing, there was a clear commitment at the ECOFIN to sponsor the project although actions were not yet visible. It was expected that the current research database would be financed by DG ECFIN in 2009 while Eurostat would launch a new grants procedure aimed at supporting further work at NSI level.

Discussion

- 8.5.5 Several members of the CMFB emphasized the importance attached to the EU-KLEMS project at political level. It was considered an essential tool for assessing some of the targets set in the Lisbon Strategy, in particular competitiveness and economic growth potential. The timely production of data was mentioned and it was suggested that the target for publication should be at t+9 month.
- 8.5.6 Concerning the burden, it had been a high priority from the beginning of the project to make the best use of existing data and to produce highly valuable information for users through a marginal extension of the statistical infrastructure.
- 8.5.7 It was generally endorsed that the Task Force would focus more on methodological issues in the future. The problems related to the NACE Rev. 2 implementation, the revision of ESA, other changes to the overall statistical system, and other methodological issues were mentioned. It was added that operational aspects should be treated by the Directors of National Accounts Group and not by the Task Force.
- 8.5.8 The proposal to set up a Task Force on Capital Stock and Capital Services was broadly supported.
- 8.5.9 As regards grants, there was widespread dissatisfaction with the administrative requirements linked to the grants procedures of the Commission. It was suggested that grants should provide multi-annual financing since the project was foreseen to run over several years. Otherwise, it was likely that Member States would not make use of such grants. Eurostat would investigate these options.
- 8.5.10 Finally, it was mentioned that a great number of priority subjects had been discussed during the CMFB Plenary meeting as a whole, and even if financial means would be available, there would still be limited human resources available in most NSIs. The only way forward seemed to be a sequential implementation of all the priority projects. Eurostat added that the step-by-step approach taken by the EU-KLEMS project would allow to adjust the program.

Conclusion

- 8.5.11 The CMFB thanked Eurostat for the presentation. The CMFB broadly supported the plans for the EU KLEMS project and recognized the user need for timely data. There was some concern among NSIs that data requirements would go much beyond the ESA Transmission Programme. There were also concerns about the resource implications, both of financial and human nature. Eurostat was encouraged to investigate whether the Commission' grant procedures would allow multi-annual grants. Similarly, resources should become available at national level and there could be a need to express this in the various relevant bodies. Finally, the CMFB agreed with the changed focus of the EU-KLEMS Task Force.

Deadline:	Recommendation or Action:	Responsible:
2009	Explore possibility of multi-annual grants	Eurostat

9. BALANCE OF PAYMENTS

9.1. Implementation plans for BPM 6 and Benchmark Definition of FDI (Eurostat/ECB DG-S)

Presentation

- 9.1 Eurostat presented the main conclusions of the BoP Committee, which had discussed the implementation plans for BPM6 and BD4 on 4 February 2009. The BoP Committee had agreed to a roadmap where the first transmission of quarterly BoP/IIP data would take place in June 2014 and first transmission of annual BoP/IIP data would take place in September 2014. This schedule was in line with the implementation plans of the revised ESA. Some Member States would implement BPM6 earlier than 2014 and it had been agreed that they could use BPM6-BPM5 bridging tables until 2014.
- 9.2 Following a long discussion at the BoP Committee, the target date for the implementation of BD4 had been set to 2011 for standard items. A number of issues had been identified where more work was needed, e.g. details of quarterly BoP and supplementary FDI statistics, length of backdata, etc. Furthermore, the need for a common definition of SPEs had been recognized and it was found that the EuroGroups Register could play an important role.
- 9.3 Communication aspects also had to be addressed in order to inform users about the changes in the manuals to facilitate the interpretation of the data.
- 9.4 Finally, Eurostat explained that the drafting of the amendments to the BoP Regulation would not start until most of the issues mentioned above had been clarified in the various bodies and working groups.

Discussion

- 9.5 It was highlighted by a number of CMFB members that there is a need for a clear definition of SPEs, and there was a general agreement that the EGR could be an instrument in the process but it was not the solution.
- 9.6 Some countries expressed a concern about the implementation of BD4 in 2011 due to the complexity, especially since the ECB technical expert group concerned had not yet concluded its work on the directional principle. It was expected that the expert group would finish its work on the directional principle in July 2009. Eurostat underlined that the discussions on BD4 had been under way for some time and that the Coordinated Direct Investment Survey (CDIS) organised by IMF would take place in 2010.

Conclusion

- 9.7 The CMFB thanked Eurostat for the presentation, and thanked the members of the BoP Committee for their good discussion. The CMFB clearly supported a coordinated implementation of BPM6 and BD4 in all Members States. The CMFB broadly supports the conclusions of the BoP Committee as presented by Eurostat. Regarding the directional principle and the definition of SPEs, the CMFB took note that further work is needed.

10. FOREIGN TRADE STATISTICS

10.1. Extrastat – Progress report (Eurostat)

Presentation

10.1.1 Eurostat informed the CMFB about the positive developments regarding Extrastat. The main problems for statistics had been related to the future exchange of customs data and to the widespread use of self-assessments by traders. In the most recent draft of the Regulation it was proposed that statistical data should be exchanged on a daily basis using the IT infrastructure of the European customs authorities, and that NSIs would receive the data from their national counterparts. Furthermore, that traders under the self assessment scheme would have an obligation to report statistical information. It was expected that the Regulation would be adopted before July 2009.

Discussion

Conclusion

10.1.2 The CMFB thanked Eurostat for presentation, and welcomed very much the progress made and appreciated the contribution of Eurostat to the process. The CMFB took note that the current proposal to a large extent satisfies statistical needs but that practical details have to be worked out. Eurostat was invited to report back to the CMFB in 6 or 12 months time if relevant.

10.2 *Intrastat – Progress report (Eurostat)*

Presentation

10.2.1 Eurostat reported that the draft proposal to amend the Intrastat Regulation was expected to be adopted in early 2009. On the basis of the work by various working groups, including a CMFB Task Force, it was proposed to reduce trade coverage rate on arrival side from 97% to 95%. Roughly 100.000 enterprises fewer than in 2005 would need to report Intrastat data if all Member States would implement this proposal.

Discussion

10.2.2 It was generally appreciated that the amendments of Extrastat and Intrastat had become more pragmatic and that the quality of the data had been secured.

Conclusion

10.2.3 The CMFB thanked Eurostat for the presentation and took note of the progress report. The CMFB stressed the importance of being pro-active and to exchange information between various Working Groups at an early stage.

11. PRESENTATION OF ...

11.1. New CMFB web-site (Outgoing CMFB Chairman)

Presentation

- 11.1.1 Hans Peter Glaab, the Outgoing Chairman, presented the changes made to the CMFB website during his chairmanship. He emphasised the implementation of a more friendly appearance, better layout with a more clear navigation, and a more harmonised presentation across the website. A number of factual errors had been corrected and the history of the CMFB had been completed. He also mentioned that there is further scope for improvements e.g. regarding the layout and the availability of older documents.
- 11.1.2 Finally, he thanked the team at the ECB for the work.

Discussion

Conclude

- 11.1.3 The CMFB thanked Hans Peter Glaab for the presentation and, not least, for the initiative to update the site. The people involved, in particular Richard Walton at the ECB, were also thanked. The importance of a continuous updating of the website was underlined and CMFB members were invited to send suggestions for further improvements to the Secretariat.

12. ANY OTHER BUSINESS

- 12.1 The Chairman thanked Antonello Biagioli and Frank Schonborn, which had both been members of the CMFB since the start in 1991, for their many valuable contributions to the CMFB over the years. The Chairman also informed the CMFB about a letter from Mr Evangelos Pantelidis, who - as a long-time member - had made many beneficial contributions to the CMFB.
- 12.2 The Chairman thanked the participants, the interpreters, and Eurostat for the organisation and closed the meeting.

Next CMFB meetings are 2-3 July 2009 and 28-29 January 2010.

CMFB 5-6 February 2009 – LIST OF PARTICIPANTS**Luxembourg - Jean Monnet Building (room M6)**

BELGIUM	Mr Roger DE BOECK Mr Rudi ACX	Banque Nationale de Belgique Banque Nationale de Belgique
BULGARIA	Ms Elka ATANASOVA Mr Emil DIMITROV	National Statistical Institute Bulgarian National Bank
CZECH REPUBLIC	Mr Jan HELLER Mr Petr VOJTISEK	Czech Statistical Office Czech National Bank
DENMARK	Mr Søren BRODERSEN Mr Tue M. MATHIASSEN	Danmarks Statistik Danmarks Nationalbank
GERMANY	Mr Wolfgang STROHM Dr. Hans-Peter GLAAB Mr. Ulrich BURGTORF	Statistisches Bundesamt Deutsche Bundesbank Deutsche Bundesbank
EESTI / ESTONIA	Ms Ene KALDMA Mr Jaanus KROON	Statistical Office of Estonia Bank of Estonia
ÉIRE / IRELAND	Mr Bill KEATING Ms Mary CUSSEN	Central Statistics Office Central Bank of Ireland
GREECE	Mr Stavros BERIATOS Mr Andreas KARAPAPPAS Mr Nicos KAMBEROGLU	National Statistical Service of Greece Bank of Greece Bank of Greece
SPAIN	Mr Alfredo CRISTOBAL Mr Eduardo RODRIGUEZ-TENÉS Ms Beatriz SANZ	INE Banco de España Banco de España
FRANCE	Mr Fabrice LENGART Mr Alain DUCHATEAU Mr Pierre SICSIC	INSEE Banque de France Banque de France
ICELAND	Mr Røsmundur GUDNASON Mr Tómas Örn KRISTINSSON	Statistics Iceland Central Bank of Iceland
ITALY	Mrs Alfonsina CARICCHIA Mr Marco MAGNANI Mr Antonello BIAGIOLI	ISTAT Banca d'Italia Banca d'Italia
CYPRUS	Mr George ZEITOUNTSIAN Mr Angelos KAPATAIS	Statistical Service of Cyprus Central Bank of Cyprus
LATVIA	Ms Dace TOMASE Mr Agris CAUNE	Central Statistical Bureau of Latvia Bank of Latvia
LITHUANIA	Mr Jonas MARKELEVICIUS Mr Rimantas J. VAICENAVICIUS	Statistics Lithuania Bank of Lithuania
LUXEMBOURG	Mr Marc ORIGER Mr Germain STAMMET	STATEC Banque centrale du Luxembourg

HUNGARY	Mr István BEDEKOVICS Ms Edit KALO	Hungarian Central Statistical Office National Bank of Hungary
MALTA	Mr Jesmond PULÉ Mr Joseph BONELLO	Central Bank of Malta National Statistical Office of Malta
NETHERLANDS	Mr Peter VAN DE VEN Ms Melanie KOYMANS Jan Willem ALTENA Mr Henk LUB Mr Jan Marc BERK	Statistics Netherlands Statistics Netherlands Statistics Netherlands De Nederlandsche Bank De Nederlandsche Bank
NORWAY	Ms Anna RØMO Ms Marit HOEL Mr Vetle HVIDSTEN	Statistics Norway Statistics Norway Norges Bank
AUSTRIA	Mr Reinhold SCHWARZL Dr Michael PFEIFFER	Statistik Austria Oesterreichische Nationalbank
POLAND	Ms Maria JEZNACH Mr Pawel MICHALIK	Główny Urząd Statystyczny National Bank of Poland
PORTUGAL	Mr Carlos COIMBRA Mr João CADETE DE MATOS	Instituto Nacional de Estatística Banco de Portugal
ROMANIA	Ms Liliana PINTILIA Mr Marian MUSTAREATA	Romanian National Institute of Statistics National Bank of Romania
SLOVENIA	Mr Andrej FLAJS Mr Janez FABIJAN	Statistical Office of the Republic of Slovenia Bank of Slovenia
SLOVAK REPUBLIC	Mr Frantisek BERNADIC Mr Gregor BAJTAY	Statistical Office of the Slovak Republic National Bank of Slovakia
FINLAND	Mr Jorma HILPINEN Mr Ari TYRKKÖ	Bank of Finland Statistics Finland
SWEDEN	Ms Monica NELSON EDBERG Mr Gunnar BLOMBERG	Statistics Sweden Sveriges Riksbank
SWITZERLAND	Mr Philippe KÜTTEL	Office Fédéral de la Statistique
UNITED KINGDOM	Mr Joe GRICE Mr Stuart BROWN Mr Stephen SABINE	Office for National Statistics Office for National Statistics Bank of England
CROATIA (HR)	Mr Igor JEMRIC	National Bank of Croatia
Former Yugoslav Republic of Macedonia (MK)	Mr Gjorgji GOCKOV	National Bank of the Republic of Macedonia
TURKEY (TR)	Mr Mehmet AKTAS Mr Fikret KARABUDAK	Turkish National Statistical Institute Central Bank of Turkey

ALBANIA (AL)	Mr Gjergji MANO	INSTAT
BOSNIA AND HERZEGOVINA (BA)	Ms Dijana MLIKOTA	Agency for Statistics of BiH
SERBIA (RS)	Mr Milan SOJIC	Republic Statistical Office of Serbia
KOSOVO	Mr Ilir BERISHA	Statistical Office of Kosovo
EFTA	Mr Gabriel GAMEZ	
OECD	Mr Paul SCHREYER	
IMF	/	
EUROPEAN CENTRAL BANK	Steven KEUNING, Gabriel QUIROS, Francis GROSS, Reimund MINK, Tjeerd JELLEMA	
DG ECFIN	Mr Frank SCHONBORN	
EUROSTAT	Maria-Helena FIGUEIRA, Gallo GUEYE, Roberto BARCELLAN, Luca ASCOLI, Mushtaq HUSSAIN, Eduardo BARREDO CAPELOT, Ales CAPEK, Daniela COMINI, Merja HULT, Denis LEYTHIENNE, Jukka JALAVA, John VERRINDER, Monika WOZOWCZYK, Lena FREJ OHLSSON, Ismael AHAMDANECH ZARCO, Kurt WASS, Jean-Pierre DUPUIS, Alice ZOPPE, Klaus REEH	
CMFB Secretariat	Carsten OLSSON Marie-Jeanne KRAUS-BROOS	

Committee on Monetary, Financial and Balance of Payments
Statistics

Plenary session
5-6 February 2009

Luxembourg
Jean Monnet Building, Room M6

Agenda

(4 February 2009)

Documents will be made available on CIRCA at the following address:

<http://forum.europa.eu.int/Members/irc/dsis/cmfb/home>

The meeting starts at 9.30 on 5 February 2009

PART A - ITEMS FOR DISCUSSION

- 1. OPENING**
- 2. ADOPTION OF THE AGENDA (CHAIRMAN)**
- 3. ORGANISATIONAL MATTERS**
 1. Work performed by the CMFB, 2007-2008 – Review by outgoing Chairman (Outgoing Chairman)
 2. Work programme 2009-2010 of the CMFB (Chairman)
- 4. STATISTICAL CONSEQUENCES OF TURMOIL IN FINANCIAL MARKETS**
 1. ESS Action Plan (Eurostat)
 2. Task Force on the accounting consequences for government of the financial turmoil – Progress report (Eurostat)
- 5. EXCESSIVE DEFICIT PROCEDURE**
 1. EDP activities – Progress report (Eurostat)
- 6. REVISION OF INTERNATIONAL STANDARDS**
 1. SNA 93 - Progress report (Eurostat/ECB DG-S)
 2. Revision of ESA-95 – Progress report (Eurostat)
- 7. PUBLIC FINANCE STATISTICS**
 1. Pension entitlements in EU countries - analysis of country data provided by the Contact Group on Pensions (ECB DG-S/Eurostat)
- 8. NATIONAL ACCOUNTS**
 1. Towards a revision policy for National Accounts (Eurostat)
 2. Revision practices for European accounts, balance of payments/international investment position and government finance statistics (ECB DG-S/Eurostat)
 3. Task Force on quarterly European accounts by institutional sector - Progress report (ECB DG-S/Eurostat)
 4. COFOG data – Progress report (Eurostat)
 5. EU-KLEMS – progress report (Eurostat)
- 9. BALANCE OF PAYMENTS**
 1. Implementation plans for BPM 6 and Benchmark Definition of FDI (Eurostat/ECB DG-S)
- 10. FOREIGN TRADE STATISTICS**
 1. Extrastat – Progress report (Eurostat)
 2. Intrastat – Progress report (Eurostat)
- 11. PRESENTATION OF ... (OPTIONAL)**
 1. New CMFB web-site (CMFB Chairman)
- 12. ANY OTHER BUSINESS**

PART B - POINTS FOR INFORMATION²

CMFB INTERNAL MATTERS

1. Main developments since the last CMFB meeting in July 2008, minutes of the Executive Body meetings held in Berlin in October 2008 and in Frankfurt in December 2008, list of the task forces reporting to the CMFB (CMFB Secretariat)

BALANCE OF PAYMENTS

2. Balance of Payments Working Group – Progress report (Eurostat)
3. FATS Regulation, FATS Joint Working Group and related issues – Progress report (Eurostat)
4. Working Group on External Statistics – Progress report (ECB DG-S)
5. Task Force on Rest-of-the World Account, on transit trade, e-commerce and implementation issues – Progress report (Eurostat/ECB DG-S)
6. Regulation (EC) 2560/2001 defining a threshold for statistical reporting on cross-border payments and new legal framework on payment services – Progress report (Commission)

NATIONAL AND FINANCIAL ACCOUNTS

7. Financial Accounts Working Group - Progress report (Eurostat)
8. Working Group on Euro Area Accounts – Progress report (ECB DG-S)
9. NACE Rev. 2 implementation plans for National Accounts (Eurostat)

SIMPLIFICATION AND COORDINATION

10. EuroGroups Register – Progress report (Eurostat)

EU/EMU SHORT TERM STATISTICS

11. ESS guidelines on seasonal adjustment: implementation strategy - Progress report (Eurostat)

INTERNATIONAL ACCOUNTING STANDARDS

12. Task Force on Accounting and Statistics – Progress report (Eurostat/ECB DG-S)

STATISTICAL INFRASTRUCTURE

13. SDMX initiative – Progress report (Eurostat/ECB DG-S)

PRICES

14. HICP activities - Progress report (Eurostat)

² The points for information will be discussed during the meeting only if a representative informs the CMFB secretariat two weeks before the meeting