

CMFB Operational Work Programme for 2015

18 February 2015

Background

At the meeting of the European Statistical Forum on 17 September 2014, the CMFB chair presented its proposed 2015 work programme for transversal and cross-cutting issues. There was concurrence that the CMFB would carry forward a work programme consisting of six items.

1. Ensuring the quality of statistics underlying the Macroeconomic Imbalances Procedure Scoreboard (continuation of WP Item 1.1 from 2014)
2. Further development of the Euro Area Integrated Accounts (continuation of WP Item 1.3 from 2014)
3. Globalisation
 - 3.1. Monitoring and promotion of initiatives: Utilisation of Legal Entity Identifier (LEI) and/or other common identifiers in statistical production (building on WP Item 2.1 from 2014)
 - 3.2. Coordination of a consistent response to international initiatives such as SDDS Plus (continuation of WP Item 1.2 from 2014)
 - 3.3. Certain cross-cutting and transversal implications of the Framework Regulation Integrating Business Statistics (FRIBS), where the involvement of the Committee is practical
4. Implementation of the new international statistical standards (ESA2010 and BPM6) and required changes to regulations and guidelines (continuation of WP Item 2.2 from 2014)
5. Follow-up to the work of the CMFB Contact Group on ESS – ESCB cooperation in the field of balance of payments statistics
6. Introductory discussion on Big Data and the potential role of the CMFB

Following the CMFB Executive Body meeting of 6-7 November 2014, the structure of the Work Programme has been streamlined:

- Item 2, “Further development of the Euro Area Integrated Accounts (continuation of WP Item 1.3 from 2014)” will be covered as part of “Implementation of the new international statistical standards (ESA2010 and BPM6) and required changes to regulations and guidelines” and
- Item 3.3, “Certain cross-cutting and transversal implications of the Framework Regulation Integrating Business Statistics (FRIBS) where the involvement of the Committee is practical” will be treated as part of “Follow-up to the work of the CMFB Contact Group on ESS – ESCB cooperation in the field of balance of payments statistics”.

The present document reflects the discussion that took place in Frankfurt at the CMFB meeting of 29-30 January.

1. Ensuring the quality of statistics underlying the Macroeconomic Imbalances Procedure (continuation of WP Item 1.1 from 2014)

1.1. Context

The macroeconomic statistics underlying the MIP indicators are compiled by both the European Statistical System (ESS) and the European System of Central Banks (ESCB) within their respective spheres of competence. The ESS and the ESCB continuously apply statistical quality assurance mechanisms to ensure that these statistics are reliable and comparable across Member States.

Since the responsibilities for the production of some of the statistics underlying the MIP indicators are shared between the ESS and the ESCB, the ECOFIN Council requested the ESS and the ESCB to continue working together on improving the quality of the statistics underlying the MIP scoreboard and on ensuring their comparability. Moreover, in its Opinion of November 2013, the Economic and Financial Committee (EFC) “invited the ESS and the ESCB to continue this close cooperation, including through the preparation of a work programme” to ensure the reliability and comparability of the statistics underlying the MIP.

The CMFB set up a Task Force on the quality of the statistics underlying the MIP indicators in July 2013 with the participation of 13 NSIs and 10 NCBs from 17 Member States. This Task Force met twice, in October and December 2013. The task force report, as well as a roadmap on the way forward, was adopted by the CMFB via a written procedure concluded on 12 June 2014. The Task Force proposed, among other things, to set up a quality monitoring framework in areas where the compilation of statistics for MIP is based on inputs by both the ESS and the ESCB.

In response to this request by the Council, the CMFB and the European Statistical Forum (ESF) submitted an ESS-ESCB work programme explaining the joint initiatives of the ESS and the ESCB to enhance the quality of the macroeconomic statistics underlying the MIP. To make these initiatives operational, they were formalised in practical arrangements between the two statistical systems. The Economic and Financial Affairs Council (ECOFIN), in its conclusions of November 2014, “WELCOMES the close cooperation of the ESS and the ESCB, using existing fora, in ensuring the reliability of the statistics underlying the Macroeconomic Imbalances Procedure (MIP) and their comparability and ENCOURAGES the two statistical systems to give high priority to the resulting joint ESS-ESCB Communication and work programme”.

1.2. Actions arising from the Road Map of the CMFB MIP TF and the Practical arrangements for cooperation between the ESS and the ESCB for enhancing the quality of the statistics underlying the Macroeconomic Imbalances Procedure

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
An ESS-ESCB communication/work-programme on quality assurance of the statistics underlying the MIP	Accomplished. Eurostat/ECB communication/work programme submitted to the EFC.	Accomplished. (25 September 2014)	CMFB/ESF upon a draft of Eurostat and the ECB.
(1) ESS-ESCB Quality Assessment Report on MIP Statistics – CMFB comments on the 2 nd draft	In progress. The draft report needs to be fine-tuned taking into account the changeover to ESA 2010 and BPM 6.	March 2015: draft for the EB meeting CMFB WP April 2015 Mid-May: Finalisation of the report	Sponsors ECB DG-S Eurostat
(2) National templates on statistical quality and processes	In progress. 1 st TG meeting took place on 23 October 2014. 2 nd TG meeting took place on 26 November 2014. The TG presented the generic template with examples for bop/iip statistics at the January 2015 CMFB meeting.	Finalisation of templates for the additional domains by the July 2015 CMFB meeting Production of bop/iip templates by all Member States by September 2015	Sponsors Eurostat ECB DG-S CMFB Technical groups
(3) Gradual review of domain specific statistical quality reports prepared by the ESS and the ESCB in their fields of competence for statistics underlying the MIP under Union legislation	To start in the second half of 2015, depending on the progress of national templates.	End-2016	Sponsors Eurostat ECB DG-S
Formalisation of ESS-ESCB practical arrangements to enhance the quality and comparability of MIP statistics	The CMFB Plenary of July 2014 endorsed the list of topics for the ESS-ESCB practical arrangements, the ESF took note its 17 September 2014 meeting.	Accomplished. (17 September 2014 – ESF)	CMFB Eurostat ECB DG-S

2. Globalisation - Monitoring and promotion of initiatives: Utilisation of Legal Entity Identifier (LEI) and/or other common identifiers in statistical production (building on WP Item 2.1 from 2014)

2.1. Context

- The LEI started running to create and apply a single and universal code to any organisation or firm involved in a financial transaction. The second step is to give an initial impulse on how to use the LEI in practice to compile statistics.
- A first utilisation could be the publication of a list of holding companies and head offices. Based on ESA 2010, the new financial sub-sector on captive financial institutions and money lenders will integrate holding companies and head offices. Following the work of the Task Force on Head Offices and Holding Companies on the treatment of holding companies, a list was defined in each country. However, for monetary statistical purposes, each euro zone country will have to identify euro zone holding companies as monetary counterparts included in financial institutions. Thus there is a need for a unique standard code to identify holding companies.
- The LEI will gradually become compulsory (as reflected e.g. in EBA regulations.) and hence there is a need to get better acquainted with its properties and investigate its potential use for statistics.

2.2. Actions

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
Preliminary presentation of the LEI state of play at the CMFB Plenary by the European ROC vice-chair	Accomplished	January 2014 CMFB meeting	Sponsors
Launch of a CMFB stocktake to ask countries about the possibilities of collating and sharing national lists of holding companies with an LEI and of holding companies without an LEI. Deadline: 25 July 2014.	Accomplished	25 July 2014	Sponsors, Secretariat
(4) Synthetic note laid down and presented to the CMFB Executive	Accomplished	November 2014 CMFB EB meeting	Sponsors
(5) Presentation of the outcome to the CMFB Plenary with recommendations on a way forward	Accomplished	January 2015 CMFB meeting	Sponsors
(6) Updated questionnaire on the use of the LEI	In progress	January 2016 CMFB Plenary	Sponsors, Secretariat
(7) Establishment of the CMFB Technical Group on business unit identifiers relevant for statistical production	In progress	End-February 2015	Sponsors
(8) Draft issues note exploring the potential merits of initiating an EU legal basis for the LEI	In progress	March 2015 CMFB EB	ECB DG-S, Eurostat
(9) A list of references to the LEI in relation to EU legal texts to be circulated to the CMFB members	In progress	End-February 2015	Secretariat

3. Globalisation - Coordination of a consistent response to international initiatives such as SDDS Plus (continuation of WP Item 1.2 from 2014)

3.1. Context

- As an input to the 2013 EU Regional Conference on the G20 DGI, Eurostat and the ECB analysed the consistency between the data requirements for the SDDS Plus and G20 DGI and those embedded in EU and ECB statistical legal acts.
- The analysis concluded that the requirements are largely consistent and that once the legal requirements would be implemented in 2015, EU Member States would automatically comply with 5/6 categories of the SDDS Plus.
- Given that the SDDS Plus includes a transition period until 2019, Member States could consider adhering to SDDS Plus and developing a plan to comply with the nine categories by 2019.

3.2. Actions

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
Launch of a CMFB stock-taking exercise about the national plans regarding the adherence to the SDDS Plus Initiative	Accomplished	24 March 2014	Sponsors, Secretariat
Presentation at the CMFB Plenary	Accomplished	4 July 2014	Sponsors, ECB DG-S, Eurostat
(10) Amended version of the note as terms of reference for the interpretation of the SDDS Plus General Government Total Gross Debt category to the CMFB	Accomplished	January 2015 CMFB meeting	ECB DG-S/Eurostat
(11) Questionnaire on the experiences of MSs already adhering to SDDS Plus, updates on plans and timetables to join SDDS Plus for all EU Member States	In progress	September 2015	Sponsors, Secretariat

4. Implementation of the new international statistical standards (ESA2010 and BPM6) and required changes to regulations and guidelines (continuation of WP Item 2.2 from 2014), including the further development of the Euro Area Integrated Accounts (continuation of WP Item 1.3 from 2014)

4.1. Context

The CMFB should support the ESS and ESCB in developing public awareness of the impact on macroeconomic statistics of the implementation of ESA2010 and BPM6. It could facilitate cooperation between the two systems in terms of the communication strategy for the discussion and analysis of figures reported in 2014 (both financial and non-financial). The CMFB could support a coordinated implementation of SDMX for data sharing and dissemination of macroeconomic statistics.

Further development of the Euro Area Integrated Accounts

- Practical implementation of ESA2010 with the objective to compile the Euro Area Integrated Accounts (EEA) at t+90.
- Regarding the rest of the world (RoW) sector in national accounts, there is a need to be compliant with the balance of payments (BoP) in each country. Different methodologies may be implemented to compile the RoW sector in National Accounts. For instance, the RoW sector in national accounts may differ from the non-financial account in the BoP. Moreover, the correspondence table between the financial account of BoP and the national financial accounts is not drawn up. Thus, there is a need for clarification at the European level.
- Furthering greater harmonisation of revision policies for BoP and national accounts, to the extent this has net benefits.

4.2. Actions

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
(12) Updated CMFB questionnaire on the implementation of the revision policy following ESA10 and BPM6	Launched with a deadline of 16 March 2015	Following the January 2015 CMFB Plenary	Sponsors
(13) Provide a progress-report for the CMFB on the future release policy	Accomplished No new initiative was seen necessary at the January 2015 CMFB due to the progress made by the ECB DG-S and Eurostat on the timeliness of the integrated accounts.	July 2015 CMFB Plenary	ECB DG-S Eurostat
(14) Review the implementation of the harmonised revision policy for national accounts and balance of payments statistics approved by CMFB at its July 2012 meeting	First ESA2010/BMP6 data are being published, fine-tuning and back data estimations are in progress. The introduction of the policy is waiting for the full implementation of ESA2010/BMP6.	July 2015 CMFB Plenary	ECB DG-S Eurostat

(15) Examine the RoW account in national accounts as compared to the balance of payments		As of the second half of 2015	ECB DG-S Eurostat
(16) Organise a cycle of joint Eurostat/ECB workshops on thematic issues that would have country presentations about technical issues and coordinate different national initiatives looking for synergies with the activities at the European level		To de defined	ECB DG-S, Eurostat
(17) Disseminate a thematic booklet with the main conclusions		To be defined	ECB DG-S, Eurostat, Sponsors

5. Follow-up to the work of the CMFB Contact Group on ESS – ESCB cooperation in the field of balance of payments statistics, including certain cross-cutting and transversal implications of the Framework Regulation Integrating Business Statistics (FRIBS) where the involvement of the Committee is practical”

5.1. Context

The ESF meeting of 17 September 2014 approved the proposal for future cooperation between the ESS and the ESCB in the field of balance of payments and related (primary) statistics. It was furthermore underlined that the CMFB would refrain from publishing its opinions before the finalisation of the respective legislative process.

According to the conclusions of the ESF meeting of 17 September 2014, this proposal takes into account the following.

- The implementation of the future cooperation between the ESS and the ESCB in the field of balance of payments and related (primary) statistics;
- Replies to approximately three of the ten requests for advice which were put forward by Eurostat in the background document ESF 2014/1/3.2.1. The items selected during the CMFB EB that took place on the meeting of 6-7 November 2014 in Belfast were:
 - Further development of the b.o.p. data quality framework, including quality reports and the evaluation of availability;
 - Asymmetries in FDI;
 - Travel and tourism statistics (based on a proposal from ESCB Members of the CMFB EB).

For each item, a substructure (task force, contact group etc..) with maximum 10 members will be set up. The item concerning the b.o.p. data quality framework will be followed-up in the context of WP item 1: "Ensuring the quality of statistics underlying the Macroeconomic Imbalances Procedure" (Gradual review of domain specific statistical quality reports prepared by the ESS and the ESCB in their fields of competence for statistics underlying the MIP under Union legislation). Resources permitting, additional items from the ESF 2014/1/3.2.1 document can be taken up following the completion of work related to the above.

5.2. Actions

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
(18) Define a mandate for the substructures	Accomplished	January 2015 CMFB meeting	Executive Body
(19) Call for expression of interest for CMFB sub-structures on balance of payments statistics	In progress	Mid-February 2015	Secretariat
(20) First meeting of the Subgroup on FRIBS and BoP/IIP		Before 23-24 March 2015	CMFB Chair and Vice-chair, prospective chairs of the subgroup
(21) First meeting of the TF on FDI network		Before 23-24 March 2015	Co-chairs Eurostat/ECB DG-S
(22) Progress report by the Subgroup on FRIBS and BoP/IIP		July 2015 CMFB plenary	Prospective chairs of the subgroup

(23)	Progress report by the TF on FDI network		July 2015 CMFB plenary	Co-chairs, sponsors
(24)	Progress report by the TF on Travel, Tourism and Transport (T3F)		July 2015 CMFB plenary	Co-chairs, sponsors

5.2.1. ESS – ESCB cooperation in the field of balance of payments and related (primary) statistics

The ESF agreed that the CMFB would provide for operational and technical cooperation between the ESS and the ESCB on BoP matters. In particular, it should ensure cooperation on long-standing issues on BoP statistics (including on quality) and on developments and transversal issues between the BoP statistics and related (primary) statistics, namely ITG, ITS, FDI and FATS, including the cross-cutting issues related to FRIBS and similar initiatives. The Contact Group considered important that the CMFB, directly or through a sub-structure, provided immediate attention to the issue of the relation between BoP and related (primary) statistics in the context of the FRIBS initiative.

5.2.2. Asymmetries in FDI

In order to reduce asymmetries and increase the internal consistency of the EU and euro area balance of payments, Eurostat and the ECB launched in 2009 the 'FDI Network', a secure tool for FDI compilers to exchange information (micro data) on FDI transactions and (since 2012) positions, while preserving the confidentiality of the data. Eurostat provides the secured IT infrastructure and facilitates the exchange of micro data files. The level of participation, which is voluntary, varies a lot between countries with some of them very active and other ones practically inactive. Anyhow, the bilateral exchange of micro data between FDI compilers has proved a good technique to reduce asymmetries.. There is, however, potential to exploit the Network better. The CMFB is asked to address in its work programme a comparison with major partners and reconciliation exercises carried out by ECB/Eurostat. Sharing detailed data amongst reporting countries may help to minimize the asymmetries. The CMFB may give advice on the coordination of the ESS and the ESCB to increase the participation of national compilers, particularly of those less active, to use the FDI Network and the efficiency in the use of this information.

5.2.3. Travel and Passenger Transport statistics

Most EU countries rely on survey-based collection systems to compile BOP Travel and the related Transport Passenger statistics, a fundamental component of the current account. The surveys require substantial resources and often produce results used also for non-BOP purposes (e.g. tourism statistics, tourism analysis and policy making). The CMFB could work to improve the “return on investment” of these surveys by encouraging the exchange of methodological best practices and the reduction of Intra-EU bilateral asymmetries. This work may take over and replace the activity of the “Workshop on Travel” in the Eurostat BOP WG framework, that recently started to receive reduced support from Eurostat because of a lack of resources.

6. Introductory discussion on Big Data and the potential role of the CMFB

6.1. Context

While there is no official definition of Big Data, the initial scientific motivation is that the volume of data is growing so large that new technical devices and tools must be set up for analysing it. Big Data given rise to the emergence of the so called 'data science' which refers to interrelated strands of activities and potentially opens new horizons for statisticians. It seems of the utmost importance for the ESS and the ESCB statisticians to reflect upon Big Data and to share views and possibly good practices.

A stock-taking exercise appears warranted, the main aims of the questionnaire could be as follows:

- enhancing common knowledge on Big Data experiences and technologies;
- sharing views and Big Data pros and cons, more specifically in the domains where using Big Data would appear particularly helpful;
- thoughts on avenues offered by Big Data for reducing the reporting burden on respondents, limiting costs, increasing efficiency and developing cooperation between the ESS and the ESCB in fellow areas, with priority given to strategic areas as identified by the ESF.

6.2. Actions

Specific CMFB action points for 2015 (numbered)	Status	Timeline	Responsible
(25) Written procedure on the proposed questionnaire		11 February 2015	Secretariat
(26) Presentation of the stock-taking exercise on Big Data		For the July 2015 CMFB meeting.	Sponsors