

## **Implementation plan to increase the harmonisation of Seasonal Adjustment of Quarterly National Accounts**

### **CMFB Report**

*The following final implementation plan on common practices for trading day and seasonal adjustment was endorsed by the CMFB in June 2002. It requires implementation of the recommendations in most cases by beginning of 2003. The CMFB will monitor progress in a further report in January 2003.*

*The dates indicate the proposed deadlines for the compliance with the recommendations. Member States, which are not yet planning to adopt a recommendation by this date, are indicated and are asked to review their planning in the light of the targeted EU-wide harmonisation process.*

#### **a. Coverage of Table 1 of the ESA 95 transmission programme and software used**

##### **Coverage of Table 1 of ESA 95**

**Beginning 2003** Most EU countries will be able to provide all adjusted data as requested for the complete Table 1, including breakdowns and employment data.

*Remaining issues:* Ireland will begin adjustment at a later date due to insufficient series length. No precise plans from Greece, Luxembourg (which does not yet compile raw quarterly data), the Netherlands (only for employment data), Portugal and Sweden (only for current prices) exist. For Finland a delay might be possible due to a comprehensive revision of seasonal adjustment method in the course of 2003.

##### **Software in use**

**Beginning 2003** Most countries will make use of either X-12-REGARIMA or TRAMO-SEATS for seasonal adjustment.

*Remaining issues:* United Kingdom will upgrade the software in use (X-11-ARIMA) in 2005. Ireland (X-11) is not planning any change.

## **b. Trading-day (and other pre-) adjustment**

### **Production of trading day adjusted (t.d.a.) QNA**

**Beginning 2003** The number of countries producing t.d.a. data will increase significantly when Greece, Italy and Finland start the this adjustment.

*Remaining issues:* Germany will not include in the its t.d.a. adjustment the income side for some time; Ireland will start on a later phase, due to insufficient series length. For Portugal and Luxembourg no plans are given. Denmark intends to implement t.d.a. in 2004.

### **Use of the regression method for the adjustment**

**In place** Accepted by countries already producing t.d.a. data and by countries which are going to start the production of this data.

*Remaining issues:* None.

### **Use of monthly indicators to derive t.d. factors**

**Beginning 2003** Accepted and already in place in most countries depending on availability of data.

*Remaining issues:* Rejected by Spain and Austria due to conceptual and resource reasons.

### **Pre-adjustment effects**

**Beginning 2003** Accepted by most countries.

*Remaining issues:* Problems only in countries performing adjustments for random/unusual effects (Finland and Sweden).

## **c. Seasonal adjustment**

### **Consistency of adjusted GDP and components**

**Beginning 2003** In place in most EU countries. Denmark and Greece will comply by the beginning 2003.

*Remaining issues:* If more countries introduce chain-linking of constant price data the recommendation cannot easily be implemented; the Netherlands and Sweden do not comply the recommendation for this reason.

### **Consistency with annual totals**

**Beginning 2003** In many countries the constraint is already imposed and other will comply starting in 2003.

*Remaining issues:* Spain, Austria, Sweden and United Kingdom do not accept the recommendation. Ireland will conform on a later phase, due to insufficient series length.

### **Update of seasonal factors**

**In place** All countries producing adjusted results already comply.

*Remaining issues:* None.

#### **d. Transmission of adjusted results**

##### **Raw, seasonally adjusted and seasonally plus trading-day adjusted data**

**In place** All countries already producing seasonally adjusted data (except Luxembourg and Ireland) accept transmission of raw and seasonally adjusted/seasonally plus trading-day adjusted data.

*Remaining issues:* The transmission of both purely seasonally adjusted and seasonally plus trading-day adjusted data, when trading-day adjustment is performed, is rejected by most countries for different reasons (conceptually and technically difficult when trading-day adjustment is performed).

##### **Pure trading-day adjusted data**

**Beginning 2004** Accepted by nine countries, although in some cases limited to the transmission to Eurostat of factors for the adjustment (Netherlands and Austria).

*Remaining issues:* In Spain, France, Ireland, Luxembourg, Portugal and United Kingdom limited resources, conceptual difficulties and lack of internal users requests were mentioned as reasons for the rejection.

##### **Residual series for discrepancy**

**In place** In most cases, the indirect adjustment is made. No differences are observed in adjusted data. The recommendation is also accepted by other countries.

*Remaining issues:* None.