

European statistics: cooperation between the European System of Central Banks and the European Statistical System

The European System of Central Banks (ESCB) and the partnership of the European Statistical System (ESS) cooperate closely on European statistics, in particular economic and financial statistics. While the ESCB and the ESS partnership operate under separate legal frameworks that reflect their respective governance structures, they follow the same statistical principles and apply thorough statistical quality assurance procedures in support of policy analysis and European decision-making, and in order to provide a reliable and timely source of information for the wider public. Together, the ESCB and the ESS partnership are taking a leading role in global statistical projects, such as the Special Data Dissemination Standard Plus (SDDS Plus) of the International Monetary Fund (IMF) and the G20's Data Gaps Initiative.

1 Introduction

European economic and financial statistics are at the forefront of worldwide statistical developments. The success of European statistics is largely due to the robust legal framework underpinning the collaboration between the national and European statistical systems. European statistics are produced by two separate pillars that work in close cooperation. One pillar is the ESCB, a system composed of the ECB and the national central banks (NCBs) of the EU Member States. The other pillar is the ESS, a partnership comprising the European Commission (Eurostat), national statistical institutes (NSIs) and other national authorities that produce statistics at the national level.

Close cooperation and sharing ideas and approaches between the statistical function of the ESCB and the ESS laid the foundations for the continuous broadening of the available European economic and financial statistics. This article is structured as follows: Section 2 outlines the legal framework of the two pillars of European statistics. Section 3 explains the institutional separation between the ESCB and the ESS. Section 4 describes the close cooperation between both pillars. Section 5 presents some conclusions.

The ESCB and the ESS: the two pillars of European statistics

The production of European statistics is organised around two separate pillars, the ESCB and the ESS partnership, with separate legal frameworks and governance structures. The ESCB is a fully fledged system enshrined in the Treaty on the Functioning of the European Union (TFEU).¹ It is composed of the ECB and the NCBs; the ECB's Governing Council is its highest decision-making body.

According to its statute², the ECB, assisted by the NCBs, may collect the statistics necessary to undertake the ESCB's tasks, including for monetary policy and financial stability purposes, either from the competent national authorities or directly from economic agents. The data collected may also be used for banking supervision purposes. The Council of the European Union has defined the natural and legal persons subject to reporting requirements by the ECB, the statistical principles to be followed, the confidentiality regime and the appropriate provisions for enforcement.³ The actual statistics that are collected, compiled and disseminated by the ESCB are determined by the ECB's Governing Council. They are reflected in the ESCB's statistical work programme, which is approved by the ECB's Governing Council and supported by comments from its General Council. These are largely financial but also economic statistics, such as money and banking (including interest rates) statistics, banknotes statistics, payments and payment systems statistics, financial stability statistics, balance of payments statistics and international investment positions statistics.⁴

The ECB collects the statistical data, assisted by the NCBs and with the support of the ESCB's Statistics Committee.⁵ It then produces the statistics, conducts quality assurance and disseminates them in conformity with the statistical principles of impartiality, objectivity, professional independence, cost-effectiveness, statistical confidentiality, minimisation of the reporting burden and high output reliability.⁶ These statistical principles are reflected in the ESCB's public commitment on European statistics.⁷

Apart from the European statistics produced by the ESCB, many other European statistics are necessary to support the various policies of the European Union. These include economic statistics, such as the Harmonised Index

¹ See Article 282(1) TFEU.

² See Article 5 of Protocol (No 4) of the Statute of the ESCB and of the ECB.

³ Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8), amended by Council Regulation (EC) No 951/2009 of 9 October 2009 (OJ L 269, 14.10.2009, p. 1) and Council Regulation (EU) No 2015/373 of 5 March 2015 amending Regulation (EC) No 2533/98 concerning the collection of statistical information by the European Central Bank (OJ L 64, 7.3.2015, p. 6).

⁴ See, for example, Article 2(1) of Council Regulation (EC) No 2533/98.

⁵ Article 9(1) of the Decision of the ECB of 19 February 2004 adopting the Rules of Procedure of the ECB (ECB/2004/2) (OJ L 80, 18.3.2004, p. 33).

⁶ The statistical principles of the ESCB are referred to in Article 3a of Council Regulation (EC) No 2533/98.

⁷ See <http://www.ecb.europa.eu/stats/html/pcstats.en.html>

of Consumer Prices (HICP) or gross domestic product (GDP) and its components, as well as statistics in the areas of population and social conditions, regions, industry, trade and services, transport, agriculture and fishing, and the environment and energy. They are produced by the ESS – a partnership established by secondary legislation.⁸

According to the Treaty provisions⁹, the European Parliament and the Council of the European Union, acting in accordance with the ordinary legislative procedure, may adopt statistical legal acts addressed to Member States, defining statistics to be produced by the ESS partnership. The ESS also conducts quality assurance for its statistics in line with the Treaty provisions¹⁰, i.e. professional independence, impartiality, objectivity, reliability, cost-effectiveness and statistical confidentiality. These principles are set out in further operational detail in the ESS Code of Practice.¹¹

3 Institutional separation between the ESCB and the ESS

The independence of the ESCB when producing its statistics is guaranteed in its statute as well as in the Treaty provisions.¹² This was recently recalled by the European Parliament and the Council of the European Union.¹³

It is the sole responsibility of the Governing Council of the ECB, as the ESCB's decision-making body, to coordinate the statistical activities of the ECB and the NCBs in their capacity as members of the ESCB. In other words, the ECB and the NCBs are not part of the ESS partnership when collecting statistical information and producing European statistics for the ECB. Moreover, although the members of the ESCB do not participate in the production of European statistics by the ESS, data produced by NCBs may be used, directly or indirectly, by NSIs, other national authorities and the European Commission (Eurostat) for the production of European statistics by the ESS. Similarly, NSIs may contribute to ESCB statistics while they are not part of the ESCB.¹⁴

The ECB welcomes the recent Regulation of the European Parliament and of the Council of the European Union reinforcing the role of Eurostat and the

⁸ Regulation (EC) No 223/2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ, L 87, 31.3.2009, p. 164), amended by Regulation (EU) No 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics (OJ, L 123, 19.5.2015, p. 90).

⁹ See Article 338(1) TFEU.

¹⁰ See Article 338(2) TFEU.

¹¹ See <http://ec.europa.eu/eurostat/documents/3859598/5921861/KS-32-11-955-EN.PDF>

¹² See Articles 130 and 338 TFEU.

¹³ See Recital 24 of Regulation (EU) No 2015/759.

¹⁴ See Recital 9 of Regulation (EC) 223/2009.

NSIs in coordinating the activities of other national authorities that produce statistics.¹⁵ This will contribute to strengthening the reliability of European statistics produced by the ESS.

4 Close cooperation between the ESCB and the ESS

The members of the ESCB and the ESS partnership need to cooperate closely to maximise synergies, minimise the reporting burden and ensure the production of complete and coherent European statistics.¹⁶ To facilitate this cooperation, the quality frameworks of the ESCB and the ESS have been closely aligned. The ESCB public commitment on European statistics and the ESS Code of Practice set out almost identical statistical principles for the development, production and dissemination of European statistics.

This alignment of the quality frameworks aims to ensure that the same quality standards apply to both sets of European statistics. The quality of statistics produced by the ESS, such as HICP or GDP and its components, can be fully trusted by the ESCB. Equally, the European Parliament and the Council of the European Union can have full confidence in the reliability of the European statistics produced by the ESCB, such as monetary and financial statistics or balance of payments statistics.

The ESCB also cooperates closely with the ESS when setting up new statistical requirements or enhancing existing statistics. Indeed, within the framework of the cost-benefit analyses¹⁷ carried out by the ESCB regarding developing new statistics, the ECB consults the European Commission on its user priorities. Furthermore, the ECB consults the Commission on draft ECB regulations in order to avoid conflicting requests for data from the ECB and the Commission.¹⁸ In the same manner, the ECB shall be consulted on any proposed Union act – including delegated and implementing acts – that falls within its fields of competence.¹⁹

The two statistical systems also cooperate closely through the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB)²⁰, as well as through the European Statistical Forum (ESF) (see Chart). The CMFB, composed of senior representatives of NCBs, NSIs, the ECB and the European Commission (Eurostat), was set up by the Council of the European Union in 1991 and provides a platform to support the operational cooperation between the two statistical pillars, particularly in statistical areas in which they have shared responsibilities, such as the production of national accounts and balance of payments statistics.

¹⁵ See Articles 1(1) and 1(3) of Regulation (EU) No 2015/759.

¹⁶ Article 9 of Regulation (EC) No 223/2009 and Article 2(a) of Regulation (EC) No 2533/98.

¹⁷ See “2.3 The merits and costs procedure”, Quality assurance procedures within the ECB statistical function, ECB, April 2008, pp. 7-8, available at <http://www.ecb.europa.eu/pub/pdf/other/ecbstatisticsqualityassuranceprocedure200804en.pdf?d80c2b00b4b02f1672f239eb4a783af1>

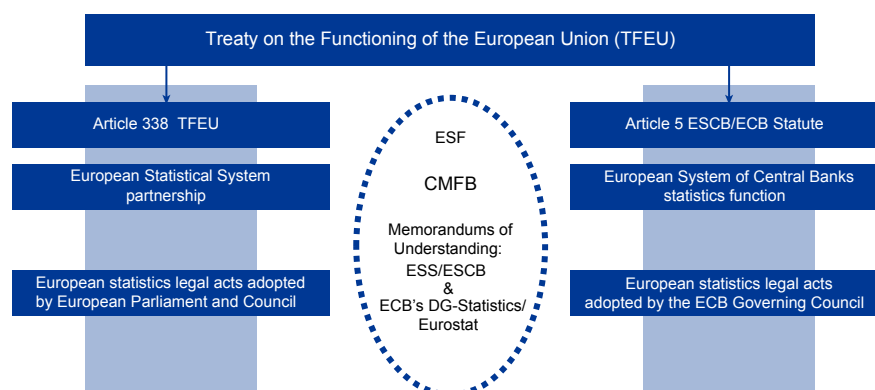
¹⁸ Article 5(2) of Regulation (EC) No 2533/98.

¹⁹ Articles 127(4) and 282(5) TFEU.

²⁰ The CMFB was established by Council Decision in 1991. The original Council Decision 91/115/EEC was replaced on 13 November 2006 by Council Decision 2006/856/EC (OJ, L 332, 30.11.2006, p. 21).

Chart

Two pillars for European economic and financial statistics



The CMFB provides opinions to the European Commission (Eurostat) and the ECB on statistical matters in its field of competence.²¹ These CMFB opinions help to ensure that the statistics produced by the ESCB and the ESS are credible, consistent and comparable across Member States. This applies in particular to advice that spans different European statistics produced by the ESCB and the ESS. For example, the statistical classification of units in financial accounts produced by the ESCB and the non-financial accounts produced by the ESS must be identical, in order to facilitate their integration into a complete set of sector accounts on a quarterly basis. These sector accounts are the basis for coordinated ECB and Eurostat press releases – a unique example of close cooperation between the statistical function of central banks and statistical offices that is rarely encountered in other parts of the world.

In addition, the CMFB also provides advice to the European Commission (Eurostat) in the context of the excessive deficit procedure for cases that are either complex or of general interest in the view of the Commission or the Member State concerned.²² In such cases, the European Commission (Eurostat) takes a decision only after consulting with the CMFB, and publishes its decision together with the opinion of the CMFB.

To enhance cooperation between the two pillars at the strategic level, the ESF was established in 2013 through a memorandum of understanding (MoU) between the ESS and the ESCB.²³ The ESF advises the two pillars on the content and consistency of the statistical work programmes, makes proposals to improve the programmes' coordination, and identifies future challenges for European statistics

²¹ The CMFB exercises its advisory role to the European Commission (Eurostat) and the ECB pursuant to Article 4 of Council Decision 2006/856/EC: "The Committee may express opinions on its own initiative on any questions relating to those statistics that are of common concern to the Commission and national statistical authorities, on the one hand, and the ECB and NCBs, on the other. In the execution of its tasks, the Committee shall give its views to all interested parties."

²² The CMFB exercises its advisory role on EDP matters to the European Commission (Eurostat) pursuant to Article 10(2) of Regulation 479/2009 of the Council of the European Union.

²³ See Memorandum of Understanding on the cooperation between the Members of the European Statistical System and the Members of the European System of Central Banks of 24 April 2013.

and areas of priority for cooperation between the ESS and the ESCB. To set out this close cooperation between the two European statistical pillars, Eurostat and the ECB's Directorate General Statistics signed an MoU in 2003²⁴ following an earlier MoU between the European Monetary Institute and Eurostat. The aim was to avoid duplication of statistical work, prevent conflicting requests for data from the ECB and the European Commission (Eurostat), and promote high-quality and consistent statistics for use by policy-makers and the general public.

This close cooperation is also fundamental to keeping European statistics at the forefront of worldwide statistical developments. The ESCB and the ESS have played an influential role in updating key international statistical standards²⁵ and ensuring their implementation in all European statistics. This resulted last year in a significant expansion in the content and detail of European economic and financial statistics, and will contribute to a gradual increase in their quality over the coming years. Likewise, the ECB and the European Commission (Eurostat) have actively contributed to the work of the Inter-Agency Group on Economic and Financial Statistics, which has been leading the response of the statistical community to the request of G20 finance ministers and central bank governors to close the information gaps that were revealed during the crisis (the Data Gaps Initiative).²⁶ In parallel, the IMF developed the SDDS Plus, a new initiative adding more demanding requirements to the existing SDDS.²⁷

5 Conclusions

The strong governance of the ESCB as a system under the TFEU has been fundamental to its important contributions to European statistics. Its key features are: (i) full independence when producing European statistics, (ii) the capacity to legislate within the framework set by the Council of the European Union, and (iii) the central role of the ECB's Governing Council in deciding the ESCB statistical programme.

The ESS is a partnership established by secondary legislation. The statistics produced by the ESS are based on statistical legal acts adopted by the European Parliament and the Council of the European Union. The reinforced role of Eurostat and the NSIs in coordinating the statistical activities of other national authorities, excluding NCBs, will contribute to strengthening the reliability of European statistics produced by the ESS. While the ESCB and the ESS produce and publish their

²⁴ See http://www.ecb.europa.eu/ecb/legal/pdf/en_mou_with_eurostat1.pdf

²⁵ For example, the "System of National Accounts" (2008 SNA) adopted by the United Nations Statistical Commission and the International Monetary Fund's "Balance of Payments and International Investment Position Manual" (BPM6).

²⁶ The second phase of the G20's Data Gaps Initiative, as outlined in the "Sixth Progress Report on the Implementation of the G20 Data Gaps Initiative", prepared by the staff of the IMF and the FSB Secretariat and supported by the Inter-Agency Group on Economic and Financial Statistics (IAG), was adopted by the G20 finance ministers and central bank governors on 4-5 September 2015, as reflected in the communiqué – <https://g20.org/wp-content/uploads/2015/09/September-FMCBG-Communique.pdf>

²⁷ The SDDS was established by the IMF to guide members that have, or might seek, access to international capital markets in the provision of their economic and financial data to the public.

respective statistics, and perform quality assurance for them, they cooperate closely through the CMFB and the ESF to prevent conflicting statistical requests, minimise the reporting burden and ensure consistency across the different statistical domains.

This close cooperation between the ESCB and the ESS is at the heart of the leading role that European statistics play in international statistical initiatives, such as the G20's Data Gaps Initiative and the IMF's SDDS Plus initiative, and secures the comparability of key economic and financial indicators for the European Union with those of other major economies.