



Provision of EDP data to Eurostat in the context of the Stability and Growth Pact

Eurostat

- Eurostat is the statistical office of the European Commission
- Directorate D is the GFS and EDP directorate

D1 – EDP methodology and geographical units

D2 + D3 – Geographical EDP units

D4 – Government finance statistics and Risk

EDP: A long, evolving process

- *in the beginning, 1998, when Eurostat was asked to assess EDP data for deciding who should enter into the Euro-zone*
- *only 4 EDP tables*
- *no questionnaire related to EDP*
- *no supplementary tables on government interventions to support financial institutions*
- *no annual questionnaire on government controlled entities classified outside general government*
- *no data collection on contingent liabilities and potential obligations*
- *no Manual on Government Deficit and Debt*
- *ESA 79 in place*
- *no reservations on the quality of data*
- *no quarterly data*
- *no formalised question-answer process to request clarification*
- *4 operational officials for EDP for 15 countries*

EDP: A slow, painful process

- *gradual*
- *slow increase of resources*
- *additional information sent by Member States (qualitative)*
- *increased amount of data (quantitative)*
- *EDP Manual + interpretation of rules*
- *right to put reservations → focused attention of Member States*
- *guidance notes of Eurostat*
- *press releases*
- **now:** *Regulation 1173/2011 (see later)*

Important moment for Eurostat → 1st reservations on the quality of data submitted by Member States

- *1st time in March 2002*
- *Greece: share convertible bonds*
- *Portugal: capital injections*
- *Austria: tax revenues*

September 2002:

- *Greece: several issues*
- *Italy: securitisation questions*

November: special press release for Greece

- *debt assumptions/capital injections/share convertible bonds*

Regulation 479/2009

Eurostat has the authority to provide official EDP statistics.

Regulation 479/2009 → such statistics on deficit and debt are provided by Eurostat.

Regulation 479/2009 sets definitions of deficit and debt as well as norms regulating transmission of such statistics to Eurostat (EDP tables, EDP questionnaire, date of notification, etc.).

Regulation 479/2009

Regulation 479/2009 also fixes rules for methodological missions

- carried out when fundamental problems affecting quality of debt and deficit statistics
- already carried out twice to Greece
- MS have obligation to assist Eurostat
- EFC and other statistical bodies informed

Regulation 479/2009

In the past, Eurostat has expressed its reservation on the quality of the data reported by MS

- most notorious case Greece, but also many others (PT, IT, RO, IRL, BE, AT, etc.)
- most recent: HU, BE, LU
- reservation is made public via a press release
- also: Eurostat has power to change directly the figures reported by MS (amendment)
- most notorious case: FR (capital injections in railway company) pushed deficit over 3% limit

Eurostat can also carry out methodological visits in MS

Origin of enhanced powers of Eurostat

Two most known reports from Eurostat: Greece 2004 and 2010

2004 : 12 issues for which debt and deficit figures were incorrect

→ Commission asked for more powers for Eurostat in order to avoid further cases, but powers denied by Council

From 2005 to 2009: Eurostat did not validate GR figures at least once a year

2010 : New Eurostat report on Greece, deficit at 15.4% of GDP
→ GR locked out of financial markets

Regulation 1173/2011 on the effective enforcement of budgetary surveillance in the euro area

- applies to countries in the euro zone
- there is a statistical component

Regulation 1173/2011

Commission can recommend to Council to impose fine on MS that intentionally or by serious negligence misrepresents deficit and debt data

- formal investigation by the Commission with the assistance of MS
- delegated act: criteria establishing amount of fine, procedures for investigation, detailed rules of procedures

Latest developments

Recently: cases being investigated by Eurostat or by national authorities concerning regions

→ autonomous region of Valencia

→ region of Salzburg

Regulation 479/2009

- MS has to provide NSI with all information necessary to establish correct debt and deficit statistics
- It is an obligation of political authorities

Disagreements between Eurostat and NSIs solved by

- dialogue
- methodological clarifications
- reservations on quality of data
- CMFB consultations
- court cases: Eurostat brought 3 times in front of European Court of Justice by:
 - Belgium
 - Autonomous Community of Madrid (twice)

Eurostat never lost a case

Authority for EDP reporting in PL

GUS responsible for EDP notification reporting, EDP methodology, compilation of EDP and ESA figures (except debt and forecasts) and bilateral discussion with Eurostat

Why are we also here?

- It is very important that GUS has access to all information needed
- Stress: situation has radically changed in last years due to regulations mentioned

Present situation for PL

A number of issues are being discussed:

- Classification of the Polish Development Fund
- Transactions carried out by the Polish Development Fund
- Classification of entities and transactions carried out in the context of particular projects, such as classification of the National Housing Fund and the " *Mieszkanie+* " programme
- Restructuring of the coal mine sector
- PPP projects, sale and leaseback operations carried out on behalf of government, etc.

As a conclusion:

We would like to raise the attention of the central and local authorities in this framework

- missing data and timely and precise information shall be provided to GUS
- when in doubt, ask GUS

Thank you for your attention