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STAKEHOLDER SUGGESTIONS

- STATISTICS -

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This document contains suggestions from stakeholders (for example citizens, NGOs, companies) or Member State authorities communicated to the Commission and submitted to the REFIT Platform in a particular policy area.

It is provided by the secretariat to the REFIT Platform members to support their deliberations on the relevant submissions by stakeholders and Member States authorities.

The Commission services have complemented relevant quotes from each suggestion with a short factual explanation of the state of play of any recent, relevant ongoing or planned work by the EU institutions.

The document does not contain any official positions of the European Commission unless expressly cited.

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1. SUMMARY

This briefing includes four suggestions in three different areas:

Product Nomenclatures – Extrastat, Intrastat and PRODCOM:

- The Austrian Federal Economic Chamber (WKÖ) suggests the creation of an electronic system in order to achieve simplification of reporting requirements for the PRODCOM list. The variability of the reporting system are currently determined by national implementation and not governed by EU legislation.
- The Danish Business Forum (DBF) suggests to achieve efficiency gains by harmonising nomenclature and scale in Extrastat, Intrastat and PRODCOM. Further integration of statistical information in the area of business statistics, including PRODCOM, is a primary objective of the Commission initiative for establishing a Framework Regulation Integrating Business Statistics (FRIBS), for which an Impact Assessment is currently under preparation.

Harmonised Indices of Consumer Prices (HICP):

- A suggestion from the Austrian Federal Economic Chamber (WKÖ) in relation to the Commission Proposal on HICP. The WKÖ is concerned about the use of scanner data and potential burden it may create for companies in the retail sector that do not use scanners. The legislative process is currently being finalised. Coreper has recently approved the compromise draft text agreed at the Trilogue by the representatives of the three institutions (Council, European Parliament and Commission).

Environmental Protection Investment:

- The Danish Business Forum (DBF) suggests the abolition of statistics for environmental investment to reduce the administrative cost imposed on businesses. Eurostat is presently reflecting if the legal basis for environmental accounts in [Regulation \(EU\) No 691/2011](#) makes it unnecessary to collect structural business statistics variables 21 11 0 and 21 12 0 in [Regulation \(EC\) No 250/2009](#), i.e. if they both create the same legal obligation.

1.1. Context

The results of the Administrative Burden Reduction Programme (ABR) show that legislation in the area of statistics accounts only for a small part of the total administrative burden in the EU. Nevertheless, statistical surveys give rise to irritation and the perceived burden of statistics is often higher than the real burden. This part of EU legislation is output orientated: it defines what a Member State has to deliver in terms of statistical information but not how this information has to be collected; each Member State decides how it will produce the necessary data. This means that effective simplification relies to a large extent on the Member State. In certain cases Member States maintain national requirements not required by EU legislation, such as in the area

of Intrastat and PRODCOM¹ where data collected by respondents serve both national and EU needs.

Over the recent years, official statistics in the European Union have undergone considerable changes. As part of the ABR programme, 11 measures have been adopted with estimated savings for business equivalent to EUR 329.6 million. The follow up in the Member States on two specific measures (Statistics on intra-EU trade (INTRASTAT) and Survey on industrial production (PRODCOM) show that implementation of simplification of reporting requirements varied between Member States.

Currently, the Commission is working on a number of important initiatives. In the context of REFIT, Eurostat is working on a Statistics Package consisting of:

- **Framework Regulation Integrating Business Statistics (FRIBS)**, which is a cross-cutting project aiming to consolidate and integrate the existing business and trade statistics legislation,
- **Integration of Social statistics** The aim of this initiative is to streamline the existing legislation and replace the current set of regulations related to single surveys with a consolidated basic infrastructure for European Social Statistics and;
- **A strategy for agricultural statistics towards 2020 and beyond:** The initiative aims at creating a modern, flexible and efficient system for providing relevant and appropriate official EU agricultural statistical data.

2. PRODUCT NOMENCLATURES – EXTRASTAT, INTRASTAT AND PRODCOM:

2.1. Submission by the Austrian Federal Economic Chamber (WKÖ)

Survey on industrial production - PRODCOM

Usually the matter of complaint of companies is not the coverage of the PRODCOM-list, but two other facts. First obstacle is the possibility to match goods with items to report and secondly the variability of the reporting system.

An electronic system with preferably little changes of the items in the PRODCOM-list would help companies to fulfil their reporting duties efficiently.

2.2. Policy Context

PRODCOM provides statistics on the production of manufactured goods. The aim of the regulation is to ensure the comparability of national statistics on industrial production and to gain greater insight into the development of certain branches of industry or products at

¹ Concerning PRODCOM the national law of several countries exceed or at least complements what the Union legal act requires (e.g. AT, RO, DE, HU, LT, FI). Therefore, it is difficult to delimitate the administrative burden associated to EU/national level requirements. Often PRODCOM is embedded in a system of statistics on production (links to short-term statistics, national accounts, national surveys) and the potential for simplification is in reality lower than it would appear if considering only EU level requirements.

European level.

The PRODCOM list constitutes the EU-wide harmonised classification of products produced by the industrial sector. The data for the survey is collected by the statistical office of each Member State usually by means of a paper or electronic questionnaire. The enterprises must match each of their products produced to one of the products on the PRODCOM list. The statistical offices then sum up the production of all manufacturers per product and send a national total to the European Commission (Eurostat). The PRODCOM list is redefined each year at EU level.

Over the years, the PRODCOM legislation has been substantially simplified and in 2004, the PRODCOM regulation has been amended, as part of the Administrative Burden Reduction programme (ABR).

Commission Regulation (EC) No 912/2004 of 29 April 2004 exempted Member States from the obligation to collect data on a product if total national production of that product is less than 1 % of the total Community production of the product in the previous year (currently applicable to Cyprus, Luxembourg and Malta), clarified ambiguities as to the coverage rate and the observation unit and allowed the PRODCOM list to be updated every year in the form of a Commission Regulation and to be kept consistent with the product classification of international trade statistics. In addition, the regulations governing the PRODCOM list have gradually reduced the number of products to be reported upon (from around 5600 in the years up to 2004 to the current 3805) as well as the frequency of the survey: All reports are now due annually, while some were previously due quarterly or monthly.

Under the ABR-Plus Programme, the Commission and Member States worked together to assess savings to business of measures that had already reached implementation stage. In this context, the implementation by Member States of the reduction suggestions for Statistics on Intra-EU trade and the Survey on industrial production have led to cost reductions to business in a range between 28% and 43% for Intrastat and 32% and 52% for PRODCOM.

The suggestions made by the WKÖ are reflected in the HLG recommendations in the High Level Group on Administrative Burdens Case Study on ABRplus Item No. 7, “Reducing reporting requirements on industrial production in the EU” (see http://ec.europa.eu/smart-regulation/refit/admin_burden/docs/annex_10-5_abrplus_case_study_no_7_industrial_production_survey_en.pdf, p. 1 and 9, inviting Member States to foster electronic reporting and pre-filled templates, and to advance the implementation of automatic tools for data collection and exchange.

To the Member States, the HLG recommends (p. 9): “*Therefore, the implementation of automatic tools for identifying the appropriate codes, for querying, on links with the Combined Nomenclature, on clarity of descriptions and definitions of the products would significantly lower burden.*” *In the specific case of Austria, automatic tools already today facilitate the identification of appropriate codes – this is an aspect highlighted in the HLG report as “identified best practice of implementation”.*

The variability of the reporting system depends on the national implementation of the reporting tools at IT-level, and this in turn, might depend on factors (e.g. IT environment, security aspects) which are outside the scope of individual statistical domains like PRODCOM.

2.3. Submission by the Danish Business Forum (DBF)

Challenge

There are three detailed product nomenclatures; Extrastat, Intrastat and PRODCOM, which all are based in the customs tariff. Naturally, these nomenclatures are reviewed; there will be new products, and scales may prove to be inappropriate (for example suits measured in kilos). However, these revisions of the three classifications are not coordinated in full and not carried out at the same time. Thus, classifications and the corresponding amounts may vary and the same product can, in the worst case scenario, be classified under three different codes with three different scales.

Suggestion

The European Commission should ensure that there is a continuous harmonisation of nomenclature and scale in Extrastat, Intrastat and PRODCOM. With the use of identical methods further information about the three product nomenclatures can be shared across the board.

2.4. Policy Context

The aim of the PRODCOM Regulation is to ensure the comparability of national statistics on industrial production and to gain greater insight into the development of certain branches of industry or products at European level. The Intrastat survey was established in view of collecting data relating to the trading of goods between Member States. Since its introduction in the early 1990s, the Intrastat survey has collected and provided key information for analysis of the European economy, trade and competitiveness

In 2004, the PRODCOM regulation has been amended, as part of the Administrative Burden Reduction programme. Among other things, it allowed the PRODCOM list to be updated every year in the form of a Commission Regulation and **to be kept consistent with the product classification of international trade statistics (the Combined Nomenclature, CN)**. It should be noted that since 1987 the CN, which is a European extension of the Harmonised System (HS, used at quasi global level), is used for both Intrastat and Extrastat.

Over the years, the regulations governing the PRODCOM list have gradually reduced the number of products to be reported upon as well as the frequency of the survey: All reports are now due annually, while some were previously due quarterly or monthly.

Further integration of statistical information in the area of business statistics, including PRODCOM, is a primary objective of the Commission initiative for establishing a Framework Regulation Integrating Business Statistics (FRIBS). To obtain input from stakeholders (in particular data users and data suppliers), the Commission held a public open consultation from August to November 2015, which results are currently being analysed.

FRIBS foresees certain common infrastructural elements for the production and compilation of business statistics, such as the use of common nomenclatures.

For PRODCOM, it is therefore proposed to move the PRODCOM list closer to the CPA

(classification of products by activity), basing it to a large extent on the 6-digit level of the CPA, while maintaining a higher level of detail where needed, to cover specific needs and priorities. The close link with CPA is expected to introduce more stability for the PRODCOM list. At the same time, the link of the PRODCOM list to the CN, the nomenclature used in international trade in goods statistics, allows for flexibility and the combined use of product-related data.

The PRODCOM list is adjusted regularly (currently on an annual basis) in order to take into account changes in the CN. Both the CN and the PRODCOM list are published in the Official Journal.

3. HARMONISED INDICES OF CONSUMER PRICES (HICP)

3.1. Submission by the Austrian Federal Economic Chamber (WKÖ)

The suggestion aims to take the load off the statistic authorities using scanner data especially in the food sector instead of collecting data by the authorities themselves. In Austria we have a system that combines both methods (interviews, collection of data and scanner data). This is burdensome for the companies as not all companies in the retail sale sector use scanners.

For this suggestion the Commission did not carry out an Impact Assessment. We do not know, why the Commission believes, that all retailers use scanner cash desks. Where is the right idea about how things ought to be, called “Think small first”? Or does the Commission think about using scanners only in the case that there are scanners? This would be an acceptable position.

3.2. Policy Context

The aim of the proposal is to modernise the legal framework for the production of harmonised indices by Member States, which involves compiling, processing and submitting harmonised consumer price indices and collecting the underlying data. The common measures are necessary for the systematic production of inflation measures in the European Union. The current applicable Regulation on HICP dates back to 1995: new developments in consumer prices statistics necessitate a revision of the framework to ensure maximum comparability for the main users of HICP.

The objective of the provision, which the WKÖ refers to in its statement, is to facilitate the access to scanner data for the compilation of the Harmonised Index of Consumer Prices (HICP) in cases where retailers have such point-of-sale systems.

The Article provides for national statistical authorities to request, if deemed appropriate, the transmission of scanner data from retailers using scanners as point-of-sale systems.

Traditionally, consumer prices have been collected in shops in close cooperation with retailers. Since a few years, more and more retailers use point-of-sale systems (scanners) to record the prices of all products sold in order to increase efficiency, to have turnover information in real time and to effectively manage supply chains. In several countries already, National Statistical Institutes have agreed with those retailers to receive those

electronic files to the extent that they can be used for the purpose of compiling the harmonised index of consumer prices. On balance, replacing the traditional form of price collection in the shop (where retailers are involved) by the provision of readily available files of electronic data is not considered to be an increase in burden to retailers. **Anyway, only retailers having point-of-sale systems already implemented and running for their own purposes would qualify for the provision of data files to National Statistical Institutes.** This has been further clarified in the draft comprise text provisionally agreed at the last Trilogue by the representatives of the three institutions (Council, European Parliament and Commission) on 14 December 2015.

The revised text provides additional clarification that the electronic records could be requested, if available: Article 5 (4) ..." the statistical units shall provide, where available, electronic records of transactions, such as scanner data".

The assessment, when in a given country there is a critical mass of retailers with scanners so that the use of those data is of interest for the price index compilation, must be left to the National Statistical Institutes.

The Commission's view is that a formal impact assessment was not needed because the Proposal mainly transposes already existing legal provisions into a new framework. To that extent the impact is neutral. As far as the Proposal facilitates new forms of data collection (using electronic devices) it is likely to even lead to a reduction of respondents' burden.

Current state of play

The draft comprise text has been provisionally agreed at the last Trilogue by the representatives of the three institutions (Council, European Parliament and Commission) on 14 December 2015. Coreper approved the compromise on 18 December 2015.

4. REFORM STATISTICS FOR ENVIRONMENTAL PROTECTION INVESTMENT

4.1. Submission by the Danish Business Forum (DBF)

Challenge

Companies are obligated by EU regulation to report what percentage of an investment that has an environmental focus. When companies buy new equipment this will most often be characterised by using less energy and producing less waste than the equipment that is being replaced. That is why the vast majority of investments typically in one way or another have an environmental aim. However, it is difficult - if not impossible - to estimate how big a part of an investment that has an environmental aim. This weakens the validity of the collected data.

Suggestion

In the short term, statistics for environmental protection investments should be abolished. The abolition will with no doubt reduce the companies' frustrations at having to report data of very limited value. In the longer term, the European Commission should work on developing a valid method for the collection of statistics for the environmental protection investments.

4.2. Policy Context

Environmental protection is the key objective of DG ENV and tackling climate change is the key objective of DG CLIMA (e.g. promote low-carbon technologies and adaptation measures). Environmental protection expenditure is the existing approach to quantify the effort made by the society and companies towards achieving the 20-20-20 targets and the implementation of the 'polluter pays principle' (set out in the Treaty on the Functioning of the European Union (Article 191(2) TFEU)).

The [7th Environmental Action Programme](#), priority objective 6 'To secure investment for environment and climate policy and address environmental externalities' calls, among other things, to ensure that by 2020 environment and climate policy objectives are achieved in a cost-effective way and are supported by adequate finance; public and private sector funding for environment and climate-related expenditure is increased. Moreover, one of the means to ensure the goals of the 7th Environmental Action Plan is represented by 'more and wiser investment for environment and climate policy'.

The Commission Staff Working document [Progress on 'GDP and beyond' actions](#) calls for top-level indicators on environmental protection and quality-of-life indicators are being developed (Action 1).

Besides initiatives which directly require environmental protection expenditure data, there are policy initiatives about the green economy and green jobs for which environmental protection expenditure data is also necessary. The latter contributes to estimate the size of the green economy as it measures the businesses demand (=expenditure) of certain types of environmental goods and services. A combined estimate of supply and demand of environmental goods and services provides a more robust estimate of the green economy. This approach is used in EU Environmental-economic accounts as established in [Regulation \(EU\) No 691/2011](#). Examples of policy initiatives about the green economy are:

Commission Communication "[Green Employment Initiative: Tapping into the job creation potential of the green economy](#)"

The [green goods initiative](#) by DG TRADE and the WTO aims to remove barriers to trade and investment in 'green' goods, services and technologies.

There are also initiatives beyond the EU, like the [UNEP Green Economy Initiative](#). This program was launched with the aim of providing macroeconomic arguments for shifting and mobilising investment at an economy-wide level towards green sectors and to the greening of brown sectors.

It is important to note that EU Regulations do not oblige companies to report investments for environmental protection, nor percentages of investments. Instead there are EU Regulations requiring Member States to transmit certain environmental protection investment information to the Commission (see below) but Member States have the freedom to collect this information from companies as they consider best to ensure limited burden on companies.

The regulations requiring Member States to transmit environmental protection investments information to the Commission are [Regulation \(EC\) No 250/2009](#) as regards

the definitions of characteristics, the technical format for the transmission of data, the double reporting requirements for NACE Rev.1.1 and NACE Rev.2 and derogations to be granted for structural business statistic (which includes 2 variables about businesses investments in environmental protection and 1 variable about current expenditure on environmental protection) and [Regulation \(EU\) No 691/2011](#) on environmental accounts (which requires Member States to produce environmental protection expenditure accounts).

Current state of play

Eurostat is presently reflecting if the legal basis for environmental accounts in [Regulation \(EU\) No 691/2011](#) makes it unnecessary to collect structural business statistics variables 21 11 0 and 21 12 0 in [Regulation \(EC\) No 250/2009](#), i.e. if they both create the same legal obligation.