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E DITORIAL

The Single Market is here – a new age has dawned.

European Union is already moving into a new phase, with the focus on three main areas:

- further internal development: progress towards economic and monetary union and the search for political union;
- inclusion of new Member States;
- assumption of ever greater external responsibilities as the Community is called upon to assist many European and non-member countries in their attempt to build sound democratic structures and move towards a socially balanced market economy; cooperation on as broad a basis as possible with these countries with regard to their development.

In each of these areas, statistics provide an essential tool for the drafting, monitoring and assessment of policies in all sectors of the economy.

EFTA is pressing for the European Statistical System to cover the whole of the European Economic Area. The countries of Central and Eastern Europe daily call for our support.

Developed jointly by Eurostat and the Member States, the In-trastat system provides the means with which to meet the challenge posed by the abolition of internal frontiers. This new system for collecting intra-Community trade statistics will provide the information needed for the sound management of the Single Market, without dashing the legitimate expectation that the burden on businesses be reduced.

With the growth in intra-Community and international trade and the development of relations with third countries, the changes expected will make even greater demands on the professionalism of European statisticians as they attempt to meet the needs of all our users, both public and private.

We will endeavour constantly to improve the services we provide, while at the same time applying all the rules on subsidiarity.

José Antonio Brito da Silva Girão

**Director of statistics on international
and intra-Community transactions,
relations with third countries**

NEW IMPLICATIONS

The single market implies a new approach to statistics
Interview with Mr Yves Franchet

Now that the single market has become a reality, there is a more pressing need for enterprises to be able to see its outlines clearly and assess its characteristics accurately. For some companies, the advent of the Community-wide market is accompanied by a more direct and active involvement in the process of collecting statistical data.

CONTINUITY IN CHANGE

In what respect will the perception that enterprises in the single market have of statistics vary in comparison with the situation pre-1993?

'Enterprises need reliable and recent statistics covering both sectors and products in order to position themselves in a market that is experiencing a thoroughgoing transformation. This is not a new need, it is simply that it is all the more keenly felt because of the uncertainties generated by the single market.

Two scales of reference

Businesses' approach to statistics must in future be, almost instinctively, to continue to consult national sources while, at the same time, turning increasingly to Eurostat. Eurostat's statistics on the twelve EC Member States – and increasingly on the nineteen members of the European Economic Area (EEA) – have great strategic value insofar as they are recent and reliable.

A clearer picture

By setting our quality objectives at a level equal if not superior to the best standards applied in all these countries, we are making every effort to improve the picture that economic operators have of the components of their market, while minimizing the disruption which the advent of the single market may bring to established patterns.

So far, Eurostat's image has perhaps not been sufficiently clear to enterprises. By making every effort to respond more effectively to their needs in future, especially in the field of micro-economic statistics, we will present enterprises with a clearer image of our various services.'

THE INTRASTAT PHENOMENON

What are the biggest changes that will affect or influence – in the short or long term – business and other statistics following the advent of the single market?

A new approach to business statistics

Developed by Eurostat in conjunction with the Member States, the Intrastat system for monitoring intra-Community trade will obviously be a new development for enterprises. For the first time, they will be aware of the extent to which their direct involvement is useful in compiling European statistics on intra-Community trade.

'In the medium term, enterprises are faced with conflicting demands in the area of statistical information:

- they need to obtain a broad picture of the single market by drawing on the resources of both national statistical agencies and Eurostat;
- however, their requirement for more information is accompanied by a desire to dedicate fewer resources to complying with the many administrative demands this involves.

Resolving the conflict

The solution to this apparent contradiction lies in the more intensive use of computer systems and data transmission to enable information to be collected directly from enterprises, while obviously applying all possible confidentiality safeguards. The end result will be that, instead of depending on additional surveys, the production of statistics becomes little more than a systematic by-product of business management.

That is the goal of all our efforts, particularly in the areas of common classifications of products and activities and uniform codes for recording administrative opera-

tions. All the current advances in EDI technology¹ will undoubtedly lead to great progress in business statistics in the next ten to fifteen years.'

Large enterprises are entering a new phase of computerization, while small and medium-sized firms are now gaining access for the first time to systems and services that used to be the preserve of larger companies. If, with the increasingly widespread adoption of EDI or the development of the concept of the 'extended enterprise', large numbers of firms make this new leap forward in information technology because they consider it essential to their integration into the economy, statistical agencies – and Eurostat in particular – would be wrong to ignore this phenomenon.

An abundance of energy and resources

Intrastat has mobilized a considerable amount of energy and resources. Why is that?

'There is a great deal at stake. There is a continuing need for highly accurate figures for many reasons. Statistics on intra-Community trade remain essential:

- for businesses, because they are the basis of all market analysis and research;
- for governments, because they are a means of monitoring the national position and trends in trade with the rest of Europe;
- for the European institutions, because they are the instrument for measuring the progress of the single market.

A solid administrative base

The previous administrative system was smooth-running, well organized and very reliable: the threat of sanctions imposed a high level of discipline. With the disappearance of customs controls, we had to come up with a new and sufficiently solid administrative base. The VAT declaration was a perfect solution, but the harmonization of VAT has proved to be a long and arduous task, and the development of Intrastat could only advance at the same pace.

Major standardization efforts

The ongoing concern to limit the reporting burden for enterprises by "locking into" the VAT system and attempting to obtain reliable

information by country and product involved considerable standardization efforts.

The resulting system, which exempts nearly 50% of enterprises from returning data for these statistics (a considerable advance on the previous system) will have to show that it can achieve the required standards of reliability. It is probably the best system conceivable in the current circumstances

Full-scale trials

We estimate that the system should fulfil 95% of user requirements, while satisfying demands expressed at all levels that the reporting burden on enterprises should be as light as possible.'

At the Commission, what units were most directly involved in the development of Intrastat?

'In addition to Eurostat, DG XXI (Customs Union and Indirect Taxation) was undoubtedly the most involved in the overall design of the current system.

In future, it is the Member States that will take over the task with the support of the Commission, which will help them to coordinate their efforts.

Effective cooperation from the NSIs

Initially, the NSIs were somewhat reticent at the prospect of customs statistics disappearing. But little by little, this gave way to excellent cooperation between the Member States, who helped us draft the Intrastat Regulation and test the various solutions which led to the development of a system acceptable to all.

Today, all the Member States cooperate to the best of their abilities. They have realized that this is a "product" that is ultimately of greater benefit to the Member States than the Commission. Indeed, the Commission could conceivably forego statistics on intra-Community trade in the relatively near future: in the Member States, however, enterprises will need such statistics for some time to come.

Setting a trend

The EFTA countries have also shown great interest in the development of Intrastat. When they join the Community, they will have the great advantage of being able to adopt a fully-fledged system

that, after two or three years of running-in, will be fully tried and tested.'

OTHER STATISTICS

The other statistics will change in line with the development of the various Community policies.

Monetary, banking and financial statistics

'First of all, the movement towards monetary union implies the upgrading of statistics in these areas. Eurostat, the Secretariat of the Committee of Governors and the Central Banks themselves are already working together on the development of a system that will better meet the requirements of harmonizing indicators, which are at present far from comparable.

There is also a need to enhance the comparability of the economic convergence indicators – inflation, budget deficit, trade balance, etc.

Structural policies

Coordinating aid to less favoured regions requires extremely detailed statistical information. It must also be possible to make regional statistics cover more than one region and exchange them from one part of the Community to another.

Social Europe

While, from a political point of view, the implementation of the European social programme must comply as fully as possible with the principle of subsidiarity, the ministries and agencies participating in it need the backing of rigorous and unchallengeable statistics in framing the Community policies they wish to see adopted.

The environment

Environmental policy is acquiring a new dimension. The Community has undertaken to work towards a high level of protection for the citizen-consumer.

Agriculture

The Common Agricultural Policy, hitherto devoted to price support, is being transformed into an income support policy for farmers. The entire statistical apparatus must adapt to this change affecting a particularly sensitive sector of activity.

Relations with non-Community countries

In adopting the greater part of the "acquis communautaire", the EFTA countries are tending to fall into line with our statistical work. The countries of central and eastern Europe and the former Soviet Union, which do not yet have market-based economic systems, have requested our assistance in setting up statistical systems.

Among the major innovations introduced in the fourth Lomé Convention, structural adjustment plays an important part. There must be facilities for monitoring the effects of such policies with sufficient precision.

Enhancing subsidiarity

The development of Community statistics already largely complies with the principle of subsidiarity. Fundamental policy is shaped in common and data are collected at national or regional level. But we must go further, for example in the area of dissemination of Community data. I am currently working on this with the Directors-General and Presidents of the NSIs.'

SERVING SERVICES BETTER

The advent of the single market reveals the major gaps in statistics on services. How are these to be filled and when?

Towards the 21st century...

'These yawning gaps existed well before the advent of the single market. It is striking that in the Member States, where services can employ 60% or more of the active population and generate a similar percentage of GNP, they account, in some instances, for less than 10% of the statistical effort that is devoted to agriculture and industry!

Common to most industrialized countries, these gaps are being filled fairly rapidly. The creation of the single market has given a boost to such work, has led to a pooling of resources and the drafting of various classifications and standards and will undoubtedly continue to generate a substantial increase in the speed of data production.

It is a long-term project. Started some three years ago, this "spot-lighting" of services is beginning

to yield acceptable results owing to the methodological work carried out on most of the major sectors in this field, and to the collection and dissemination of existing information in our Mercure database.

It is conceivable that, by the end of the century, there will be a statistical information system for services equivalent to that currently in use for industrial enterprises.

The Voorburg Group

However, the subject matter is difficult to grasp. What exactly is the production of a service? It is a very different concept to the production of materials or equipment...

In the search for common definitions, progress is now being made at international level. The Voorburg Group, an informal discussion group that was initially set up by Canadian and Dutch statisticians some four years ago and in which Eurostat plays a very active part, acts as a forum for the exchange of experiences on how services statistics can be developed.

Under the aegis of Eurostat, a services statistics manual has recently been published and is being adapted to the requirements of the EEA with the assistance of our EFTA colleagues.

Mercure in the ascendant

We are therefore experiencing a major stepping-up of methodological work in this field, and discussions are in progress with Canada, the United States, the OECD and the countries of central and eastern European and the former Soviet Union.

At the same time, Eurostat has developed the Mercure database designed to bring together all existing information on services statistics in the Member States with a view to harmonizing them. This project is one of our top priorities.'

THE ECONOMY AND ECOLOGY

The development of environmental statistics could assist enterprises in the single market that aim to market their ecological know-how to target areas where their expertise is in demand. What is the outlook for such statistics?

Coordination efforts

'Enterprises have probably been aware of a lack of focus in the various approaches to this question. Efforts ought to be better coordinated. That is what we are working towards in conjunction with the OECD and the UN Economic Commission for Europe, which has made a very important contribution to coordinating the work of the various institutions.

Within the EEA, our EFTA colleagues have a head start in this field. Their experience will undoubtedly enable us to avoid certain pitfalls.

Applying technological advances

To back up this drive towards coordination, we must make every effort to apply the most recent technological advances to statistics, in particular remote sensing by satellite. Using such techniques, computerized environmental management systems can be developed throughout Europe, right down to regional and even local level. We are working in close cooperation with agencies specializing in these techniques.

A BREAKTHROUGH

What major changes, significant events or promising developments have there been in Eurostat in 1992?

Services to the fore

'Eurostat is constantly covering new ground and improving its services in traditional areas, and each year brings its stock of innovations. However, if we were to ask the opinion of our major users (governments, large enterprises) the most welcome change in 1992 would undoubtedly be the publication for the first time of statistical series on services. These series cover all twelve EC Member States and nearly the whole services sector for the years 1970-87. This is a significant event, bringing to light over two-thirds of the Community's output of services.

Nineteen columns!

Another event is the publication, again for the first time, of comparable statistics covering a large number of fields for the whole of the EEA: nineteen countries, not just twelve...

This publication² has proved extremely useful, and is an important reference document for many of our users. It is a start...³

¹ Electronic Data Interchange

² Publication included in this issue: 'Facts through figures: a Statistical Portrait of the European Community in the European Economic Area'

³ Interview with Mr Yves Franchet, Director-General of Eurostat, 15 September 1992.

INDUSTRY AND STATISTICS

A dynamic partnership
Interview with Mr Riccardo Perissich

As coordinator of all activities relating to the implementation of the Internal Market and the body responsible for industrial affairs, the Commission's DG III is a great user of services provided by Eurostat, with which it cooperates closely, generating a dynamic, forward-looking image of statistics. What industry wants is to not only understand but forecast developments.

Initially foreign-affairs editor of the Rome weekly 'Il Punto', Riccardo Perissich soon became interested in the problems of industrial development, before taking charge of European Communities studies at the Istituto Affari Internazionali in Rome, where he was deputy director.

Having joined the Commission in 1970, he became Chief de Cabinet and Chief Advisor to various personalities responsible for industrial and technology policy, taxation and financial institutions, regional policy and the coordination of the structural funds and other financial instruments.

After heading the Department for 'Energy Conservation and Forecasts' in DG XVII (Energy, Directorate A), he became Chief de Cabinet to Mr Antonio Giolitti and then to Mr Carlo Ripa di Meana, before moving to the Directorate-General for the Internal Market and Industrial Affairs (DG III), where, as Deputy Director-General, he was responsible for coordinating all activities relating to the implementation of the White Paper on completing the Internal Market.

He has been head of this DG since the beginning of 1990.

RESPONSIBILITIES CONFIRMED

It has been said of the Maastricht Treaty that industrial policy is one of the new responsibilities that it confers on the Community. What, then, was the situation before?

'Let us set the record straight. The Commission's responsibilities in this area are long-standing. The new Treaty merely reflects the developing political consensus: it was drafted to follow this consensus, not to anticipate it.

As long ago as the early 1970s, the discussions on industrial policy had produced agreement on the objectives to be achieved and the instruments to be used. Agreements were subsequently reached on dealing with the acute problems brought about by the crisis in the steel industry in particular, and to stimulating activity through initiatives such as the ESPRIT¹ programme, which opens up extensive prospects for the electronics industry.

In 1990 the Commission again took up the general discussion on industrial policy, on the basis of the "Bangemann document", which sets out an overall framework. The Council unanimously approved the policies in this document, and their incorporation in Article 130 of the Maastricht Treaty simply reflects this consensus and confirms the determination to put them into practice.'

HIGH-QUALITY STATISTICS

In the various stages of implementing these policies, much is expected of statistics by the Commission departments involved to varying degrees in coordinating a coherent industrial strategy at European level.

Improved monitoring of the production system

'In connection with industrial competitiveness and monitoring the Community's production system, we require statistics which are much more detailed than those normally collected by the national statistical offices.

We need to be able to compare, on as standardized a basis as possible, the performance of businesses and sectors in not only quantitative but also qualitative terms.

Although essential for following short-term trends, the traditional economic indicators do not always give a reliable picture of the fundamental factors which influence the degree of industrial competitiveness, in particular:

- the actual structure and performance of economic operators;
- the state of the markets, their development and operation, and the market shares of the various operators;
- the ability to adapt to structural and technological changes;
- the adequacy of public- and private-sector technological and logistical infrastructures;
- requirements relating to professional qualifications;
- the impact of public contracts on the health of certain sectors.

Obtaining a clearer picture

Despite the various efforts already made, particularly as a result of initiatives from DG III,² we still have a long way to go before we have a sufficient picture of all the factors involved. It is unfortunately not always possible to be sure of the reliability and consistency of the private-sector data which we sometimes have to use.

A dynamic picture

As a public-sector organization with well-defined responsibilities for areas directly affecting busi-

ness activity, we have to have information which is as comprehensive, reliable and up-to-date as possible so that we can adapt our policies to the industrial development needs of the Community.

If suitable measures are to be speedily adopted, this information should provide more than a static picture of the various aspects of industry in the Community and that of its major competitors. The information should ideally enable the development of forecasting models, which are indispensable for good management.

That is why we are placing much hope in projects such as Prodcorn.³

SUPPORTING INDUSTRY

In DG III's view, which of Eurostat's tasks takes priority with the advent of the Single Market?

Well-defined objectives

'As regards the particular concerns of DG III, the priorities and objectives in this area have been clearly identified and defined in the Community's Statistical Programme for 1993-1997.

We would place special emphasis on the following areas:

- statistics on the distributive trades, services and industrial production, supplementing the statistics on external trade to provide essential support for Community trade policy;
- data which allow an analysis of the competitiveness of European businesses: these data have to be identified, collected and harmonized in order to support the Commission's work on industrial policy;
- the regional dimension of business statistics, with the aim of supporting the policy of economic and social cohesion;
- establishing statistics on research and development and on environmental matters to provide support for Community policies in these areas.

There are a number of principles to guide Eurostat's efforts in these areas:

- methodological integrity must guarantee the consistency, international comparability and quality of information; this applies to

the normative aspects (methods, classifications, standards) as well as the technical infrastructure and the legal framework;

- the rapid processing and presentation of the information collected so that it can be readily used by both public authorities and businesses;
- the sharing out of tasks so that work is carried out at the most appropriate level (subsidiarity) and with maximum cost-effectiveness.'

Adapting to structural changes

Private-sector operators and public authorities

How can statistics help industry to adapt to future structural changes?

'Statistics are essential for the management of any business, whatever its field of activity.

Without such data, economic operators would be like pilots flying blind, with no points of reference, unable to judge the distances between them and their competitors. They would therefore find it very difficult to adjust to the increasingly competitive environment of global markets and businesses.

Moreover, in the absence of suitable statistics, public authorities would be hard put to adapt their policies so as to facilitate and promote structural changes.'

Supporting SMEs and the services sector

The expected structural changes in industry call for increased innovation/adaptation on the part of small and medium-sized businesses. What action is DG III taking in this respect? Are the available statistics adequate?

'There is no doubt that, proportionately, small and medium-sized businesses have to make greater efforts to adjust than large businesses: very often small and medium-sized businesses do not have the manpower and technical and financial resources to simultaneously face up to greater competition, embark on the necessary changes and pursue technological development.

The Commission is aware of this and is anxious to give suitable and effective support to small and medium-sized businesses. Several directorates-general have already taken specific action to this end.

DG III, for its part, is focusing its attention, for example, on the creation of information and statistics systems in the service sectors for which there is still very little information on the structure, size and typology of businesses. We regard this as a priority area in so far as the industrial fabric and the competitiveness of Community businesses are directly affected by the extent and the quality of the services on which they can draw.'

Promoting high technology

In the area of high technology, Europe is in competition above all with Japan. Since there is practically no 'statistical dialogue' with Japan, what parameters does DG III normally use to compare performance levels and objectives?

'We should first of all not forget that in the area of high technology the Community is in competition with not only Japan but also the United States and certain other countries such as South Korea, especially in sectors such as electronics.

There is no doubt that the lack of standardized data makes it difficult to compare performance. However, it is often the case that the statistics which we receive on the United States or Japan are of a higher quality and more up-to-date than those we have on the Community itself.

This is to be expected, in that these countries do not have the harmonization problems which we are trying to overcome at Community level.

As regards the "statistical dialogue", the increasing number and regularity of contacts we have with the Japanese authorities, particularly the MITI, can only improve the situation.'

SHEDDING LIGHT ON PUBLIC CONTRACTS

Opening up public contracts: how will/should statistics cover this subject?

'Statistics have an important role to play in opening up public contracts.

Firstly, they help the Commission to evaluate its policies, enabling it to see whether purchasers are exploring the whole of the Community market, or even going further afield, to obtain the best goods or services at the best prices. In this respect, we will be following very closely the implementation of the new Intrastat system for collecting statistics on intra-Community trade.

We also hope that the increased comparability of information on production and international trade made possible by the introduction of the relevant classifications will make a positive contribution to this field. We ourselves have devoted a lot of effort to developing a classification for public contracts which is fully compatible with the new Community product classification.'

What products?

'We need to be better informed on the products purchased by the public sector: from where and from whom do they come?

In cooperation with Eurostat, the NSIs and private-sector researchers, a number of projects have been undertaken to examine the extent to which this type of information can be measured and estimated.'

Monitoring the application of Directives

'Are the Directives on the award of public contracts adhered to? By monitoring the invitations to tender published in the Official Journal and matching this information with various statistical data, we hope to be able to identify whether or not this procedure is normally used for certain products, regions or types of purchasers. We will thus be able to pin-point certain problems connected with the interpretation or application of the Directives.'

Beyond the EEA

'Our statistical requirements extend even beyond the Community and EFTA: as a partner in the GATT agreements, we are obliged to provide certain information on our public-sector markets to the other partners. For our part, we wish to ensure that they too are playing the game: the various parties to international negotiations such as the Uruguay Round must have suitable information on what the other parties are doing.'

Information for all economic operators

'In all these areas, the usefulness of the statistics extends far beyond central bodies such as the Commission. Producers of goods and services in the Community require better information on potential markets and their size. At the same time, purchasers are calling for more detailed information on potential suppliers.

We have great hopes for the implementation of Prodcom and the detailed analyses of the European market which will then be possible.

All economic operators would certainly also derive substantial benefits from making use of the information in the business registers, in so far as this information can be made public.

We are seeking to develop an information system on public contracts which will give businesses access to the industrial and trade statistics gathered by Eurostat.'

TRANSEUROPEAN NETWORKS

The challenges facing Eurostat...

The TEN⁴ programme, in which DG III is involved, aims to create networks of all kinds linking up the economic operators in the Member States. What does the TEN programme mean for Eurostat?

Projects such as SERT (Business Statistics and Telematics Networks) and DSIS (Distributed statistical information services) are perfect examples of projects which simplify both the collection and the dissemination of data as

well as lightening the administrative burden on businesses and NSIs.

These projects are essential for managing the flow of information on intra-Community trade.

While the important factors at present are the quality, reliability, relevance and availability of statistical information, future requirements will focus more on the speed with which information is made available and the ability to analyse it.

These are challenges which Eurostat will have to meet if Community policies are to be made more effective.⁵

...with whom DG III cooperates extensively

'For some time we have been seeing much greater cooperation between DG III and Eurostat: given the unreliability of certain information collected by third parties, we are seeking to develop jointly a number of data bases and are cooperating extensively on various projects.

Panorama of European industry

Every year DG III produces a publication of some 1500 pages combining commentaries with numerous charts and statistical tables which provides a branch-by-branch analysis of some 200 industrial and service sectors in the Community. Data on production, employment, external trade, productivity, investment, structural trends etc. are analysed in terms of internal developments and are also compared with similar data for the competing economies of the United States and Japan.

It would not have been possible either to produce this important work, which moreover received the 1992 Excellency Award for official publications from the European Information Association, or to update it regularly without a high degree of cooperation between Eurostat and ourselves.

This type of cooperation seems to be gaining ground in other Directorates-General, and we feel that grouping together, via programmes such as DSIS, various projects with similar objectives is indeed a matter of priority at the present time.

Looking forward

The speed of the changes facing industry means that we need statistics which are ever more up-to-date and detailed. Moreover, we cannot rely solely on data from the past, we need estimates and indeed short-, medium- and long-term forecasts. We are prepared to support all measures which will provide us with a scientifically-based forward-looking picture of the Single Market and of Community industry in particular.⁶

¹ ESPRIT: European Programme for Research and Development in Information Technology.

² Especially:
BDAcier (Steel data base);
PANORAMA: 'Panorama of EC Industry', 3rd Edition, 1991-1992 Cat. No: CO-60-90-321-EN-C;
DABLE: Database on Large Enterprises (DG III internal database);
Textile Observatory.

³ PRODCOM is the name of the project which gave rise to Regulation(EEC) No 3294/91 of 19 December 1991, published in OJ L 374, 31.12.1991.
For details on this subject see the article in 'Sigma' No 1/92, January/February 1992, pp 28-32.

⁴ TEN: development of Transeuropean Networks, particularly in transport, energy and telecommunications.

⁵ Interview with Mr Riccardo Perissich on 16 October 1992.

⁶ Interview with Mr Manuel Santiago on 16 October 1992.

S TRATEGIC STATISTICS

The Chemical Industry Looks at its Future
Interview with Mr Alain Van der Vaet

The construction of the European statistical system does not depend solely on the initiative of public authorities. Private enterprises can play an important role in this task via their representative bodies. Indeed for many years now the European chemical industry has participated in this process. Mutual cooperation between the 'supplier' and 'collector' of statistical information can generate interesting initiatives...

The advent of the single market also means the opening-up of the information market, which includes statistics. The strategic value of statistics will contribute significantly to developing trans-European telecommunications networks.

A graduate of the Université Libre de Bruxelles, Alain Van der Vaet has a degree in management and microeconomics. Initially a company economist in the paper, paints and varnishes industry, he headed the Department of Economic and Statistical Studies of the CEFIC¹ (European Council of Chemical Manufacturers' Federations) for fifteen years. At the beginning of November 1992, he was appointed Secretary-General of BLIC (Rubber Industries Liaison Bureau).

ANTICIPATED CHANGES

Industry – in particular the chemical industry – has kept a very close watch on the changes which have already taken place in relation to 'statistical obligations', which have required substantial internal adjustments in recent years.

The statistical landscape

'However, the greatest changes in this field are still to come: the official statistical landscape will change dramatically under the combined effects of:

- the implementation of Intrastat on 1 January 1993;
- the launching of a genuine classification of Community products: Prodcom;
- the implementation of the new classifications (NACE, REV.1, CPA) and the more rapid updating of the Combined Nomenclature in the future, etc.;
- the application of statistical confidentiality – a primarily national concern in the past – at Community level.'

Enterprises are perfectly aware of the fact that these changes may create some interruptions in time series. However they consider that this is the price to be paid for markedly improved statistics, both in terms of quality and quantity, statistics which will henceforth also be much better adapted to industry's needs.

Strategic value

This adjustment to industry's needs is all the more likely in that many enterprises – in particular a large number of small and medium-sized enterprises – have only very recently discovered the strategic value of statistics and will consequently be more easily persuaded to make the required investments to exploit this resource.

'Among the factors which explain the dynamism of the chemical industry and its size – it is number

one in the world! – two in particular stand out, above all for the European chemical industry:

- the technological advantage;
- refined market knowledge: production capacities, sales capacities, storage capacities, etc.

In view of the fact that the technological advantage is on the decline (it has already disappeared in relation to many American, Japanese, etc. competitors) what remains is the accurate knowledge of products, their applications, their distribution channels, etc.

It is in order to maintain this advantage that the chemical industry is determined to invest in substantial statistical programmes, in the creation of new data banks, etc.'

The challenge to the 'software houses'...

Do enterprises' accounting services make adequate allowance for statistical considerations? While being very centralized in SMEs, statistics tend to be dispersed rather widely in large enterprises: social statistics in the social department, production statistics in the factory; there is even greater dispersal when it comes to the analysis of results.

'The big challenge facing accounting departments (both internal and external) is the implementation of programmes enabling the requisite statistical information to be found in the enterprise management systems. The information could then be transmitted to the NSIs using standardized messages. The accounting profession must react positively to the pending change and do everything in its power to reduce the statistical burden on enterprises.'

Eurostat also stresses its desire to encourage service companies to work towards the creation of new management back-up instruments which will give more consideration to statistics when developing business software.

For example, every European enterprise has the right to expect its software suppliers to incorporate software for Intrastat declarations rapidly.

THE LONG MARCH TO INTRASTAT

All the European professional associations have played an important role and appear to have developed similar views in the course of the "long march" (which began in 1985!) leading to the setting-up of Intrastat.

A joint pilgrimage

'We were active even at European Parliament level where we had to develop our arguments to prove the usefulness of intra-Community statistics!

The enterprises once ignored...

We have had to be very persuasive... While the White Paper of 1985 did indeed mention the statistical requirements of the Member States and Community, it appeared to ignore completely those of industry and trade. We feared that the statistical information required for market studies, corporate planning, our product managers, would no longer be forthcoming. We feared we would lose the comparative advantages which such information provides and that the classification adopted would not be sufficiently detailed. In the process of harmonizing financial systems and European statistics, we feared that statistics would be sacrificed to overly hasty simplification.

...are now reassured!

The final Intrastat system has set our minds at ease and we have high expectations of it. We also applaud the initiatives designed to allow the use of highly modern techniques (EDI, etc.)² in the declaration procedures.

Useful synergy

Aware of the immediate advantages to be derived on a strategic or operational level, enterprises are launching into traditional EDI programmes: standardized messages for invoices, dispatch notes, commercial documents, etc. 'But the day will come, in the near future, when enterprises will be able to transmit their data to the NSI, the central banks, etc.

also using EDI. Until recently many enterprises considered this only as a long-term objective; Intrastat, with its "related telematics" will draw their attention to a whole range of information exchange possibilities, and will be able to serve as a catalyst in propagating EDI in other statistical applications.'

AND AFTER INTRASTAT?

Painless statistics

'We are likely to witness the rapid marketing of a range of software which is compatible with all systems and will locate the required information among the information managed by the enterprise.

Consequently supplying such information will no longer appear to be a burden: the statistical information will be generated so to speak by means of the software, almost without any human intervention.

Optimization of information return

This lightening of the burden of statistical response will be accompanied by an increase in the quality of the information which the enterprises will be able to receive in return. Optimizing this information return by increasing quality, speed and consistency, will motivate enterprises, and particularly those where the departments compiling the statistics are far removed from the user services.'

In the course of this optimization process, enterprises will be able to focus on the entire administrative sub-stratum of their environment: the burden of collecting statistics is in fact only a small part of their overall administrative burden, and any steps taken to optimize statistics will extend to all statistics now supplied by the enterprises, albeit in a very uncoordinated manner, to a wide variety of recipients.

A label denoting useful purpose

Too often, the public authorities require enterprises to supply information but rarely explain the reason or the need for their many requests.

'At all levels – regional, national, and European, - we urge that the purpose or the need for the statistics requested be indicated more clearly: the requests which we receive from a variety of collecting

agents should bear a veritable "useful purpose label" certifying that all precautions have been taken to avoid duplication or unnecessary questions.'

Meta-data please!

Official statistics are far richer than many people imagine. 'To help enterprises discover this wealth, the various authorities concerned should try to make their material more comprehensible and user-friendly. A figure has no meaning to anybody if there is no explanation of how it was obtained, if its context is not outlined or if the methodologies used are not explained. Statistics is a typical field where enterprises sorely lack "information about information"!'.

Cooperation rather than contradiction

In the enterprise those persons who compile and supply statistical information are rarely the same as those who use this information. Hence the lack of a global overview. Here the increased use of telematics will be able to bring about changes in practices and behaviour.

Better return with less input

'In this process of optimizing the "statistical feedback", enterprises will make their choices in terms of their own economic considerations. However, as far as possible, statistics should work more in partnership with enterprises, particularly when defining standards. Classifications play an important role in economic analysis: without good classifications there are no good statistics; without good statistics there are no good economic analyses, and without these analyses, no good decisions.

We in the chemical industry have been working with Eurostat for years to finalize classifications of activities, products and trade. The link between products and activities will eventually become more apparent: production, trade and activity will be aligned more. A major effort must be devoted to highlighting the very significant differences between the major economic blocks (Europe, the United States, Japan) in respect of definitions and concepts, so that these can be aligned and harmonized.'

ESTIMATES AND MORE ESTIMATES

Market operators require up-to-date information: an eighteen-month-old statistic is no longer of any use to them. But when a figure is missing because it has not yet been calculated, these operators use estimates. Why don't statisticians do likewise?

A double deficiency

'Estimates are an attempt to remedy both the deficiencies of official statistics and of industrial statistics:

- official statistics are too often late and too far removed from the industrial situation; while macro-economic information is quite well covered (by Eurostat, the OECD, the IMF, etc), sectoral information enjoys far less coverage;
- industrial statistics, in contrast, are rapidly available but the underlying methodology is poor.

The "DEBA" initiative

Noting this deficiency, our federation and others, in partnership with Eurostat, decided to create a system of cooperation designed to produce rapid up-to-date, sectoral statistics based on a strict, harmonized methodology which is in touch with the industrial situation and uses variety of estimation methods when necessary.

The resultant new data bank, "DEBA", is unique and now offers us the possibility of a powerful instrument which can provide information on a large number of sectors, which, by their diversity, have provided the "critical mass" necessary to make the initiative adequately representative.

Visa

Official statistics furnish this group of federations not only with historical data, but also with data updated by the Visa software, a "para-econometric" tool capable of updating and making estimates.

To do this, the software uses exogenous data which various industries inject into the system.

The participating federations have welcomed this initiative by Eurostat who, being fully aware of the deficiencies of official statistics and industrial statistics, took steps to induce an initiative-generating

synergy between the two, "DEBA" probably only being the first of many results.

Combining initiatives

Initiatives on the part of our industry were manifold but too scattered. The chemical sector already had a sectoral database (Escimo: European statistics chemical industry monitor) but when it was proposed that we should participate in setting up a compact, harmonized, regularly-updated entity, we saw this as a new opportunity for different sectors to pool their initiatives.

It was important to us that a large number of industries, representing entire sections of the economy, should be participating in the project, thus making it possible to increase the interaction. Indeed, despite their apparent separateness, the various industries are very inter-dependent: in this way the mutual influences to which they are subject during their growth or decline will be better anticipated, analysed, and even corrected.'

INFORMATION AND STATISTICS IN THE FUTURE

'DEBA' is only one illustration of the partnership which will undoubtedly lead in the future to the development of innovative projects between statistics and business. What other avenues can be explored?

Environment

In the future the chemical industry should take a greater interest, to varying degrees, in locating natural resources, sources of pollution, the early detection of natural disasters (diseases in agriculture, the proliferation of harmful insects, etc). At these levels, owing mainly to satellite remote-sensing,³ statistics has access to new methods of investigation and recording.

Road transport

'By way of an example, we are particularly interested in the DRIVE programme developed by DG XIII.⁴ Confronted daily with the problems posed by the transport of dangerous substances, the chemical industry pays great attention to safety.

'Thanks to DRIVE, the monitoring of vehicles transporting dangerous

substances will become possible instantaneously: a signal, relayed by satellite (comprising the identification of the company, the supplier, the description of the content, both in terms of quality and quantity, the physical and chemical properties of the product, and all the elements required in the event of intervention), will be sent regularly from lorries and directed to various databases accessible to the civil defence authorities, the police, etc.'

Maritime transport

These new techniques will permit the observation and monitoring of events and phenomena which, being transborder, do not now provoke adequate reactions – combined with sanctions where necessary – at the level of the responsible public authorities or institutions.

'Maritime transport is undoubtedly another field where concerted observation and action on the part of industry and official statistics will greatly improve security, while substantially increasing the value of the information which would be circulated by the telematic networks now being set up.'⁵

Undoubtedly we are speaking of strategic statistics...

¹ The member federations of the CEFIC (The European Council of Chemical Manufacturers' Federations) represent European enterprises employing more than 2.2 million persons, and generating about 30% of world chemical production.

² The Commission is strongly promoting the use of modern technologies in relations between industry and local authorities. The recourse to EDI techniques (electronic data interchange), and, in particular, to the EDIFACT standard (ISO 9735) makes the 'electronic statistical declaration' possible through the use of the Cusdec/Instat message of Edifact. This was developed by the MD-6 group of the 'Western European Edifact Board' (the regional structure for Western Europe, part of the United Nations – UN/Edifact: United Nations rules for electronic data interchange for administration, commerce and transport). The full specifications of the Cusdec/Instat message will be published by Eurostat in the Official Journal.

³ C.f. in this context the article 'Remote-Sensing and Statistics: a new partnership' in 'Sigma' No 2/92, March/April 1992, p.14.

⁴ DRIVE: information and telecommunication technologies applied to road transport.

⁵ Interview with Mr Alain Van der Vaet on 15 October 1992.

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MISSIONS, VISITS AND MEETINGS

■ EUROPEAN HOUSEHOLD PANELS

Substantial progress has been made towards setting up European household panels. These will be used for studying working and living conditions and monitoring the economic and social effects of the advent of the internal market.

Eurostat has set up a development group which will coordinate the panels. The group consists of Eurostat's Unit E2, the German firm Infratest and the University of Tilburg, which will establish the collection and research networks. Both the NSIs with which Eurostat has maintained direct contact and the private sector organizations involved will participate in the networks.

Pilot surveys will be carried out in January and September 1993.

The development group has approved the second version of the questionnaire. This is now being examined by Commission departments in Brussels, which are checking that proper account is being taken of their policies.

Eurostat's Unit E2 has set up a micro-database on the panels in an integrated, flexible system for household statistics.

Depending on the results of the pilot survey and the availability of resources, the first stage of the panel project should begin in January 1994. It will continue for at least three years.

■ THE SPEL SYSTEM

The Working Party on Economic Accounts for Agriculture met on 6 and 7 October 1992 with the sole purpose of discussing the SPEL system.

The importance DG VI attaches to this system was underlined, as was the high quality of the work performed.

SPEL is a remarkable example of the contribution Eurostat can make to Community policy (in this case the CAP). The system enables raw statistics to be taken from Cronos and transformed – using the SPEL/EC/BM model – into politically relevant data. The whole operation is performed within a coherent accounting framework.

SPEL differs from traditional econometric models in the following respects: the modular approach, the concept of agricultural activity, transparency, the flexible user interface and the dialogue with policy-makers.

Now that documentation is available on the SPEL system, methodological and technical information has been provided by the members of the SPEL groups in Bonn and Luxembourg.

National experts from Spain, Ireland and France spoke at the meeting of their experiences checking the SPEL/EC-Data database. The meeting closed with an on-line demonstration of the system.

■ BAD-NEUENAUH, 22-24 SEPTEMBER 1992 – SEMINAR ON THE 'IMPACT OF REMOTE SENSING ON THE EUROPEAN STATISTICAL INFORMATION SYSTEM'

Around one hundred people, most of them statisticians, attended the seminar, which was organized by Eurostat, the Centraal Bureau voor de Statistiek (CBS, Voorburg) and the Istituto Nazionale di Statistica (ISTAT, Rome), in conjunction with the Institute for Remote Sensing Applications, Ispra and DG XII, Brussels.

The CBS (Netherlands) and ISTAT (Italy) teams had prepared various papers describing the situation in the Member States and EFTA countries. Other documents illustrated significant developments, in particular the American and Canadian experiences.

The main conclusions of the documents and discussions have been gathered together in a summary of the seminar, which highlights in particular the need for coordination and Eurostat's potential role.

INTRASTAT

New data collection system for intra-Community trade Interview with Mr Gilles Rambaud-Chanoz

Details of every consignment, delays as goods are physically checked – almost a thing of the past for thousands of firms! For more than half of all these firms, there are no more statistical declarations to be filled in for transactions with their other trading partners in Europe. For the rest, one monthly declaration is enough. This is the tremendous simplification brought in by Intrastat, the culmination of a lengthy process of refinement and a series of compromises to reconcile often conflicting demands.

Gilles Rambaud-Chanoz graduated from the science faculty at the University of Grenoble and has a master's degree in computer science, together with a post-graduate diploma from the school of business management in Grenoble.

Initially employed in a senior administrative position at the Ministry of Education in France, Mr Rambaud-Chanoz joined the Statistical Office of the Commission in 1976 and has been in charge of various departments and units dealing with information processing and the collection and dissemination of statistics.

After heading the Statistical Information unit for four years, Mr Rambaud-Chanoz has been in charge of the unit entitled Elaboration of the Statistics on International and Intra-Community Trade since March 1989.

IMPERATIVE NEED

The introduction of the single market will eliminate physical barriers between Member States, with customs checks and procedures being almost entirely done away with.

For thousands of firms, the potential for growth which the single market offers is vast. But they will have to know the market if they are going to make the most of it!

It will still be necessary to collect data on intra-Community trade even after the customs procedures which were formerly used for this purpose have gone. A new system has to take their place, and it has to be capable of providing information which is as comprehensive, reliable and up-to-date as possible. This is the role of Intrastat.

What seems to be the most important of all the objectives or justifications for Intrastat? How can the usefulness of the system be explained to firms?

'Intra-Community trade is a significant factor in the economy of the EC. It is probably true to say that there is greater market interdependence than anywhere else in the world.

Massive amounts

By way of example, in 1991 intra-Community imports amounted to ECU 700 billion, or 59% of the Community's total intra- and extra-Community imports. The Community, of course, is the world's leading trade power, accounting for about a quarter of all world trade.

There has been a constant rise in intra-Community trade as a proportion of all trade – it was only 49% in 1982 – and in 1992 more than 50% of every Member State's trade was with Community partners, ranging from 50% for the United Kingdom to 75% for Belgium-Luxembourg, the Netherlands, Ireland and Portugal. This type of trade accounts for 14% of

Community GDP, with a low of 9% for Italy and Spain and a high of 44% for Belgium.

Two main objectives

- because of the amount of trade and the interdependence of the economies of the Member States, statistics on intra-Community trade have to be continued;
- given this need to continue compiling statistics (whether at the level of the firms, the Member States or the Community institutions), an effort was made to reduce the 'response burden' on firms, so that they could get the most out of the system.

Other approaches have also shaped the development of the system, in particular:

- making the response burden the same for reporting firms in all the Member States;
- compatibility of figures covering intra- and extra-Community trade;
- maximum flexibility in arrangements for collection of data, with the emphasis on simplified, automated and computerized systems.'

Some abandoned approaches...

There were several ways of approaching the problem and of attempting to fill the gap left by the disappearance of customs statistics.

Was there no other method that could be suggested? Why was the Intrastat system chosen in preference to any other?

'Granted, other solutions were considered. The first studies date from 1985-86, after the White Paper had been published. To look at only a few of the other possible approaches:

Sample surveys

The census and the surveys which were conducted in the Member States and at the Commission revealed that all the Directorates-General were looking for very de-

tailed data on a monthly basis. In view of this, sampling had to be eliminated as a solution, since the degree of detail required was too specific and the number of headings too large.

In addition, sampling is not suitable for calculating a final result which is generally obtained by comparing two figures which are very close. The margin of error inherent in sampling meant that such a method could not be used.

Industrial surveys

This approach was also abandoned, for reasons of periodicity and degree of detail. It has to be remembered that in 1985 the work on Prodcum¹ had not yet got under way and that industrial surveys were in their infancy, with a lot to be desired in terms of up-to-date information and with concepts and definitions based on different methodologies.

Mirror statistics

This would have involved calculating a country's imports from the export figures of the country or countries with which it traded. Movements declared by one country should provide a mirror image of another country's movements in the opposite direction.

Although it was not the reason for rejecting this approach, I should first of all like to mention that recent studies have shown that significant discrepancies can result from applying the mirror-image approach, however little detail is gone into, and that the apparent convergence of the total Community figures to within 1% is misleading.

The main reason for rejecting this approach was simply that, as far as calculating balance-of-payment figures in particular was concerned, the Member States were somewhat reluctant when it came to basing the figures on data provided not by themselves but by the other Member States...

...for the time being?

Why did the Member States opt for the solution that was chosen?

'In everyone's opinion, it is the best compromise solution that could be found at present. We do not think that the solutions which were initially put forward, such as sampling or industrial surveys, should be completely forgotten.

These are ideas which we could come back to, especially if there were to be any changes to the degree of detail and periodicity of compiling statistics.

We discarded these methods in the past but the situation is changing and it might well be necessary to take another look at the system. The option of collecting some data by sampling methods and of linking the collection of information on intra-Community trade with industrial surveys will then be a decisive factor.'

A COMPLICATED BUSINESS?

Why does Intrastat seem to be complicated with regard to the compilation of statistics. What are the main difficulties that can be expected as it is introduced?

'On the contrary, as an idea the Intrastat system seems very uncomplicated. In any case, statistics on external trade are generally one of the least complex areas of Community statistics. There is a proven methodology, and in practical terms the only difficulties lie in the amount of information dealt with and in the vast number of operators involved in the collection process. However, the system of thresholds and the links with taxation are new elements which might be viewed as giving rise to apparent complexity.

Difficulties to be overcome

The requirement to provide information on customs documents has gone. It may have been a general impression that external trade statistics were hitherto compiled without effort.

...or so it seemed

Most firms were not aware that in filling in the old SAD² – which in most cases was done by the agents they used and had to pay – they were actually, without realising it, submitting a statistical declaration.

Even if Intrastat involves less work, therefore, the declarant looks on it as an additional statistical burden apparently involving extra work.

The main reaction from firms is likely to be: Why are you asking for this now, when you didn't want anything before? It has to be

made clear to these firms that although they seemed to be doing nothing they were in fact doing much more than they are being asked to do now.

Maintaining quality

There will of course be regular checks by the national statistical departments. Just as Eurostat does, they will regularly check the plausibility of the figures.

The former customs stamp of quality

The old statistics produced by the customs authorities (with their universal reputation for thorough reliability) enjoyed an unquestioned stamp of quality, especially since the data that were supplied by the customs authorities did not require any prior processing before being used for statistical purposes.

However, the various studies we carried out – especially regarding possible discrepancies which might occur with the use of mirror-image statistics or analysis of data at a very detailed level of classification – indicated a number of shortcomings. These concerned, for example, differences in recording periods, time lags in declarations, definitions of value, problems relating to storage, etc. We managed to get along with these differences and the new system, too, will have to be run in.

The fact of the matter is that trade statistics have hitherto enjoyed a privileged status. From 1993 they will be just like any other kind of statistics, with all the queries and doubts common to all statistical information.'

Many new advantages

The approach is new, and it brings with it new opportunities which can provide a number of advantages to firms.

'For example, thanks to the "tax connection" firms are going to be able for the first time to identify the counterpart of the trade movements they are interested in within the European market. At the general level, there will now be an extra control mechanism which did not exist before, since in the past any particular declaration could not be compared with any other.

In the new system – at least at the general level, with regard to taxation – the identification of firms with which transactions have been

conducted will be possible. In the long run, this will mean that there will be greater accuracy in assessing what is happening.

The connection which will now be possible between statistical data and certain tax data will also make it possible (using procedures which will be decided after the first few months of use of the system) to bring the tax declaration in line with the statistical declaration.'

If the new system is properly applied, the result will be statistical information which is as good as if not better than before, together with a range of options for adapting, improving or expanding the system which did not exist before.

Refining the system

Even though the idea was first mooted back in 1985-86, the development of Intrastat in its present form required so much discussion and negotiation that, in the end, it was something of a rush to meet the deadline of 1 January 1993.

In view of this, the solution which we have now cannot be 100% perfect. It does not settle all the problems.

Many goods are traded within the internal market without any physical movement, or else they can change owners in transit. How does the Intrastat system cope with storage or transit operations?

'Storage and transit operations have been dealt with in a proposal for a regulation. At present, there are no plans for Intrastat to cover these operations. The system covers only special trade operations and thus does not apply to storage and transit.

The approach adopted looks at physical movement of goods. Changes of ownership are not important for statistical purposes, although they are obviously relevant when it comes to calculating national balance-of-payment figures.

Anyway, even with the old system and in spite of the fact that there was provision in Regulation (EEC) No 1736/75 on external trade statistics for the inclusion of storage and transit statistics, we have never as yet been concerned with such operations. There are simply no arrangements for dealing with them at Community level.

Matters are progressing, however. The technical difficulties involved can be overcome. As for the political aspects, careful consideration will have to be given to what is wanted by the countries where storage and transit operations are especially important.'

The 'tax connection'

In view of the checks which are made possible, the link with taxation is an added advantage of the system, serving as a guarantee for the quality of the data which Eurostat is going to get.

How can it be explained to firms that the 'tax link' which allows Eurostat to access a source of tax information is not likely to be expanded so that the system (if only to ensure proper comprehensiveness) may use sources of confidential information?

'Several control procedures have been built into the system, to ensure the quality of the data which will be produced. The tax authorities will help the national statistical departments in drawing up the register of those providing statistical information.

It has to be pointed out that if there is a link, it runs from taxation to statistics, and not the other way. Only a limited amount of information will be transmitted, involving overall and entirely anonymous data. There is a regulation which deals with the arrangements for transmitting these data, and this ensures their use within well-defined limits.

If this rule of anonymity should be breached for any reason whatsoever, there would obviously have to be another look at the regulation which specifically marks out the restrictions on the use of this privileged relationship between taxation and statistics.

Is there any risk of the system expanding to cover other areas? Well, why not – if the ultimate purpose is to make improvements in these areas and if, as in the case of Intrastat, everything is done properly with all the necessary rules and regulations to protect confidential information? Provided, of course, that the transmission of this flow of information serves only to improve the quality of statistics and in no way makes

it possible to arrive at any confidential information which firms have given to the tax authorities.'

POLICY AND RESOURCES

Intrastat has hitherto used efforts and resources seldom deployed before. How is all this going to operate in the future?

'All this has to be considered in relation to the amount of information to be dealt with and to the role which statistics of this type have in economic terms.

Furthermore, things had to be done quickly. We had to set up a new system for collecting data and train firms for their new job as declarants. The publicity campaigns were important here. While the resources used may seem enormous as absolute figures, you have to look at them in relation to the number of people involved in compiling all these statistics.

Everything is relative

Until now firms paid forwarding agents to fill in some 50 million SADs every single year. Our surveys revealed that the average cost of completing a single document was about 30 ecus. Just think what the total cost must be!

Most of the investment needed to develop the Intrastat system has in any case been borne by the Member States, who remain responsible for collecting the data. It is our job to support them so that they can cope with any new burden which the Intrastat system brings.

Pilot scheme

Anyway, every precaution has been taken to ensure that this investment, quite considerable in some cases, will generally benefit other statistical or administrative areas which might run up against similar problems. You could say that Intrastat is a kind of pilot scheme for the introduction of new collection procedures and the launching pad for a highly advanced Europe-wide telematics network.'

Planning

Which directorates-general at the Commission were most in-

involved in devising the new system? What is the outlook for their future involvement?

The decision-making process which led to the development of the Intrastat system was long and complicated, but the good thing was that it got all the countries involved in devising the system, with consideration given to all the national viewpoints. A brief history of the process³:

- DGINS decision in favour of introducing a new system (Palmeira, 1986);
- meetings of the working party (Luxembourg, 1986-89);
- drafting of the regulation (Luxembourg, 1988-89);
- SPC⁴ approval (Nice, 1989)
- consideration by the Council and cooperation with the European Parliament (Brussels, 1989-92);
- testing of the system by the NSIs (1992);
- preparation by the working party of new implementing legislation (1992-93).

'Among the Commission directorates-general which were involved, DG XXI (Customs and Indirect Taxation) had a part to play at various times in devising the system, whether in relation to providing registers or transmitting guide-line values. Surveys were conducted among all the other DGs to find out what information they would still need after the disappearance of customs formalities at the Community's internal borders.

The DGs making most use of our systems include:

- DG I: External Relations;
- DG II: Economic and Financial Affairs;
- DG III: Internal Market and Industrial Affairs;
- DG VI: Agriculture
- DG XIV: Fisheries;
- DG XXIII: Enterprise Policy, Distributive Trades, Tourism and Cooperatives.

The future involvement of these various DGs will depend on how certain policies are developed (especially, aid for structural adjustment, common agricultural policy, development aid, etc) or on how the objectives defined in certain treaties are pursued (the safeguard clause in the Lomé Convention, for example, requires accurate knowledge of trade statistics).'

WHAT FIRMS EXPECT

Whether they have watched it develop or been actively involved in its development (like many European organizations for various sectors of industry), firms should soon discover the many advantages which the new Intrastat system will offer in terms of detailed, harmonized and comparable data which will enable them to make the most of the new opportunities provided by the single market.

A register of operators

'From the start of the single market, we shall have available – for the first time ever – a register of intra-Community operators. We can expect that this will rapidly develop into a register of all operators involved in trade (intra- and extra-Community).

This great leap forward will provide new opportunities for statistical analysis, covering trade not only between the Member States but also between firms. This is very important when you think of product promotion activities and studies on market research and market penetration in various areas, etc.

Information feedback

'Information feedback' is probably what interests firms most. It will be possible to draw up tables, targeting specific branches of activity, which will enable firms to see how they stand in the European market for products in the same branch in relation to firms of a similar size, etc.

New products

Special mention can be made here of CD-ROM Comext and the interface which exists between this medium and the software made available to firms for their declarations.

The information which declarants will get in return could include:

- general information, using the available CD-ROM;
- specific information, under various headings:
 - by sector of industry;
 - by class of income;
 - by size of firm;
 - etc.

Hitting the target

The information feedback must be properly targeted at firms and their sectors of activity. Thanks to the declarations which are submitted, we know the specific details of activities, products, etc.

Greater dissemination

The "new European dimension" which Intrastat introduces will involve greater collaboration between Eurostat and the NSIs in order to provide firms with a proper service. With regard to the registers, the Member States have more detailed information than Eurostat and they are consequently in a better position to define products for target groups of potential users. At any rate, whatever medium is used, it will be a good idea to use the system which is being introduced to make a greater effort towards disseminating statistical information.'

Differing demands

A lot of the Intrastat system is the result of compromise. Professional groups wanted very detailed statistics while those who had to supply the information were looking for data at more aggregated levels in order to lighten the response burden as much as possible.

'As far as future developments are concerned, I feel that there will be a tendency to reduce rather than increase the number of headings in official statistics. There is a move at Community level towards simplifying rather than expanding the classification used for data input, but we shall always do our best to meet the needs of firms, and it is through consultation with their federations that we shall attempt to effect, in particular, the closest possible alignment between statistics on production and trade.'

External borders

'We have not forgotten that the elimination of checks at the Community's internal borders is likely to have repercussions as far as the statistics on extra-Community trade are concerned.

As laid down by the basic regulation, the statistics on extra-Community trade broken down by Member State will indicate only the locations where entry or exit formalities were carried out. The

fact is, however, that these locations will not necessarily be in the country of import or export. What effect is Intrastat going to have with regard to the exact location where the entry or exit formalities are carried out? There are a number of factors involved: ease of application, varying rates of VAT (for a certain time), etc.

We shall have to take a careful look at how firms manage in the first few months of the system's operation.'

MODERN AND EFFICIENT

Trans-European networks

The collection and transmission of data on intra-Community trade can offer network designers an ideal opportunity for experimental and applied use, especially when you consider the number of operations involved (around 40 million!), the algorithmic simplicity of trade operations and the European scale of the exercise which the Intrastat regulation provides.

Comedi⁵

It was in June 1990 that Eurostat started work on the Comedi project, the main objectives of which are the definition and introduction of electronic tools and procedures designed to simplify the input and transmission of statistical data to and from the national institutes.

More than 50% of the firms which will be involved in using the Intrastat system are already fairly computerized, and half of them are already working with telematic networks. The Comedi project is designed to provide firms supplying statistical information and national and Community departments, as well as the users of this information, with a modern and efficient infrastructure.

Comedi will not affect the structure of tasks and those performing them (firms and local, national and Community centres) but will make it easier to carry out these tasks at the most suitable level.

The hierarchical aspect of the architecture which has been chosen is muted. The relational mode which was adopted provides greater opportunities for liaison between levels, since each level – regardless of its hierarchical position – has greater scope for the compi-

lation and use of data, while remaining under the control of the particular link in the structure.

In order to be in a position to collect and process data in accordance with the new standards and tools which have been proposed, the national and Community authorities will have to introduce a series of measures, designed to reconcile a number of differences between the administrations of the Member States. They should generally benefit from the 'portability' and 'interoperability' of the various elements in the system.

Comedi was developed to ensure a trouble-free changeover from the old statistical system to the new and it thus provides Intrastat with the most modern information technology for the statistics on trade between the Member States.

The introduction of Intrastat and the creation of a telematics network mean that the national and Community statistical systems have to be adapted and harmonized with particular regard to the following aspects:

- impact of laws on processing systems;
- system interfacing with collection centres;
- dissemination host modules added to data bases;
- link-up of systems.

IDEP

(*Intrastat data entry package*)

The package developed by Eurostat offers a variety of functions and can be used with the least sophisticated computer resources. Its main features are:

- data entry which can be based on existing administrative or accounting procedures;
- help with classification, using the combined nomenclature (CN8) and customized procedures to take account of classification systems already used by firms;
- automatic verification to ensure systematic checks of the various items;
- preparation of the monthly statistical declaration (in accordance with the specifications of the national authorities, on diskette or as an EDI message in compliance with Edifact standards);
- other feature: the programme can be used to produce internal

statistics and to develop market studies (see CD-Rom applications, below).

CD-ROM Comext

CD-ROM Comext (data on the 'external' trade of the Member States) is published each month by Eurostat and contains data at combined nomenclature level on the trading between the Member States for the previous period. It provides users with a whole range of opportunities for the generation and production of calculations, graphs, transfers, etc.

To get an idea of where they stand in the market, firms will be able to make any comparison they want between their own statistics and those compiled at both national and Community level.

Edifact: CusDec/Instat message

The Commission is giving every encouragement to the use of modern technologies in relations between industry and national authorities. The use of EDI (electronic data interchange) techniques and, especially, the Edifact standard (ISO-9735) means that an 'electronic statistical declaration' using a CusDec message becomes possible.

This was developed by the MD-6 working group of the Western European Edifact Board, the regional UN/Edifact body working on United Nations rules for electronic data interchange for administration, commerce and transport.

Eurostat will publish the full specifications of the CusDec/Instat message in the Official Journal of the European Communities.

THE KEY TO SUCCESS

'Whatever success is achieved by the various actions undertaken and by the introduction of the architecture which supports them, in my view the key to the success of Intrastat will be the response rate on the part of firms. The system has been carefully devised. It is the outcome of a compromise between often conflicting demands. Its 'acceptance' by firms and their collaboration are vital if it is to be successful.

Getting the message across

It was for the benefit of firms that a large-scale publicity campaign was conducted in 1992, with the

aim of making them aware of the changes that were coming. There were three main objectives in this campaign:

- to provide information which was as accurate and complete as possible;
- to emphasize what was being done to make the declarants' work easier, by making all the necessary tools available to them;
- to highlight the usefulness of "statistical information feedback", which firms could use for market studies and a variety of other business applications.'

Encouraging the private sector

Whatever tools are developed and however sophisticated they are, they are not intended to compete with the private sector.

'The various tools which have been developed and everything else that is needed for their use (such as the combined nomenclature and the alphabetical index in each language) are provided free of charge to the national administrations, which are solely responsible for deciding national policy for the most effective and wide-spread marketing. Where data processing service companies are concerned, Eurostat makes no charge for supplying on request the operational specifications and

documentation relating to the products on offer, with the aim of facilitating their integration with commercial computer products.

What we are really attempting to achieve is to set a minimum quality standard for all the tools which might be marketed capable of dealing with Intrastat data.⁶

There is plenty of scope for development in this area.

Only the first step

The introduction of Intrastat is only a first step. There is more to come in 1993. A new system of computerized data collection, using standardized procedures in the various Member States, will make it possible to think about extending the use of the system to other declarations (surveys of industry and services, etc) and to other statistical areas.

If what firms are asked to do can be carried out in a single coordinated fashion with the utmost degree of standardization, this will permit – through the standards that are being introduced – new mutual exchanges between the trans-European networks that are now being set up within the European system for the collection and dissemination of statistical information.

¹ Prodcom: see Regulation (EEC) No 3249/91 (OJ L 374 of 31 January 1991).

² Single administrative document, formerly used for customs declarations.

³ Information provided by Mr Alberto De Michelis.

⁴ Statistical Programme Committee.

⁵ COMmerce EDI (electronic data interchange on trade).

⁶ Interview with Mr Gilles Rambaud-Chanoz, 9 October 1992.

A METHODOLOGICAL SPIRIT

Interview with Jacques Dispa and Jürgen Heimann

‘Through the internal market, we intend to create competitive structures in the European Community. The opening-up of national markets is an important step in that direction, since it is compelling firms to think more in European terms. And yet this is merely an intermediate step towards being able to compete successfully on the truly relevant market, the world market.’¹

Precise measurement of the volume of intra- and extra-Community trade is more vital than ever and calls for patience, perseverance and a methodical approach.

Jacques Dispa

Former head of the ‘Methodology and Classifications’ department within the External Trade Statistics division at the Institut National de Statistique, Brussels. Appointed to the Commission in 1970, since when he has continued to work in the same field. Head of Eurostat’s Methodology and Classifications of statistics on international and intra-Community trade unit since 1987, in which capacity he has been responsible for the design and development of a new system for collecting statistics on intra-Community trade.

Jürgen Heimann

Graduated in Economics from the University of Frankfurt/Main in 1980. Awarded a grant from the Deutscher Akademischer Austauschdienst (German academic exchanges) to follow a course of advanced study at the ‘Centre de planification et économie publique’ (planning and public economy centre) at the Sorbonne (Paris).

Joined the Statistisches Bundesamt (Wiesbaden) in 1982 as scientific assistant, where he subsequently became head of the Methodology of Statistics on External Trade department. Joined the Commission in 1987, since when he has held various posts including Chairman of the Combined Nomenclature Committee and Eurostat coordinator for work in connection with the unification of Germany and Austria’s application for membership. Nevertheless, his main area of activity has been contributing to the design and implementation of the new Intrastat system.

METHODOLOGICAL CHANGES

What will be the main effects of the Single Market which the methodology of international and intra-Community trade will have to take into account?

Intrastat is not a new system for producing statistics but rather a new system for collecting data.

A wide range of sources

‘We had to introduce a new system of collecting information, since the traditional way – on the basis of customs documents, with all the checks which these formalities entail – would no longer be possible.

However, while the Intrastat system is basically designed for the collection of information for the purpose of statistics on trade between Member States, it may also have implications for other statistics on trade in goods, such as transit and storage statistics.

There will be certain methodological changes, mainly as regards collection, but the results we expect from these changes should be as close as possible to what we obtain now.

Clearer dividing lines

There have been no really radical changes as regards international trade. There will be a few minor adjustments, but these will largely be aimed at enabling the Member States to make a clearer distinction between their own trade with non-Member countries and operations carried out on their territory by other Member States. In other words, we will be helping them – if they wish – to draw a clearer dividing line between their own imports and exports and those of the other Member States.’²

Link-ups without mix-ups

The system should work without any intervention on the part of the customs authorities. The Finance Ministers decided in 1989 that if the new statistics on intra-Communi-

nity trade were to be reliable, a link must be established between statistics and an external administrative body, which would no longer be the customs authorities but the tax authorities.

'This is what we have done, and we have tried to make the link both strong enough to ensure reliability and loose enough to avoid any confusion between statistical operations and tax operations.

Identification and verification, nothing more

Obviously, we only want the tax data we need to ensure that the statistics are comprehensive and accurate. This is our main aim. The tax authorities will tell us who we are entitled to ask for statistical information and we will have established a correspondence between parties responsible for providing statistical information and persons liable to account for VAT, in the broad sense. Consequently, we will be able to find out whether those who have conducted intra-Community transactions over a given period have also made a corresponding statistical declaration.

Then we shall have data, for each VAT declarant, on the total amount involved in intra-Community transactions in either direction, on both the dispatch and arrival sides. It will be possible to compare these amounts with the figures declared for statistical purposes so as to check whether they tally or not. We will receive information from the tax authorities therefore, but this does not mean that we will give them any figures in return. Companies have nothing to fear in this respect.²

INTRASTAT AND PRODCOM

When they discover Intrastat, a lot of companies will also discover Prodcum. Will not the recent introduction of this classification result in distortions, which may aggravate the repercussions which the launching of Intrastat may have on the quality of statistics on intra-Community trade?

The fact that Prodcum and Intrastat are being introduced virtually simultaneously is more a result of the completion of the Single Market on 1 January 1993.

Force of circumstance

'Intrastat would have been introduced even if Prodcum had not existed. Prodcum is primarily a classification for the purposes of statistics on intra-Community trade, the aim being to adapt the goods classification known as the "Combined Nomenclature", which will be used for intra-Community trade in the future but after 1993 will no longer be subdivided into national sub-headings.

Objective criteria

This eight-digit Combined Nomenclature may or may not correspond to the Prodcum list: in cases where it does not correspond, requests are submitted to the Nomenclature Committee asking for it to be brought into line with the Prodcum list. These requests may or may not be met. The Committee accepts or rejects them according to its objective criteria.²

An interesting modification

'There will undoubtedly be changes made to the goods classifications, which will improve comparability between production statistics based on Prodcum and international trade statistics based on the Combined Nomenclature. The Prodcum headings are defined by reference to the Combined Nomenclature. The Prodcum list is more likely to improve the quality of intra-Community trade statistics than to reduce it.³

Current difficulties

'In terms of the Combined Nomenclature these are the sort of changes made every year. They will be made on the basis of requirements as reflected in the Prodcum list. We do not expect Prodcum itself to result in any distortions and if we encounter any problems, these will be the day-to-day problems which we will have to overcome every time a change in classification involves changes of habit for the parties responsible for providing information, who may forget one detail or another, go on as if the classification had not been changed or misinterpret the new classification.²

One classification, two fields

These are the kind of problems which arise whenever any kind of habit needs to be changed.

What links between Prodcum and Intrastat may be of interest to companies?

'For purposes of analysis, there will certainly be new scope for studying the market and market developments and it is here that we can expect improvements. Improvements are perfectly feasible as we can see from the example of Denmark, which has for a long time been using the international trade classification (in a slightly modified form) for industrial surveys too – in other words one and the same classification for the two fields.³

Prodcum and Comext

'Certainly industrial production statistics could be based on an international trade classification in order to permit comparisons and facilitate the calculation of apparent consumption. We are all agreed on this point. However, certain difficulties became apparent when we noticed that companies were very poorly equipped to assist in the production of an international trade classification and would certainly not be able at present to work on developing and updating such a classification. We have distanced ourselves somewhat, therefore, and are intending to redefine our approach to international trade so that we can set up, beginning in 1994, a Prodcum database which will be directly comparable with Comext. A lot of things still need to be settled before we can have databases which enable production and international trade (intra/extra) to be "mixed" and all the macro-economic calculations which are at present impossible to be carried out. It seems fairly clear that in three or four years from now the Prodcum and Comext "products" will converge.⁴

A QUESTION OF VALUES

How would you describe the debate on the three proposed options for fixing the values to be declared, in other words value at border, invoiced amount or a combination of the two, and how long will the choice be left to the Member States?

Definition of the value to be declared was the subject of a large-scale debate but it is not a new problem.

Not a new problem

'We had come up against the problem of defining value previously. For the purposes of intra-Community statistics at least, the definition was based on the concepts of CIF-FOB at border, which we retained following discussions with the Member States, in spite of obvious reluctance on our part. We have always felt that, after 1992, values should under no circumstances be defined relative to a border since, after all, borders are what we are hoping to abolish.

However, on the insistence of the Member States, the value at the border of the Member State of dispatch or arrival will continue to be recorded as the statistical value.

A clear distinction should be made between the statistical value (which relates to a clearly defined entity) and the "invoiced amount" which is referred to in this way in order to make it clear that it is the amount as indicated on the invoice.

Comparing the comparable

The purpose of the invoiced amount is not to provide particular statistical data with a view to drawing up statistics proper, but rather to permit a comparison, again, with the information provided by the tax authorities regarding the amount of acquisitions and deliveries entered in the periodical tax returns submitted by the parties liable to account for VAT, who are also the providers of statistical information. The invoiced amount can itself relate to a wide range of different entities. Depending on the delivery terms, for example, invoiced amounts can relate to entirely different things, and this amount is therefore not usable as such for the statistical value.

We have decided, therefore, to use the statistical value described previously for each type of goods, in other words, generally speaking, the CIF or FOB value, as appropriate. The invoiced value will be used to compare the periodical statistical declarations with the periodical tax declarations.

There is a certain combining of the two values in practice, therefore, but this combination is provided for in the Regulation on the application procedures, and leaving the choice up to the Member States is in line with a fairly stringent set of implementing rules,

even if the Member States may still adapt the general rules according to certain criteria.²

Flexibility and facility

'Let us start with the invoiced amount, the statistical value and the types of goods. There is a statistical value for each type of goods but only one invoiced value for the total. However, there is no need for a breakdown – it is enough if we can compare the global figures.

The first element of flexibility is that some Member States will wish to have the invoiced amount by type of goods. In this case they will calculate the statistical value themselves. They will ask their operators to provide only one type of parameter and establish the statistical value themselves on the basis of the invoiced amount and the delivery terms.²

'This is obviously relieving the burden on enterprises since they will no longer be required to calculate the statistical value, which is a somewhat artificial value rooted in a statistical concept in contrast to the invoiced amount, which reflects commercial reality.³

'Other Member States will be greedier and take everything – the invoiced amount by type of goods and the statistical value by type of goods. They are perfectly at liberty to do so, but they will have to defend their position to their operators in accordance with an explicit provision set out in the rules of application.²

Simplification without imposition

'We have taken a new tack in our simplification work. In the past, harmonization more often than not involved trying to impose the same practices on everyone, but now we are leaving a choice open in the initial stages and not imposing a way of collecting data. We will have to reconsider whether our "invoiced amount" approach will be effective after the transitional period on the basis of experience gained.³

'We must bear in mind that we are talking about a collection system, and what Eurostat must receive, for each type of goods, is the collected or calculated statistical value, not the invoiced amount.

It is the statistical value (uniformly defined) which we will continue to publish by type of goods.²

Overheads and other costs

Will not the cost of overheads (insurance, transport, etc.) distort the actual goods statistics too much? How can this distortion be minimised?

'The answer to this question can be found in the very definition of the statistical value, since this includes overheads up to a given border in both cases, in other words up to the exit border in the Member State of dispatch or the entry border in the Member State of destination.

In this respect nothing has changed, so there should be no differences either between past and future results or in the concept of statistical value in trade with non-Member countries.²

The same populations

As we have seen, Intrastat is based on information from the VAT authorities, which will – among other things – make it possible to ascertain which operators are obliged to fill in periodical statistical declarations.

What changes will there be in the methodological treatment resulting from this 'tax link'?

'As soon as it was decided to establish a link with the tax authorities so that data from that source could be used to guarantee the quality of the statistics, we had to take the necessary steps to ensure that all the conditions for comparability were met. You cannot use different populations, and if you do, you have very little chance of satisfactory comparability.

Our aim, therefore, is to make the population of parties responsible for providing statistical information coincide with the parties liable to account for VAT returns. Consequently, there will be movements of goods which are no longer recorded under intra-Community trade for the simple reason that the operator in question is not obliged to provide statistical information because he is not liable to account for VAT.

Private individuals are an example. Once they are excluded because they are not liable to account for VAT, you obviously have

no way of keeping track of the movements of goods for which they are responsible. This, by the way, suits us very well, since we have tried to reduce the burden on the parties responsible for providing information to a minimum, and in this way private individuals have no obligations whatsoever in this respect.²

CHANGE OF OWNERSHIP

Does trade in goods or even services between Community operators necessarily imply a physical movement? In law it is generally necessary and sufficient for a simple agreement to be made on the item and price in question for a sale or purchase, in other words trade, to be deemed to have taken place. Legally speaking, the sale has been made even before the price has been paid and the item delivered. Would it not be better if measurement of trade coincided more closely with changes of ownership?

Under the Intrastat system, the obligation to provide statistical information arises from the liability to tax, which depends on the point in time at which the goods are actually acquired. The acquisition and movement of goods are taken to be the same thing. And what about transactions concerning goods in storage, for example?

'We have to some extent adopted the concept used by the tax authorities to determine when tax is due, particularly to ensure that the statistical periods correspond with the tax periods.

The reference periods must coincide

A statistical reference period of three months therefore corresponds to a tax quarter. There may well be some overlapping, since the regulations stipulating when tax is payable state that if the invoice is not drawn up immediately, the tax is payable not later than the 15th of the month following the month in which the movement took place. Thus, there may be some slight shifts compared with the present situation, but the tax authorities have already assured us that in most cases there has been no reason why the invoice could not be drawn up right

at the outset of a movement. Provided things don't get out of hand, there will be no major problems.

Storage and transit

This question forms the subject of a proposal for a supplementary Regulation. Because of their geographical situation or their commercial, industrial or transport infrastructure, some Member States need these statistics more than others, since there may be major movements which the Member States in question wish to keep a close eye on so that they can, for example, adapt the logistical infrastructures as required.

When we speak of transit we do not mean just transit pure and simple, i.e. goods simply passing through a Member State. We are talking about "interrupted transit", which involves the breaking of loads, in which cases the Member States involved need to be able to manage a whole infrastructure problem which may involve sea-ports, airports and major road haulage depots etc. They need accurate statistics to keep abreast of all this.

Reasons of principle

This field is very important for Member States in which there is a great deal of traffic of this kind. However, the matter has been held up by the European Parliament for various reasons. We hope we can get things moving again in the near future.²

Acquisitions and transfers

Matching concepts?

'Acquisitions are treated in the same way as movements. However, they do not exclusively involve commercial transactions (buying/selling) but also transfers – in other words, movement of goods from one Member State to another – to a storage depot, for example – without any buying or selling necessarily taking place. Movements of this kind are included in the tax declarations and thus the concept used for tax purposes is the same as ours.³

Telling figures

'To give a few examples:

- interrupted transit in the Netherlands in 1990 (intra-Community only) totalled some 22 million tonnes

- in Belgium 30 million tonnes over the same period;
- the total value of traffic for storage in Germany in 1991 was DM 57 000 million.

Thus we are talking about major quantities which we are trying to enable the Member States to cover by means of the supplementary Regulation mentioned previously.²

Lack of time

'We would undoubtedly have been able to deal with transit and storage statistics in the basis Regulation if we had had the time, but we didn't. We hope to be able to settle this problem by the end of the year.²

WHAT ABOUT THE SERVICES SECTOR?

Balance of payments

In some Member States, the services sector employs up to 60% of the active population and accounts for an equivalent share of GNP. This is not at present included in statistics on intra-Community trade.

What progress has been made on the methodological work aimed at developing a statistical system for international and intra-Community transactions in services along the same lines as the system covering industrial companies? What are the main difficulties involved?

'Whatever Eurostat's intentions may have been over the last few years, we are still recording services only for the purpose of balance of payments statistics.

We have no particular philosophy which would make it possible to align the collection of statistics on trade in services with the collection of statistics on trade in goods.

Wait and see!

Development of statistics on services is included in the Statistical Programme for 1993 to 1997, as regards both intra-Community trade and transactions with non-Member countries.

Let us wait and see first of all how companies react to what we are asking of them now. They will have to adopt new habits and new attitudes, and when we see that the Intrastat system is operating satisfactorily we will be better

placed to adapt it to include statistics on services. Let us not try to do everything at once.²

Which services?

'It will probably be easy to adapt the system to cover services closely connected with transactions involving goods, such as transport and insurance etc. We will have to investigate thoroughly the field to be covered before we collect other information on trade in services.³

NOT FORGETTING THE SMEs

The SMEs will very probably be the ones to benefit most from the introduction of Intrastat, as some of them will no longer be required to provide statistical information on their intra-Community trade.

Changing the methodology

'When the annual "turnover", in the sense of the value of intra-Community transactions, is below a certain limit, many of these SMEs do not have to submit tax (VAT) declarations. They will therefore not be required to make statistical declarations either.

Here too, therefore, we are changing the methodology. All the amounts handled by these companies, however substantial they are when taken separately, will no longer be covered by the statistics.

There are also the thresholds which go beyond the obligations vis-à-vis the tax authorities. The first threshold, which we have just mentioned in connection with SMEs, is in effect fixed by the tax authorities, whereas the second, the assimilation threshold, is a statistical threshold which nevertheless simply refers to the tax declarations, with the result that the periodical tax declarations are for all practical purposes identical to the periodical statistical declarations. But what do the tax declarations contain? From the point of view of statistics, they contain two global amounts – one for dispatches and one for arrivals – for a given period. These figures cannot be broken down again; they can only be used at a very aggregated level to provide statistical results for a given period. These global amounts must be expanded as regards both dispatches and arrivals.

Limited effects

However, we should add that everything is kept within reasonable limits. Overall, we lose only 2-3% accuracy, so that the phenomenon observed is 97-98% covered even after all these simplifications.

This loss is obviously not very noticeable at the global level, but as soon as the figures are broken down again by type of goods it may have a considerable effect in certain cases. For example, if the parties benefiting from one type of simplification or another are relatively large operators concentrating on only one or two products, the products in question may disappear from the field of observation, or at least be considerably reduced.

Community and national levels

The basic Regulation provides for the supply of a whole series of data, which can be Community data or exclusively national data chosen by the Member States according to their needs. At the Community level, all we are asking for are the essential data together with the data which the party in question is required to provide in the Member State in which he makes his declaration.

In line with tax provisions

At any rate, we do not expect any major difficulties after the adaptation period and the inevitable teething-troubles are over. The Member States will take on the task of informing their operators of the situation, and the operators will very soon learn what their statistical obligations consist of. They will all be able to classify themselves in one of the following categories:

- excluded;
- assimilated (which comes down to the same thing as excluded, since we will have aggregated information taken from the tax declarations);
- simplified, i.e. required to provide only very little information in the periodical declarations, or
- detailed, i.e. required to answer all the questions.

Everyone is now familiar with the statistical thresholds, which were supposed to be and were, more or less, published by 31 August 1992 in all the Member States.

The first year of implementation will inevitably involve some difficulties and uncertainties. This always happens when a major change is made – and the abolition of customs borders is after all a major change!²

MORE INDEPENDENT STATISTICS OVERALL

The basic Regulation states that by 1996 the Commission must draw up a report on the operation of Intrastat during the transitional period.

'We are going to collect information not only on the relatively unimportant incidents that occur but also on incidents which happen often enough to suggest that there are certain design faults in the system and indicate certain changes which could be made.

We are in a situation where the relative independence of the statistics is also the source of their relative weakness. However, this is an extremely interesting experiment since the link between statistics and taxes on which Intrastat is based is in no way comparable with the former link between the customs authorities and statistics – it is less direct. Statistics have thus become more independent and will have to continue to deserve this independence by convincing operators that it is also in their interests to have reliable, complete and up-to-date statistics, the usefulness of which many of them are only now beginning to realize.²

¹ Martin Bangemann, Vice-President of the Commission of the European Communities: 'Opening up the internal market', *Europe on the Move*, June 1991, p. 19.

² Interview with Mr Jacques Dispa, 9 October 1992.

³ Interview with Mr Jürgen Heimann, 9 October 1992.

⁴ Daniel Byk, 20 December 1991. (cf. 'Sigma' No 1/92, January/February 1992, p. 30).

E NVIRONMENT STATISTICS

Second edition

This edition of environment statistics has been improved by the inclusion of new series, mainly covering waste-water treatment, recycling, transport, agriculture and some of the results of the Commission's Corine programme.

AIMS

To monitor what is happening

By appearing at regular intervals, this publication provides a systematic, standardized set of regular, official statistics, enabling users to follow Community action on the environment.

In this way it helps meet the growing need for information highlighted in the Fifth Community programme 'Towards Sustainability: a European Community Programme of Policy and Action in relation to the Environment and Sustainable Development', and in the 1992 Commission report on 'The State of the Environment in the EC' published at the same time.

To target objectives

This programme incorporates the environmental objectives of the Maastricht Treaty: promotion of sustainable development that safeguards the environment, achievement of a high level of protection, inclusion of environmental protection requirements in other Community policies and, on the international level, promotion of measures to combat regional or global environmental problems.

To put the statistics in context

This publication is also intended to supplement the Commission report on 'The State of the Environment in the EC' by placing the statistics used in a coherent statistical context, thus enabling developments to be monitored over time and simplifying geographical comparisons.

A JOINT EFFORT

This work is the product of close cooperation between Eurostat and the statistical services of the Member States, other Commission departments (in particular DG XI, which is responsible for the Environment, Nuclear Safety and Civil Protection, including the task force preparing the future European Environment Agency) and

various international statistical organizations, including the OECD. The purpose was to obtain selected data using a single questionnaire for all the Member States.

CONTENTS

The statistics collected are to provide:

- indicators which enable the effects on the environment of existing Community policies to be checked and monitored;
- quantitative data to assist the drafting of new Community policies on the environment in areas identified as requiring priority treatment;
- the information needed to include the environment in other Community policies;
- the basic data needed to assess the impact of public and private projects on the environment.

The criteria selected

Since virtually all data have some bearing on the environment, it was with a specific goal in mind that certain statistical series were selected. They satisfy the following criteria:

- they have a direct bearing on current Community policies on the environment;
- there is a direct link with the priority areas for future Community action on the environment;
- data of reasonable quality are available for at least eight Member States;
- chronological series are available (since indicators on the environment can often be interpreted only by looking at long-term trends);
- they provide basic indicators, e.g. data on population, agricultural area and gross national product, which are used in the presentation of all statistics on the environment;
- they comply with standard statistical nomenclatures and methodology.

As far as possible, the nomenclature and methods used for collecting and publishing statistics on the environment comply with the standards and concepts drawn up by the OECD and the United Nations Economic Commission for Europe (ECE).

FUTURE DEVELOPMENTS

The inclusion of the environment

The development of the publication will depend on the progress of the work undertaken by Eurostat, the Member States' statistical services and the international statistical organizations on the harmonization of concepts and methods and on the process of data validation. Above all, it will depend on the rate of integration of environmental problems in the socio-economic statistical system.

Enlargement to include the EEA

Now that, in the context of the European Economic Area, the EFTA countries have adopted the Community statistical programme, the next edition will include data from these countries. Most of the data will be obtained via the EFTA countries' national statistical offices.

HOW TO ORDER

'Environment Statistics' (catalogue No.: CA-72-91-100-3A-C) can be obtained at the price of ECU 11 (excluding VAT) from the sales offices of the Office for Official Publications of the European Communities, the addresses of which are listed on the inside of the back cover.

BASIC STATISTICS OF THE COMMUNITY

Publication of the 29th edition – 1992
A reference work

With the completion of the Single Market, it is becoming increasingly necessary to identify the main parameters of the forces at work in the Community. The purpose of 'Basic Statistics' remains that of improving information on the Member States' similarities and differences.

DATA AT YOUR FINGERTIPS

This annual publication, produced in pocket-size format in each of the nine official Community languages, is particularly useful for quick reference, which is simplified by a series of colour graphs.

This is a particularly useful format, since it enables immediate visual comparisons to be made between the various states or groups of states.

CONTENTS

General trends

The publication, which consists of around 300 pages, provides statistics on the main economic and social trends in the Community, such as standards of living, unemployment, the structure of consumption and the environment.

The statistics are classified by chapter and subdivided into sections:

- Economy and finance (regional accounts, finance and balance of payments);
- Population and social conditions (population, education, employment and social protection);
- Energy and industry (industrial production, energy and iron and steel);

- Agriculture, forestry and fisheries (production, consumption, balances, structure, prices, economic accounts and fisheries);
- Foreign trade;
- Services and transport;
- Environment.

'Basic Statistics' sets out the main aggregates for each Member State and for EUR 12 as a whole. It also provides comparisons with the other European countries (Turkey, Norway, Sweden, Switzerland, Austria and Finland) and with the main economic partners in the rest of the world.

More detailed information

After the overall indicators have been set out, more detailed indicators are systematically used to describe, wherever possible, more precise circumstances (e.g. by branch of activity, region, etc.).

HOW TO ORDER

'Basic Statistics of the Community' (catalogue No.: CA-73-92-740-EN-C) can be obtained at the price of ECU 10 (excluding VAT) from the sales offices of the Office for Official Publications of the European Communities, the addresses of which are listed on the inside of the back cover.

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