



**Newsletter
EDICOM**



1 □ 1997

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EDITORIAL

On 15 April Eurostat published the 1996 annual results of the external and the intra-Community trade statistics of the European Union. There are considerable improvements in the availability of data. Although not completely satisfactory, the situation has, for the first time since Intrastat was launched, returned to something like it was before the completion of the Internal Market.

It is clear from the analysis of the results on intra-Community trade, particularly the study of the mirror statistics which show a persistent and unexplained discrepancy of approximately 5% between intra-Community total dispatches and total arrivals, that the reliability and quality of the data leave much to be desired. Eurostat and the national administrations must give the highest priority to finding solutions to this problem, which is crucial to the future of the system.

The 1996 Intrastat Newsletter presented the various measures - the SLIM initiative, Eurostat-Member States Restricted Group, and other studies - which had been undertaken by the Commission and the Member States to improve the operation of the Intrastat system.

The Internal Market Council of 26 November 1996 unanimously approved the SLIM-Intrastat recommendations and asked the Commission to put forward as soon as possible specific proposals for implementing them.

The Edicom Decision adopted by the Council in December 1996 made it possible to continue and speed up the measures to modernise and automate the systems for collecting and processing Intrastat returns.

The large number of parties involved, whether as users or as producers, in the Intrastat process, the differing opinions on the usefulness of particular measures (e.g. the simplification of the nomenclature) and the need to be open to as wide a range of views as possible mean that this is a difficult and ambitious task and a major challenge. Rapid progress is essential if we are to consolidate the present system and meet today's demands for high-quality, pertinent statistics. At the same time, there must be increased consideration of, and further studies on, systems other than Intrastat in order to find the best and most economical way of coping with the ever-increasing need for statistical information in the context of Economic and Monetary Union.

This Newsletter describes the state of progress of the various projects.

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INTRASTAT

SLOWER GROWTH IN INTRA-EU TRADE IN 1996

Based on the figures that are initially available, intra-Community trade increased at a much slower pace in 1996 than in the previous two years. The dispatches reported by the Member States amounted to ECU 1 049 billion last year, up by only 3.3% over the previous year in comparison with increases of 13% in 1995 and 12.8% in 1994.

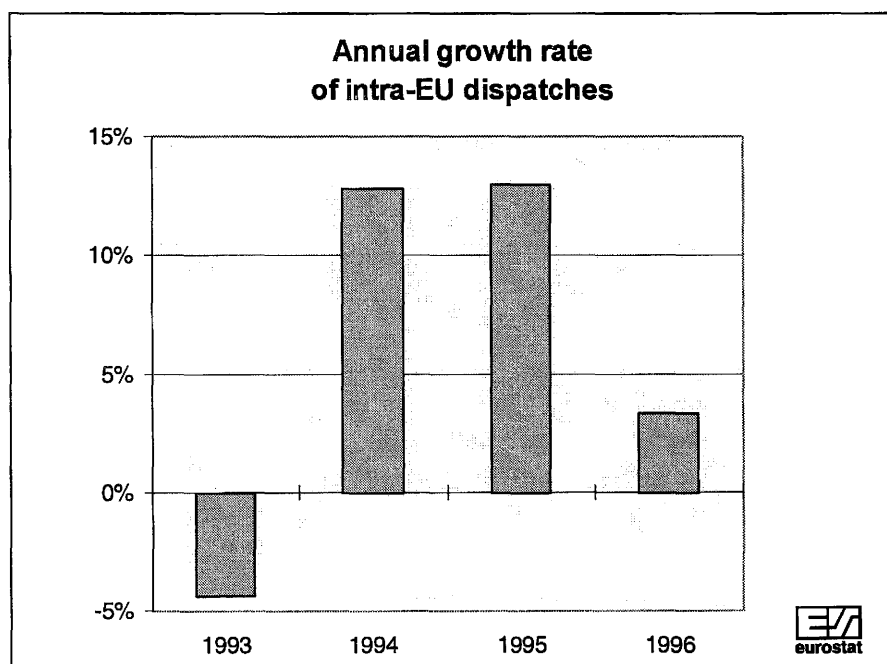
The trade figures for **Germany, France, the BLEU and the Netherlands**, which together account for more than half of intra-Community trade, were down by more than 8 points for both dispatches and arrivals. **Denmark, Austria, Sweden and Finland** also experienced sharp drops in growth, although in the case of the new Member States the figures have to be put into context because of the changes in methodology as a result of accession.

Dispatches from the **United Kingdom, Spain, Portugal and Italy** continued at a healthy rate. In the case of the United Kingdom, dispatches were up by almost the same rate as the previous year: +9% in 1996 compared with +9.4% in 1995. Dispatches from Spain (+10%) and Italy (+6.7%) slowed by only 4 points, while for Portugal (+7.6%) they were down by 8 points.

Countries showing the biggest rise in arrivals included the **United Kingdom (+9.8%), Spain (+6.8%) and Portugal (+10.4%)**. The figures for **Ireland (+11.3%) and Finland (+9.%)** were also well above the Community average (+2.4%).

Although the breakdown by product is incomplete because of a lack of data from some Member States, it is already clear

that in 1996 manufactured goods, which accounted for roughly 80% of trade in terms of value in 1995, lost the momentum behind trade growth in the last two years. In the case of food products, the main dispatches show no change, while trade in raw materials is generally decreasing. Trade in energy products is running counter to the sharp increases of more than 25% in connection with the rise in oil prices at the start of the year.



BELGIUM AND LUXEMBOURG



In 1996 the Belgo-Luxembourg Economic Union recorded a trade surplus of ECU 12.9 billion, matching the figure for the previous year. The growth in intra-Community trade (+3.2% for dispatches and +3.7% for arrivals) was much less vigorous than the year before, due to a decline in trade with the three main partners (Germany, France and the Netherlands), who accounted for close on 70% of the BLEU's intra-Community trade in 1996. In particular, dispatches to Germany were down by 1.1% and arrivals by 3.1%.

The drop in the figures for Belgium-Luxembourg stems from reduced trade in other manufactured goods (SITC 6 and 8) and to a lesser extent in raw materials and food products. On the other hand, trade in machinery and transport equipment maintained its momentum (+9.7% for dispatches and +13.4% for arrivals).

DENMARK



Denmark saw its trade surplus improve from ECU 1.2 billion in 1995 to 1.9 billion in 1996. Dispatches (+3.1%) performed better than arrivals (unchanged at 0.4%), due in part to dispatches to Sweden (+10.5%) and the United Kingdom (+14%). Trade with Germany, which accounts for more than 30% of Denmark's trade, was down for both dispatches (-2.6%) and arrivals (-5.2%).

The improved trade surplus was helped by an ECU 1.8 billion cut in the structural deficit in manufactured goods. The surplus on food products was stable at ECU 3.7 billion.

GERMANY



To offset the effect of non-response and threshold levels in returns, Germany re-adjusts its figures for intra-Community trade once a year. In 1995 these adjustments amounted to ECU 10.4 billion (4.7%) for dispatches and ECU 18.5 billion (9.3%) for arrivals. The adjusted figures are not yet available for 1996, which means that it is very likely that there will be significant changes to the data shown below.

According to the provisional data received by Eurostat, German trade in 1996 was below the levels of previous years, after dispatches had been up in 1995 by 11.8% (-2% in 1996) and arrivals by 14.2% (-4.7% in 1996). Germany's trade figures were down with France (-6.2% for dispatches and -4.5% for arrivals), Belgium-Luxembourg (-4% and -5.5%), Italy (-1.2% and -5.9%) and the Netherlands (-1.7% and -1.8%). Dispatches rose only to Spain, Portugal, Finland and Austria. Similarly, arrivals increased only from the United Kingdom, Spain and Portugal.

There was a structural surplus of about ECU 21.2 billion in the German trade balance in 1996, thanks to a surplus of ECU 44.9 billion generated by manufactured goods. These products account for

about 80% of the country's intra-EU trade. Trade in other products shows a deficit, especially in the case of food products (ECU -9.7 billion) and energy products (ECU -7.8 billion).

Germany's extra-EU trade was also slowing down in 1996, with exports rising by 5.5% (compared with 10.7% in 1995) and imports by 2.4% (7.3% in 1995).

GREECE



According to the Eurostat estimates of Greece's intra-Community trade in 1996, dispatches were down by 8.2% and arrivals by 3.8% as a result of a drop in trade with its two main partners, Germany and Italy. Greece's trade deficit nevertheless remained stable at ECU 8.7 billion.

SPAIN



The pattern of trade between Spain and the other Member States in 1996 was

Most Member States (all except Greece, Spain, France, Italy, Portugal and Finland) adjust the totals of intra-EU trade broken down by partner country in order to allow for non-response and the threshold effect. These estimates cannot be allocated at the most detailed level of breakdown in the product classifications.

In spite of these adjustments, there was a discrepancy of 5.2% in 1996 between dispatches and arrivals. Theoretically the two should tally. Eurostat considers that, since the introduction of Intrastat in 1993, dispatches are the more reliable measurement of intra-EU trade, while arrivals are under-estimated.

again - as in 1995 - among the most vigorous in the EU. Dispatches increased by 10%, which with the smaller increase in arrivals (6.8%) meant that the country's deficit fell to ECU 6.9 billion (compared with ECU 8 billion in 1995).

The continuing growth in trade with France (+11.7% for dispatches and +12.8% for arrivals), which is Spain's foremost trading partner, and the strong upturn in dispatches to countries such as the United Kingdom (+19.7%) and Portugal (+12.3%) offset the slowdown in

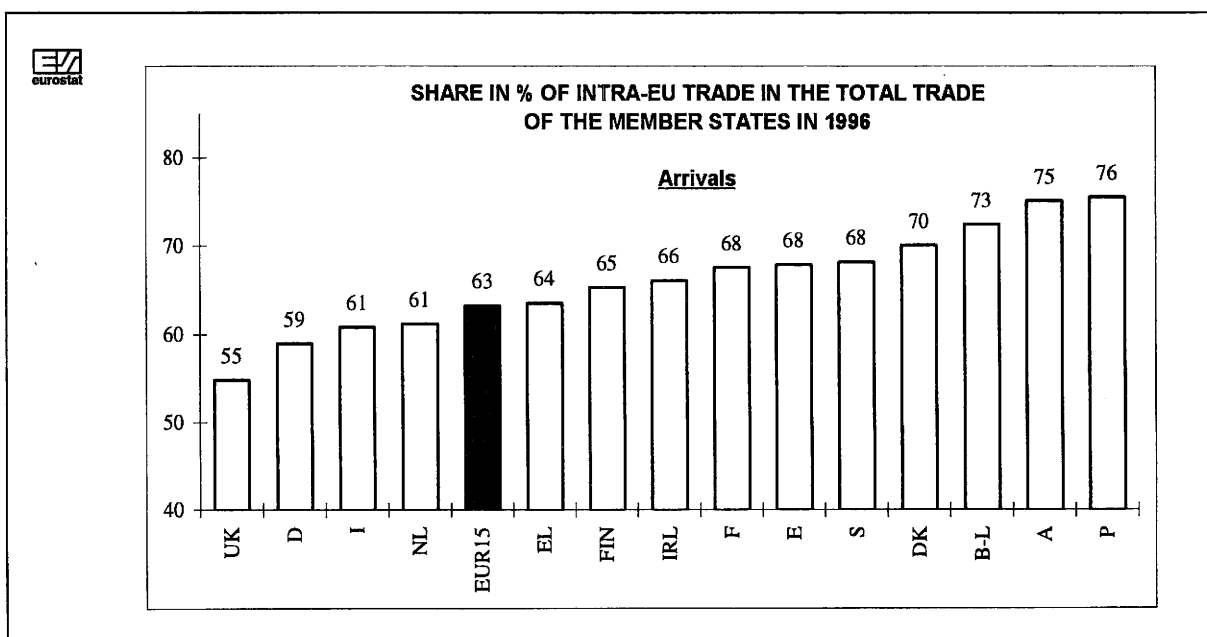
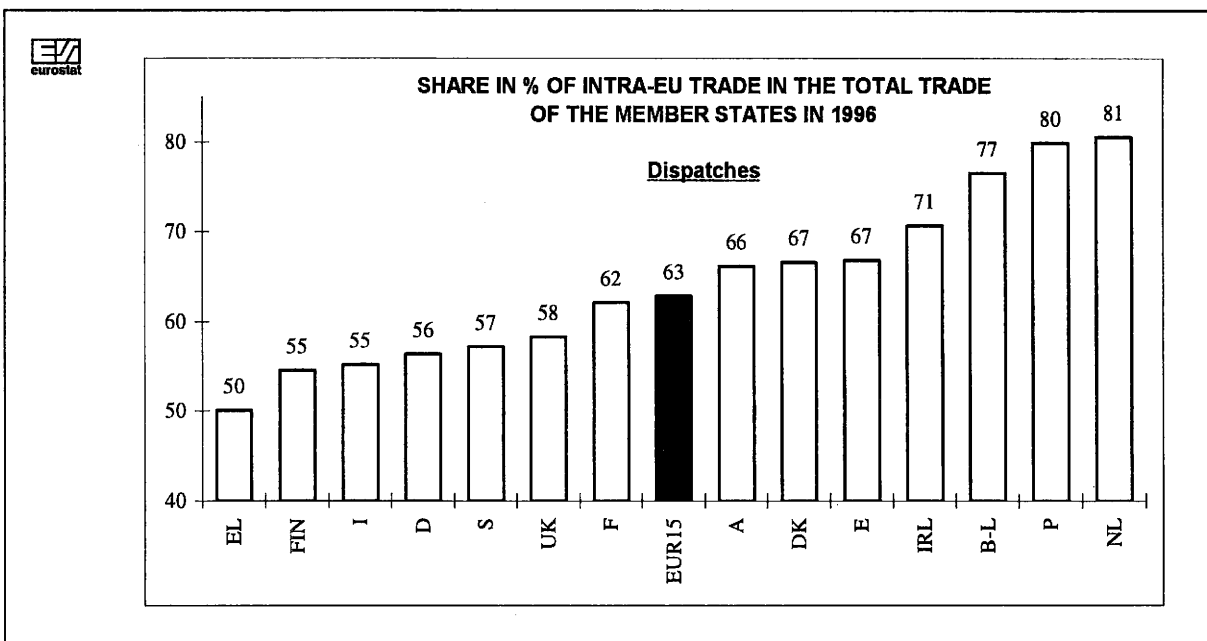
trade with other countries, especially Germany and Benelux.

In 1996 the growth in trade depended primarily on the machinery and transport equipment sector (+14% for dispatches and +16% for arrivals). The reduction in Spain's trade deficit comes from the increase in its surplus on trade in food products (ECU +1.2 billion between 1995 and 1996) and, to a lesser extent, from the smaller deficits for raw materials and other manufactured goods (each down by ECU 0.4 billion).

FRANCE



France's intra-Community trade grew at a rate below the Community average in 1996. Dispatches were up by 2.0% and arrivals by 1.5%. The trade deficit came to ECU 5.7 billion, slightly down on the 1995 figure of 6.4 billion.



The slowdown in French trade was mitigated by growth in trade with Spain and the United Kingdom. The drop in dispatches to Germany (-0.9%) and Italy (-2.6%) was thus partly offset by better export performances to Spain (9.9%) and the United Kingdom (3.2%). Similarly, the fall in arrivals from France's two main partners, Germany (-3.1%) and Belgium-Luxembourg (-0.6%) was offset by increased imports from Spain (+8.3%) and the United Kingdom (+7.2%).

Dispatches of raw materials excluding energy (-10%) and other manufactured goods (SITC 6 and 8) fell between 1995 and 1996. The food-surplus went down by ECU 0.3 billion as a result of a drop in dispatches (-0.8%). This cut in the food surplus was more than offset by the smaller deficit (down by ECU 1.8 billion) affecting manufactured goods (SITC 5-8). Lastly, the sharp rise in the value of imported energy products (+22.4%) was a factor in the worsening trade balance in this sector (by ECU 0.8 billion).

IRELAND



To allow for the effect of the thresholds and non-response by some operators, Ireland makes adjustments to its figures for intra-Community trade. Last year, these amounted to 18% of the total. The adjusted figures show that arrivals (+11.3%) were growing much faster than dispatches (+5.3%). This did not have any significant effect on Ireland's trade surplus, which in 1996 was ECU 8.8 billion (compared with 9.2 billion in 1995).

Ireland is one of the Member States whose external trade is most geared to the European Union, which in 1996 accounted for 70% of the country's exports and 66% of its imports. The United Kingdom is the main partner, far ahead of Germany, and took 34.2% of Irish dispatches and provided 62.5% of its arrivals.

ITALY

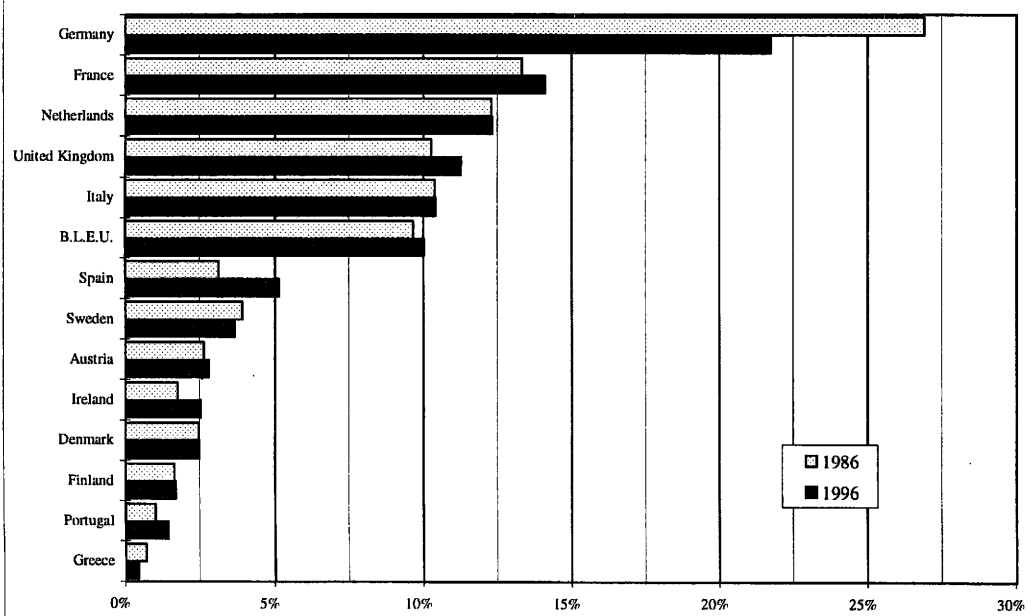


Although the pace slackened in comparison with 1995, Italy maintained a healthy growth in its dispatches in 1996 (+6.7%). The more marked slowdown affecting arrivals (+3.6% in 1996) pushed the country's trade surplus up by ECU 3.5 billion to a figure of ECU 10 billion.

Germany remained Italy's primary partner, accounting for about a third of the country's intra-Community trade. The growth in Italian dispatches stemmed mainly from exports to the United Kingdom (+14.9%), France (5.9%) and Spain (+11.4%). The lower growth rate for arrivals was mainly the result of a drop in arrivals from Germany (-0.4%) and France (+0.4%), which together accounted for 52.5% of the total in 1996.



SHARE OF EACH MEMBER STATE IN THE EU DISPATCHES



The rise in the trade surplus is primarily due to manufactured goods (ECU +3.2 billion), while the structural deficits recorded for food products (ECU -4.9 billion) and chemical products (ECU -6.9 billion) showed little or no change in 1996. The sectors in which dispatches increased the most in 1996 were machinery and transport equipment (+10%), chemical products (+9.7%) and food (+7.5%).

Italian firms are even more vigorous when it comes to

exports to third countries, which rose by 16.0% in 1996 compared with 11.7% in

Austria, Finland and Sweden have been using the Community methodology only since they joined the European Union in 1995. Because of this change in methods, any comparison of growth rates for 1995 and 1996 is relatively meaningless.

1995. Thanks to a more modest rise in imports (+3.6%), Italy achieved a record surplus of ECU 24.7 billion, in addition to its intra-EU surplus.

NETHERLANDS



The non-response rate for Intrastat declarations on intra-Community trade is particularly high in the Netherlands. The adjustments to the figures for 1996 amounted to 12% of dispatches and 17% of arrivals.

According to the adjusted figures, the country's trade surplus amounted to ECU 37.3 billion last year. This was an improvement of 2.6 billion, since the reduced growth rate for dispatches (+4.1%) was less than that for arrivals (+2.8%). This surplus should however be analysed in conjunction with the country's deficit in relation to extra-Community trade and its role as a transit country in European trade.

Germany (35.6%) and the BLEU (17.5%) were the main destinations

for Dutch dispatches in 1996. These two partners also account for more than 50% of Dutch arrivals.

The adjustments concerning intra-Community trade are not redistributed by product, which means that the available figures for sectoral trends have to be viewed with caution. However, according to these data, the rise in the trade surplus apparently stems primarily from an increase of ECU 2.6 billion in the surplus for energy products. In 1996, because of the rise in oil prices, dispatches of energy products were up by 32.5%. The trade surplus on food rose slightly (ECU +0.4 billion), while the surplus on manufactured goods fell by ECU 0.8 billion.

AUSTRIA

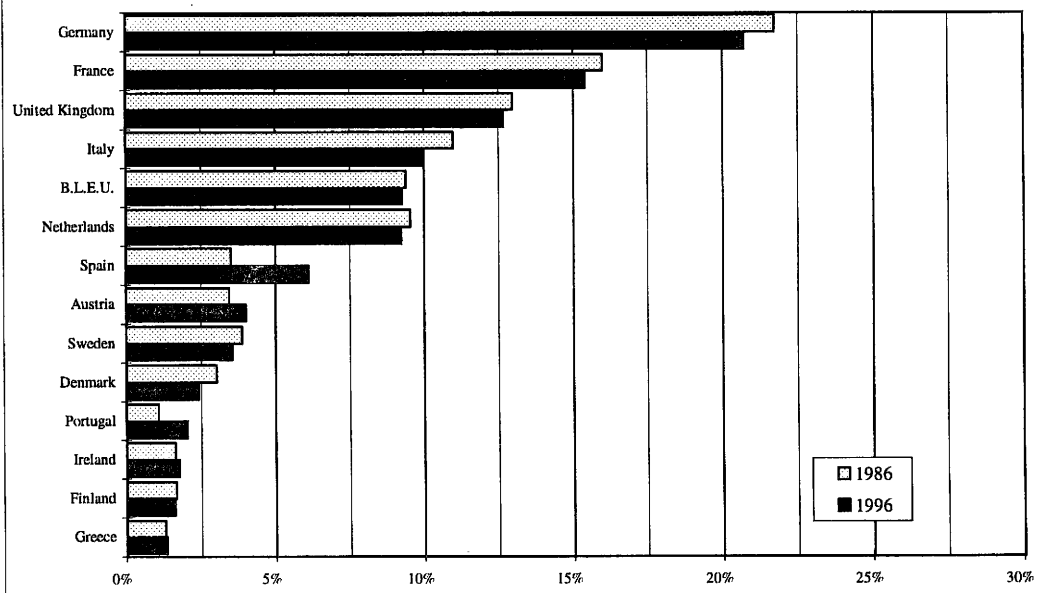


According to the estimates of intra-Community trade compiled by Austria, growth in dispatches was down to 1.3% in 1996, with the corresponding figure for arrivals down to 3.5%. This pushed the country's deficit up from ECU 9.4 billion in 1995 to 10.4 billion in 1996. These figures mainly reflected the slowdown in trade with Germany, which accounts for more than 60% of Austria's intra-Community trade, together with only a slight increase in trade with Italy.

On the other hand, Austria has a surplus in trade with non-member countries. With exports up by 15.0% and imports by 13.1%, this surplus amounted to ECU 1.9 billion in 1996.



SHARE OF EACH MEMBER STATE IN THE EU ARRIVALS



PORTUGAL



The other Member States account for much of Portugal's external trade, taking 80% of the country's exports and providing 76% of its imports. The figures for intra-Community trade continued to show healthy increases in 1996, with dispatches up by 7.6% and arrivals by 10.4%. The net result was that Portugal's trade deficit worsened by ECU 0.8 billion in 1996, to end up at 5.3 billion.

The main destinations for Portugal's dispatches were Germany (+6.0%), Spain (+4.2%) and France (+8.9%). Dispatches to Belgium-Luxembourg (+46.8%) provided the greatest extra growth (ECU 0.3 billion), although the BLEU accounted for only 5.2% of Portugal's dispatches.

The strong increase in arrivals was primarily the result of Portugal's flourishing trade with its two main partners, Spain (+16.6%) and Germany (+16.1%), as well as with the United Kingdom (+9.6%).

The growth in intra-Community trade in 1996 was led by the increased trade in machinery and transport equipment, affecting both dispatches (+30.4%) and arrivals (+20%). Growth in dispatches trailed growth in arrivals in other sectors, with the result that there was a worsening of the trade balance.

FINLAND



After 1995, when Finland experienced a boom in trade with the other Member States, intra-Community trade slowed considerably in 1996, with dispatches down in value terms (-0.9%) and a slower rate of growth for arrivals (+9.6% compared with +36.3% in 1995). The difference between

the two flows produced Finland's lowest intra-Community trade surplus in the last five years. The 1996 figure was ECU 1.6 billion (compared with 3.1 billion in 1995).

With more than 60% of the total, Germany, Sweden and the United Kingdom are Finland's main trading partners in the European Union. While dispatches to Germany declined (-0.9%), those to Sweden and the United Kingdom rose by +18.3% and +6.9% respectively, thereby limiting the downturn for dispatches. Although arrivals from Sweden (+11.8%) and the United Kingdom (+12.2%) had a greater impact, there were significant increases in purchases from France (+24.8%) and Denmark (+17%).

The decline in Finland's surplus in 1996 was primarily due to a fall in structural surpluses for manufactured goods (ECU -1 billion) and raw materials (ECU -0.3 billion). Arrivals in the food sector were also up by 27.7%, which increased the existing deficit in this sector by ECU 0.2 billion.

SWEDEN



Sweden's intra-Community trade recorded modest growth of 3.7% for arrivals in 1996, while the stronger performance for dispatches (6.1%) pushed the country's surplus up to ECU 3.1 billion (compared with ECU 2.1 billion in 1995).

Sweden's foremost partners in the European Union are Germany and the United Kingdom, which in 1996 accounted for 21.4% and 16.8% respectively of Sweden's dispatches and 28.6% and 14.8% of its arrivals. Denmark ranks third, with 11.4% for dispatches and 11.5% for arrivals in 1996.

Most of Sweden's surplus in 1996 stemmed from trade in raw materials excluding energy (ECU 2.3 billion) and manufactured goods (SITC 5-8) for ECU

1.1 billion. The sharp increase in arrivals of food (+20.8%) and energy products (+70.9%) helped to increase the deficits in these two sectors by ECU 0.2 billion and 0.5 billion respectively.

UNITED KINGDOM



The United Kingdom's trade was little affected in 1996 by the slackening of intra-Community trade, and its growth rate is now ahead of the Community average. Dispatches were up by 9%, almost matching the previous year's figure of 9.4%. The growth in arrivals (9.8%, compared with 6.6% in 1995) meant that the trade deficit worsened to ECU 8.2 billion (compared with 6.6 billion in 1995). "Adjustments" amounted to 8% of dispatches and 11% of arrivals in 1996.

Among the main destinations for United Kingdom goods, France (+13.9%), the Netherlands (+11.2%) and Ireland (+13%) experienced a greater rise in UK dispatches than Germany (+4.4%) and the BLEU (+5.1%). The increase in UK arrivals was also spread among its EU partners, with the major increases affecting Germany (+7.2%), France (+11.8%), the Netherlands (+11.2%), Belgium-Luxembourg (+11.8%) and Spain (+19.7%).

Rising oil prices were a factor in the United Kingdom's bigger surplus regarding energy products (ECU +1.5 billion). Although there was also a slight fall in the deficit on manufactured goods (ECU 0.7 billion), the extent of the adjustments that were made concerning arrivals increased the deficit for "adjustments and miscellaneous" by ECU 3.3 billion.



TABLE 1: EVOLUTION OF INTRA-EUROPEAN UNION TRADE (EUR 15)

DISPATCHES



	1992	1993		1994		1995		1996	
	Value	Value	93/92	Value	94/93	Value	95/94	Value	96/95
EUR15	833 693	797 379	-4.4%	899 366	12.8%	1016 172	13.0%	1049 420 E	3.3% E
<i>B.L.E.U.</i>	79 917	81 804	2.4%	90 525	10.7%	101 998	12.7%	105 220	3.2%
<i>Denmark</i>	21 243	20 963	-1.3%	23 004	9.7%	25 200	9.6%	25 974	3.1%
<i>Germany</i>	210 342	189 958	-9.7%	208 246	9.6%	232 766	11.8%	228 029	-2.0%
<i>Greece</i>	5 212	4 247	-18.5%	4 516	6.3%	5 080	12.5%	4 664 E	-8.2% E
<i>Spain</i>	36 246	35 498	-2.1%	42 970	21.0%	49 065	14.2%	53 987	10.0%
<i>France</i>	125 612	113 609	-9.6%	130 142	14.6%	145 033	11.4%	147 985	2.0%
<i>Ireland</i>	16 814	17 909	6.5%	21 058	17.6%	25 043	18.9%	26 361	5.3%
<i>Italy</i>	84 696	82 566	-2.5%	92 528	12.1%	102 384	10.7%	109 238	6.7%
<i>Netherlands</i>	94 409	93 052	-1.4%	105 838	13.7%	124 167	17.3%	129 287	4.1%
<i>Austria</i>	23 323	22 473	-3.6%	24 563	9.3%	29 036	18.2%	29 408	1.3%
<i>Portugal</i>	11 434	10 529	-7.9%	12 092	14.8%	13 952	15.4%	15 018	7.6%
<i>Finland</i>	11 850	11 496	-3.0%	14 203	23.5%	17 787	25.2%	17 624	-0.9%
<i>Sweden</i>	26 882	25 102	-6.6%	30 501	21.5%	36 199	18.7%	38 409	6.1%
<i>United Kingdom</i>	85 713	88 174	2.9%	99 179	12.5%	108 461	9.4%	118 215	9.0%

ARRIVALS



	1992	1993		1994		1995		1996	
	Value	Value	93/92	Value	94/93	Value	95/94	Value	96/95
EUR15	838 365	767 552	-8.4%	859 940	12.0%	974 269	13.3%	997 846 E	2.4% E
<i>B.L.E.U.</i>	75 892	75 148	-1.0%	80 060	6.5%	89 063	11.2%	92 335	3.7%
<i>Denmark</i>	18 740	17 877	-4.6%	20 809	16.4%	23 961	15.1%	24 047	0.4%
<i>Germany</i>	196 685	172 679	-12.2%	190 027	10.0%	216 974	14.2%	206 782	-4.7%
<i>Greece</i>	12 221	11 843	-3.1%	12 276	3.7%	13 879	13.1%	13 346 E	-3.8% E
<i>Spain</i>	47 288	43 061	-8.9%	49 611	15.2%	57 061	15.0%	60 921	6.8%
<i>France</i>	136 682	117 743	-13.9%	134 545	14.3%	151 471	12.6%	153 713	1.5%
<i>Ireland</i>	12 502	12 129	-3.0%	14 064	16.0%	15 817	12.5%	17 610	11.3%
<i>Italy</i>	91 675	75 317	-17.8%	86 263	14.5%	95 845	11.1%	99 251	3.6%
<i>Netherlands</i>	71 137	69 330	-2.5%	77 878	12.3%	89 495	14.9%	91 976	2.8%
<i>Austria</i>	29 349	28 742	-2.1%	31 781	10.6%	38 439	20.9%	39 765	3.5%
<i>Portugal</i>	17 914	15 406	-14.0%	16 716	8.5%	18 436	10.3%	20 346	10.4%
<i>Finland</i>	9 403	8 767	-6.8%	10 746	22.6%	14 647	36.3%	16 054	9.6%
<i>Sweden</i>	24 170	22 759	-5.8%	27 226	19.6%	34 085	25.2%	35 331	3.7%
<i>United Kingdom</i>	94 707	96 752	2.2%	107 940	11.6%	115 096	6.6%	126 370	9.8%

Value in millions of ECU

E: estimated data

Note: The values of the dispatches of B.L.E.U., Germany, and the Netherlands have been adjusted for the year 1992 (including the redispaches).

Sources: COMEXT2 and information transmitted by the Member States up to 24.04.1997

TABLE 2: QUARTERLY EVOLUTION OF INTRA-EUROPEAN UNION TRADE (EUR 15)

DISPATCHES



	Q4 95	Q1 96		Q2 96		Q3 96		Q4 96	
	Value	Value	96/95	Value	96/95	Value	96/95	Value	96/95
EUR15	261 879	265 715	2.9%	261 674	0.9%	245 711	3.7%	276 321 E	5.5% E
B.L.E.U.	25 217	27 263	0.8%	27 029	1.6%	24 711	6.8%	26 219	4.0%
Denmark	6 526	6 401	0.2%	6 343	0.8%	6 349	6.0%	6 881	5.4%
Germany	58 650	56 513	-3.4%	55 447	-8.0%	54 534	-1.5%	61 536	4.9%
Greece	1 370	1 260	-0.8%	1 122	-8.8%	1 102	-8.9%	1 179 E	-13.9% E
Spain	13 354	13 994	11.9%	14 021	10.5%	11 354	8.0%	14 618	9.5%
France	37 611	38 686	4.7%	36 864	-1.4%	34 240	3.5%	38 196	1.6%
Ireland	7 074	6 863	14.9%	6 651	8.6%	5 839	-0.6%	7 008	-0.9%
Italy	27 030	26 847	5.6%	28 005	7.9%	25 659	7.0%	28 726	6.3%
Netherlands	31 558	32 530	3.6%	31 729	-0.3%	30 936	5.4%	34 092	8.0%
Austria	7 391	7 556	3.2%	7 334	0.5%	6 976	-0.7%	7 541	2.0%
Portugal	3 547	3 953	8.1%	3 895	12.1%	3 506	7.1%	3 664	3.3%
Finland	4 597	4 272	-1.1%	4 676	0.3%	4 064	-3.4%	4 613	0.3%
Sweden	9 507	9 500	1.8%	9 984	9.4%	9 064	10.2%	9 860	3.7%
United Kingdom	28 447	30 077	7.2%	28 573	8.6%	27 377	6.7%	32 188	13.2%

ARRIVALS



	Q4 95	Q1 96		Q2 96		Q3 96		Q4 96	
	Value	Value	96/95	Value	96/95	Value	96/95	Value	96/95
EUR15	253 264	251 609	3.4%	248 109	0.0%	232 726	1.4%	265 402 E	4.8% E
B.L.E.U.	22 342	24 483	4.8%	23 493	1.6%	21 331	5.4%	23 028	3.1%
Denmark	6 303	5 980	-1.5%	5 984	-0.5%	5 691	2.1%	6 392	1.4%
Germany	54 437	50 864	-5.0%	49 607	-10.2%	48 824	-9.2%	57 487	5.6%
Greece	4 116	2 907	-8.4%	3 388	2.7%	3 338	1.5%	3 713 E	-9.8% E
Spain	15 306	15 544	10.7%	15 828	6.6%	13 316	3.5%	16 232	6.0%
France	39 309	39 983	3.5%	38 373	-0.9%	35 878	3.1%	39 480	0.4%
Ireland	4 294	4 447	16.3%	4 416	12.8%	3 980	5.2%	4 767	11.0%
Italy	26 856	25 150	6.2%	25 063	4.5%	21 583	1.2%	27 455	2.2%
Netherlands	23 218	23 239	2.8%	22 685	-1.7%	21 969	6.6%	24 083	3.7%
Austria	9 716	10 071	4.8%	9 919	1.5%	9 886	5.9%	9 889	1.8%
Portugal	4 689	4 956	5.1%	5 130	3.5%	4 654	14.2%	5 606	19.5%
Finland	4 048	3 954	13.3%	3 960	9.5%	3 720	6.5%	4 420	9.2%
Sweden	9 562	8 651	3.9%	9 015	10.0%	8 162	2.1%	9 503	-0.6%
United Kingdom	29 070	31 380	10.8%	31 248	6.4%	30 394	7.3%	33 348	14.7%

Value in millions of ECU

E: estimated data

Sources: COMEXT2 and information transmitted by the Member States up to 24.04.1997

**TABLE 3: STRUCTURE OF INTRA-EUROPEAN UNION TRADE (EUR 15)
BY PRINCIPAL PRODUCT GROUPS - YEAR 1996 -**

DISPATCHES



REPORTING COUNTRIES	Foods, beverages, tobacco SITC 0+1		Raw materials SITC 2+4		Fuel products SITC 3		Chemicals SITC 5		Machinery, transport equipment SITC 7		Other manufactured goods SITC 6+8		Other SITC9 + adjustments	
	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95
B.L.E.U.	11 911	1.9%	3 015	-1.7%	3 082	24.3%	18 557	2.5%	31 250	9.7%	33 945	-0.3%	3 461	-16.0%
Denmark	5 949	0.4%	1 233	2.6%	1 424	59.1%	2 266	8.5%	6 064	13.8%	7 393	5.3%	1 645	-39.9%
Germany	13 184	0.9%	5 034	-20.2%	3 427	48.8%	29 862	-3.1%	104 507	-1.3%	59 115	-6.2%	12 902	13.9%
Greece	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Spain	8 353	9.1%	1 762	3.0%	904	21.7%	3 902	-0.2%	24 545	14.1%	13 984	5.0%	536	151.8%
France	21 693	-0.8%	4 308	-10.0%	3 487	2.9%	20 571	2.1%	59 722	5.3%	37 785	-0.1%	419	31.4%
Ireland	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Italy	8 137	7.5%	1 489	3.6%	584	15.8%	8 796	9.7%	40 319	10.0%	49 060	3.5%	853	4.4%
Netherlands	20 367	0.1%	6 685	1.1%	12 208	32.5%	18 039	-2.4%	31 173	8.9%	24 756	-2.8%	16 059	4.1%
Austria	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Portugal	870	4.6%	666	-25.7%	192	-27.3%	647	-4.8%	5 158	30.4%	7 484	2.2%	1	17.7%
Finland	311	12.9%	1 658	-16.2%	554	77.0%	1 054	-2.7%	5 441	10.3%	8 385	-6.0%	221	-22.6%
Sweden	878	23.7%	3 201	-14.6%	1 163	19.2%	3 172	0.2%	13 628	4.8%	12 486	0.3%	3 881	80.3%
United Kingdom	7 636	-3.5%	1 975	-14.2%	8 822	23.8%	15 174	1.7%	46 564	6.1%	28 102	-0.3%	9 943	140.4%

ARRIVALS



REPORTING COUNTRIES	Foods, beverages, tobacco SITC 0+1		Raw materials SITC 2+4		Fuel products SITC 3		Chemicals SITC 5		Machinery, transport equipment SITC 7		Other manufactured goods SITC 6+8		Other SITC9 + adjustments	
	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95	Value	Evolution 96/95
B.L.E.U.	9 060	-8.3%	3 477	-10.1%	6 528	29.3%	13 885	4.8%	26 853	13.4%	25 593	-1.4%	6 939	-6.0%
Denmark	2 204	3.2%	897	-9.1%	412	23.0%	2 961	-2.7%	8 250	-0.9%	7 217	-4.2%	2 107	31.4%
Germany	22 839	-2.6%	7 192	-14.9%	11 251	25.3%	21 779	-5.6%	71 219	-0.6%	55 621	-10.3%	16 880	-12.6%
Greece	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Spain	5 503	-8.8%	2 244	-11.9%	921	14.6%	8 469	3.6%	27 258	16.0%	15 982	1.5%	544	121.1%
France	15 807	0.7%	4 110	-11.0%	4 784	22.4%	19 997	0.6%	62 849	4.3%	45 917	-2.4%	249	133.1%
Ireland	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Italy	13 029	3.8%	5 962	-6.3%	1 477	20.6%	15 712	4.4%	36 960	7.2%	24 866	-0.8%	1 245	13.3%
Netherlands	9 268	-3.6%	2 872	-9.2%	2 678	18.9%	11 173	-4.8%	27 161	9.9%	23 080	1.2%	15 745	3.6%
Austria	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Portugal	2 111	7.0%	547	-3.5%	419	0.8%	2 377	5.9%	8 239	20.0%	6 542	4.8%	111	-11.5%
Finland	1 071	27.7%	594	-9.0%	899	44.9%	2 257	4.8%	6 750	12.0%	4 083	2.7%	400	6.6%
Sweden	2 260	20.8%	882	-13.6%	1 720	70.9%	4 173	2.6%	14 538	5.5%	9 494	-1.0%	2 263	-17.8%
United Kingdom	12 035	1.9%	3 204	-9.0%	1 701	11.3%	14 806	-3.8%	49 688	6.3%	30 202	-0.7%	14 733	159.9%

Values in millions of ECU

« : »: unavailable data

Source: COMEXT2 on 24.04.1997

TABLE 4: STRUCTURE OF INTRA-EUROPEAN UNION TRADE (EUR 15)
BY PARTNER COUNTRIES - 1996 -

DISPATCHES



REPORTING COUNTRIES	PARTNER COUNTRIES														
	B.L.E.U.	Denmark	Germany	Greece	Spain	France	Ireland	Italy	Netherlands	Austria	Portugal	Finland	Sweden	United Kingdom	TOTAL
B.L.E.U.	-	1.2%	27.5%	0.8%	4.0%	24.3%	0.6%	7.3%	17.5%	1.4%	1.0%	0.8%	1.9%	11.7%	100.0%
Denmark	3.1%	-	34.0%	1.2%	3.0%	8.3%	0.8%	6.0%	6.6%	1.6%	1.1%	4.0%	16.4%	13.9%	100.0%
Germany	11.0%	3.2%	-	1.2%	6.3%	19.3%	0.8%	13.2%	13.2%	9.9%	1.8%	1.7%	4.2%	14.2%	100.0%
Greece	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:
Spain	4.2%	0.9%	20.4%	1.4%	-	28.5%	0.6%	12.4%	4.6%	1.2%	12.1%	0.4%	1.3%	12.0%	100.0%
France	13.2%	1.4%	27.5%	1.3%	12.2%	-	0.8%	14.7%	7.0%	1.8%	2.2%	0.8%	2.2%	14.8%	100.0%
Ireland	7.0%	2.0%	19.4%	0.9%	3.5%	12.5%	-	5.5%	10.1%	0.8%	0.6%	0.8%	2.7%	34.2%	100.0%
Italy	4.9%	1.5%	31.6%	3.4%	8.8%	22.6%	0.7%	-	5.3%	4.3%	2.4%	0.9%	1.8%	11.7%	100.0%
Netherlands	17.5%	2.0%	35.6%	1.0%	3.6%	13.7%	0.9%	7.3%	-	1.9%	0.9%	1.1%	2.9%	11.7%	100.0%
Austria	2.9%	1.2%	58.0%	0.8%	3.4%	6.7%	0.4%	13.4%	4.1%	-	0.6%	1.0%	2.2%	5.4%	100.0%
Portugal	5.2%	2.2%	26.6%	0.6%	17.8%	17.7%	0.6%	4.6%	6.1%	1.5%	-	1.0%	2.6%	13.5%	100.0%
Finland	4.6%	5.6%	22.4%	0.9%	3.9%	8.1%	1.1%	4.7%	7.3%	1.6%	0.9%	-	19.8%	18.9%	100.0%
Sweden	8.3%	11.4%	21.4%	0.7%	3.6%	8.5%	1.1%	5.8%	10.2%	2.0%	0.9%	9.4%	-	16.8%	100.0%
United Kingdom	8.9%	2.3%	21.6%	1.2%	7.0%	17.8%	9.0%	8.4%	14.1%	1.3%	1.8%	1.9%	4.6%	-	100.0%

ARRIVALS



REPORTING COUNTRIES	PARTNER COUNTRIES														
	B.L.E.U.	Denmark	Germany	Greece	Spain	France	Ireland	Italy	Netherlands	Austria	Portugal	Finland	Sweden	United Kingdom	TOTAL
B.L.E.U.	-	0.8%	26.1%	0.2%	2.5%	20.2%	1.9%	5.6%	24.6%	0.8%	0.7%	0.8%	3.6%	12.2%	100.0%
Denmark	5.2%	-	31.4%	0.2%	1.8%	8.0%	1.8%	6.3%	10.1%	1.4%	1.5%	4.1%	17.8%	10.4%	100.0%
Germany	12.5%	3.1%	-	0.7%	5.5%	18.6%	2.0%	13.7%	19.0%	6.6%	1.9%	1.6%	3.3%	11.4%	100.0%
Greece	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:
Spain	5.7%	1.2%	22.7%	0.5%	-	27.0%	1.3%	13.5%	6.9%	1.5%	4.3%	1.0%	2.1%	12.3%	100.0%
France	14.9%	1.4%	28.4%	0.3%	10.0%	-	2.0%	14.6%	9.9%	1.2%	1.6%	1.0%	1.9%	12.7%	100.0%
Ireland	2.7%	1.3%	11.7%	0.1%	2.0%	6.7%	-	3.2%	5.7%	0.4%	0.5%	1.0%	2.2%	62.5%	100.0%
Italy	7.9%	1.5%	30.7%	1.2%	6.9%	21.8%	1.7%	-	9.6%	3.8%	0.8%	0.9%	2.3%	10.9%	100.0%
Netherlands	17.5%	1.7%	34.6%	0.2%	3.2%	11.5%	1.7%	5.5%	-	1.3%	1.0%	1.4%	4.3%	15.9%	100.0%
Austria	3.4%	1.0%	62.9%	0.3%	1.5%	6.1%	0.5%	11.3%	6.3%	-	0.4%	0.8%	2.0%	3.6%	100.0%
Portugal	4.4%	1.1%	20.5%	0.2%	29.7%	14.7%	0.7%	10.9%	5.9%	0.8%	-	0.7%	1.6%	8.9%	100.0%
Finland	5.0%	7.9%	23.9%	0.3%	1.9%	6.7%	1.2%	5.7%	8.4%	1.7%	1.0%	-	22.9%	13.4%	100.0%
Sweden	5.5%	11.5%	28.6%	0.2%	1.9%	8.8%	1.9%	5.0%	10.4%	1.6%	1.1%	8.7%	-	14.8%	100.0%
United Kingdom	8.7%	2.3%	27.3%	0.4%	5.0%	17.8%	7.2%	8.8%	12.4%	1.1%	1.7%	2.6%	4.7%	-	100.0%

« : »: unavailable data

Sources: COMEXT2 and information transmitted by the Member States up to 24.04.1997

DATA AVAILABILITY

Status of data sent to Eurostat on 2 June 1997

① Intra + Extra:

- ✓ Detailed data (CN8 data)

② Intra / Extra:

- Detailed data (CN8 data)
- Global data with breakdown by partner country

PERIOD	Eur.15	BLEU	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK
1 9 9 6	January	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	February	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	March	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	April	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	May	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	June	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	July	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	August	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	September	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	October	●/■	✓	✓	✓	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓
	November	●/■	✓	✓	✓	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓
	December	●/■	✓	✓	✓	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓

PERIOD	Eur.15	BLEU	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK
1 9 9 7	January		✓	✓	●/■	✓	✓	-/■	✓			✓	✓	✓	✓
	February		✓	✓		✓	✓	-/■	✓			-/■	✓		✓
	March		-/■	-/■					-/■	-/■		-/■	-/■		●/■
	April														
	May														
	June														

IMPROVEMENT OF THE STATISTICS RELATING TO THE EXCHANGE GOODS: THE PROGRESS OF THE WORK

Eurostat and the Member States have set up three working groups responsible in various domains for improving the operation of the Intrastat system and enhancing the quality of the statistics (cf. Newsletter 2/1996, page 13). The progress of work is described below.

WORKING GROUP I

Working Group 1 (*'Statistical methods and links with taxation'*) has made progress in harmonising the treatment of 'specific' movements of goods. As well as aligning the rules applicable to extra-Community and intra-Community movements (ships and aircraft, complete industrial plant, etc.), common methods have been proposed in the following fields: marine products, military goods, ships' and aircraft's stores and supplies and staggered consignments. The purpose of these methods - which in some cases will require the national authorities to introduce specific controls and the use of several sources of information - is to achieve greater conformity with the United Nations recommendations. These proposals should shortly be reflected in amendments to the Community rules currently in force.

As far as the link between Intrastat and VAT is concerned, a working document has been drawn up in close collaboration with DG XXI, the Commission DG responsible for customs and indirect taxation. This document sets out and discusses - for the various types of commercial transaction - the formalities required under the transitional VAT system and Intrastat. Its main purpose is to

simplify and improve the national departments' checks, which rely on matching up statistical and fiscal information.

The group will continue its work on improving and adapting statistical methods over the coming months. However, the proposals relating to simplification of the Intrastat system will be examined within a broader context in collaboration with all the Member States.

WORKING GROUP II

As already described in the last Edicom Newsletter (2 : 1996, page 14), Working Group II is investigating ways to improve processing and verification procedures within the Member States.

The first stage of the Group's activities has focused on gaining in-depth information about the types of processing and control procedures of each Member State present. The countries involved (France, Germany, Italy, the Netherlands, and the UK) have marked differences in their systems and this wide variety in the way information is collected and processed presents difficulties for comparing procedures directly.

Therefore, the second stage has focused on how control and correction procedures in the different countries can be sensibly evaluated. Approaching efficiency of controls and corrections it can initially be said that measuring the total costs and benefits of the national systems is a very difficult task. The quality of the statistics presented will finally be the result of a large mix of factors e.g. error handling routines, use of information systems for declaration, cooperation with declarants etc., and it is normally not possible to isolate the effect of one factor from another. It was therefore decided to determine indicators for the efficiency of the control and correction procedures. It is, however, not excluded that elements of costs are to be found on the list of indicators.

The Group has preliminary identified a number of indicators which have been roughly divided into control categories. Some examples are as follows:

Controls for Completeness

- non response at due date, publication date, and Eurostat delivery (number of enterprises and estimated value).
- number of partially responding enterprises at due date, publication date, Eurostat delivery.(number of enterprises and estimated value)
- penalties
 - ⇒ the penalty for non-response usually applied
 - ⇒ effects of penalty actions
- accuracy of the INTRASTAT enter-

prise register and the cost of maintenance.

- ⇒ total number of enterprises in the register
- ⇒ how often the register is updated and which data elements are updated
- ⇒ number of enterprises which have been deleted/made inactive and why
- ⇒ number of new enterprises placed on the register

Controls for Validity

- as a proportion of total declarations (above assimilation threshold) - how many fail validity checks and what is their value
- how many man-hours per month are spent on validity controls?
- how many automatic corrections are performed in an average month?
- how many manual corrections are performed?
- what is the difference in the number of validity failures between EDI/diskette/tape/paper declarations?

Controls for Accuracy

- what comprises the credibility checks?
- which declarations are credibility checks applied to?
- are 100% of high value items checked for credibility? - what is high value?
- how many declarations fail credibility checks and what is the value as a proportion of total declarations checked
- what are the number and value of credibility failures that are corrected?
- the size of late revisions to the statistics

- number of trade challenges from users.

Helping Declarants Help Themselves

- number and nature of trader inquiries.

The third stage of the Group's activities will focus on the creation of a questionnaire around the indicators and gathering proposals from the Member States on which indicators they can employ, and how this can be done.

The fourth stage will see the Member States measuring the efficiency and effectiveness of their control and correction systems. The resulting data will be collected via the questionnaire.

The Group realised at an early stage that, given the enormous differences in the National systems, it can not aim to standardize controls over the Member States. Instead the aim for the fifth, and final, phase of the Group's work is to present a report which states how effective and efficient each Member State finds their system of controls and if interested, other Member States can approach the Member State concerned for more details of their system. The results of the questionnaire will form the basis for this report.

WORKING GROUP III

Working Group III deals with data adjustment and quality. The first aim of the group is to produce a detailed report on adjustment procedures currently in use in different Member States. Based on the report, the group would like to recommend some good and suitable adjustment methods for those Member States that do not yet adjust (see the table following). The need for adjust-

ments arises from, for example, partial and non response or below threshold trade.

The working group had its second meeting on 20 and 21 February 1997 at the CBS in Heerlen. Since the first meeting held in London at the end of September last year (a detailed report of the meeting can be found in Newsletter 2/96) Germany joined the group. In addition, the UK representative has been changed (the United Kingdom chairs the group). Other members are Ireland, the Netherlands and Sweden.

In Heerlen the working group discussed the latest version of the "Overview of adjustment procedures in the 15 EU Member States". It was agreed that all Member States should be invited to update their entries later this year before the group's report is produced. Eurostat also reported progress on the work on adjusting mirror statistics for the part of trade that is not broken down by partner country.

The working group agreed that the report of the group should include sections on estimation for: partial and non response, below threshold trade, and rapid results (on the table one can find current activities of the Member States in these fields). In addition, it was agreed that whilst a lot of information on estimation techniques in use had been assembled, very little comparative evaluation of the techniques was available and this should be a priority for the group.

Eurostat was concerned about the measurement of the statistical value and the forthcoming Intrastat changes. Eurostat felt that it would be helpful if Member States could be given some guidance on appropriate estimation techniques. The working group accepted that this was an area of interest and agreed to provide possible guidance by the June Committee meeting.

Overview of Adjustment Practices in Member States

RDE: Adjustments are included into data sent for Rapid Data Exchange but not into detailed COMEXT data.

COMEXT: Adjustments are included into detailed data sent for the COMEXT database.

Member State	Adjustment for non-response	Adjustment for trade below the assimilation threshold	Adjustment for trade below the simplification threshold	Early global estimates
<i>Austria</i>	COMEXT	COMEXT	No simplification threshold	No
<i>Belgium</i>	RDE	RDE	No simplification threshold	No
<i>Denmark</i>	COMEXT (since 1996)	No	Quantities are estimated - COMEXT	No
<i>Finland</i>	No	COMEXT	Quantities are estimated - COMEXT (since 96)	No
<i>France</i>	No	No	No simplification threshold	No
<i>Germany</i>	COMEXT	Until December 1995, for SNA and BOP only. Since January 1996, provided to Eurostat.	No simplification threshold	No
<i>Greece</i>	No	Yes, but not provided to Eurostat.	No	No
<i>Ireland</i>	COMEXT	COMEXT	No simplification threshold	No
<i>Italy</i>	No	No	No simplification threshold	No
<i>Luxembourg</i>	Data is provided to the national bank of Belgium.	Yes, but for national statistics only.	Nature of transaction and mode of transport are estimated for national purposes only.	No
<i>Netherlands</i>	RDE	RDE	No simplification threshold	No
<i>Portugal</i>	Yes, but not provided to Eurostat	Yes, but not provided to Eurostat	No simplification threshold	No
<i>Spain</i>	No	Trade between assimilation threshold and simplification threshold is included in annual publications only.	The simplification threshold is in fact used as an assimilation threshold.	No
<i>Sweden</i>	COMEXT	COMEXT	No simplification threshold	Total arrivals and dispatches (no breakdown by partner country)
<i>United Kingdom</i>	RDE; for COMEXT not in standard format - therefore only loaded once a year	RDE; for COMEXT not in standard format - therefore only loaded once a year	No simplification threshold	No



SIMPLIFICATION IN STATISTICS - THE INTRASTAT CASE -

By Jürgen Heimann*

Report presented at the conference on "The Quality of the European and National Legislation and the Internal Market" held on 23-25 April 1997, The Hague

- ① **Introduction**
- ② **The Intrastat case - excessive rules and costs?**
 - a) *Intrastat legislation*
 - b) *costs for administrations and respondents*
 - c) *..... and the benefits?*
- ③ **The SLIM initiative just in time**
 - a) *before Slim*
 - b) *SLIM at the right time*
 - c) *the Intrastat SLIM team and its proposals*
 - d) *problems of implementation found*
- ④ **Lessons from Intrastat and the SLIM initiative**

ing interests and presents the experiences which have brought about acceptable solutions for both the providers and users of these statistics.

2. THE INTRASTAT CASE - EXCESSIVE RULES AND COSTS?

a) *Intrastat legislation*

1. INTRODUCTION

Simplification in statistics is not a new topic. In the past many statistical institutes in the Member States have had to face budget cuts which could not be met solely by the rationalisation of internal working operations but where a reduction of the statistical programmes became necessary. More recently, strong political movements advocating deregulation and simplification of legislation amplified the pressure to achieve further simplification of administrative obligations. These initiatives, conducted at national and EU level, focus on the administrative burden of business and aim to lighten this burden in order to improve the competitiveness of enterprises and thus their employment creating potential. Within this setting, statistics have been targeted for simplification.

pressure at the political level as well and may explain why statistics attract relatively high political attention in the debate on simplification despite the fact that statistical obligations only count for about 5% of total administrative costs carried by enterprises.¹

Under these circumstances the producers of official statistics are confronted with a challenging situation. On the one hand they should contribute, with appropriate simplification measures, to perceptible cost reductions at the level of the responding enterprises, on the other hand users expect their steadily increasing needs for statistical information to be met. It is interesting to note that the main users, government services and business federations, come from the same camp as those requesting simplification.

The following presentation of the Intrastat case illustrates these conflict-

When customs formalities were abandoned with the completion of the Single Market on 1 January 1993, a system called Intrastat was set up to collect statistical information directly from enterprises on the trading of goods between Member States. The core of the new collection system is its link to the VAT system. The decision to link statistics to fiscal procedures had important methodological and practical consequences which are reflected in the Intrastat legislation² (e.g. scope, definition of parties responsible for providing information, date/period of registration of intra trade transaction, possibility of combined fiscal and statistical declarations, register of intra Community operators, data transfer from tax administration to statistics for control/quality purposes).

It is clear that the reference to the VAT system and the corresponding legislation has complicated the Intrastat legis-

Statistics suffer a certain unpopularity. Small and medium sized enterprises (SMEs) in particular argue that the supply of statistical information is a cost with little or no benefit. This view finds ex-

* The author, Principal Administrator in Eurostat, European Commission, is not presenting the position of his Institution, but expressing his personal views.

¹ A. Machin (1995), 'Statistical burdens on business'; P. Caille (1997), 'The question of the cost of administrative information'.

² Council regulation (EEC) No 3330/91

lation. However, most of these provisions were made to assure parallelism concerning the fiscal and statistical treatment of trade operations which contribute to simplification of data reporting from traders. Certainly, the question to be asked is, whether EU legislation has been excessively extended and is unnecessarily detailed? The author's personal opinion is affirmative, as experiences have shown the functioning of the Intrastat system is less reliant on these detailed provisions than was envisaged when the legislation was drafted and, in practice, is far more influenced by differences within the national administrations.

The Intrastat legislation differs from most other EU legislation in the statistical field by its direct intervention into the conceptual choice and design of the collection system, which normally is the responsibility of the Member State. What are the reasons for this? First proposals made in 1985 by the Statistical Office of the European Communities (Eurostat) favoured an autonomous system of data collection for one flow (intra exports) only. Such a system without any support from other administrative procedures and tied in national statistical infrastructures was rejected by Member States because of doubts on its applicability and the risks concerning the reliability of the data. They requested that the Commission define a collection system which established links to other administrative systems in order to assure control of coverage and/or to allow a combination of administrative and statistical reporting.

Therefore, the provisions made concerning the collection system constituted a prerequisite for the adoption of the new EU legislation by the Member States in this domain. The Commission had to accept this framework, or jeopardise the deadline (1.1.1993) for the introduction of the Intrastat system. A simpler and more output orientated approach was thereby abandoned.

The introduction of a threshold system³ was another very sensitive issue which contributed to the increased complexity

of EU legislation. In this case, however, the traders profited directly from these provisions which set the conditions for partial or total exemption from reporting obligations. The threshold system, as well as the collection system in general, required vastly more complex provisions to ensure the differing situations in the Member States could be accommodated.

Finally, the EU legislation looks overdetailed as it has not just set minimum requirements to satisfy Community information needs but also fixed minimum/maximum limits (e.g. listed mandatory and optional data elements) and includes other means to equalise the statistical burden of reporting traders across all Member States.

In conclusion, there are a number of good reasons (and not simply the eurocrat's mania for regulation) which explain the degree of complexity of these rules; it has been done, at least in part, to protect the interests of data providers. However, there are areas for which simplification of that legislation is desirable (see paragraphs on the SLIM project). In cases where complexity cannot be reduced, it would be appropriate to improve communication with the users of legislation by issuing explanatory notes, comments on legal texts, and examples of specific cases.

b) costs for traders and national administrations

The EU legislation on Intrastat determines, to a great extent, the statistical burden of intra Community operators by setting the rules for the threshold system, the list of mandatory data to be transmitted, and the delays and frequency of that transmission. Nevertheless, the compliance costs for the respondents are also influenced by the specific national regulations which, in conformity with the EU rules, fix:

- the value levels of the thresholds (the lowest being 26,000 ECU for intra imports in Greece and the highest being 621,500 ECU for intra exports in Ireland),
- the list of additional data (from the EU list of optional data, maximum 5 additional data elements),
- the conditions for specific concessions granted to traders for operations which are still not harmonised at EU level, e.g. simplified declarations for motor vehicle parts etc.

In addition, the national choice of declaration mode (purely statistical declarations or combined fiscal and statistical declarations) as well as the offered data transmission infrastructure (paper forms, electronic media, EDI), which still varies a lot between the Member States, affects the costs for traders.

Finally, costs are also determined by the characteristics of the traders: size of the company, number of trade operations, internal organisation, and tools used for data production and transmission to the national services.

Eurostat has conducted different studies on the costs of Intrastat which provide the following picture:

- Between 450,000 and 500,000 traders (mainly SMEs) in EU 15 submit Intrastat declarations (1996),
- Less than 20% of all intra Community traders provide 95% of the total value of intra trade,
- More than 2/3 of all Intrastat declarations are made on paper,
- The yearly total running costs of Intrastat for the responding enterprises are estimated at about 500 million ECU (accuracy: +/- 200 million ECU),
- The yearly running costs for national compilers of Intrastat are estimated to amount to approximately 100 million ECU,

³ Council regulation (EEC) No 3330/91, Article 28, and Commission regulation (EEC) No 2256/92

According to an opinion poll⁴ carried out in 1995 among 4700 providers of Intrastat data in 12 Member States on behalf of Eurostat, 37 % believe that - compared to the previous customs declaration system - the introduction of Intrastat has reduced their costs, 34% think that costs are at similar level and only 20% think that costs have increased. The opinion that costs have been reduced is confirmed by other studies⁵. Moreover, the opinion poll did not indicate the full dimension of simplifications introduced as it did not cover those traders which have been fully exempted from Intrastat obligations. The introduction of the threshold system has led to the exclusion of 2/3 of all intra Community traders from making any kind of statistical declaration, obviously reducing their statistical burden.

The opinion poll also revealed that SMEs spend on average less than 1 man-day per month producing the Intrastat declaration, large companies with a higher volume of trade average at least 2 man-days.

However, Intrastat was the target of much criticism among SMEs as these statistics appeared as a new and unexpected task. Few enterprises realised that the former customs system included statistical reporting; the forwarding agents, which often completed the formalities, invoiced this service without any differentiation as the statistics were fully integrated in the customs declaration. In addition the criticism focus on the level of detail at which information on intra trade has to be provided.⁶

In conclusion, it appears from traders' reactions that the Intrastat system is still too costly, too many SMEs are encumbered with detailed data requirements.

On the compilers' side, a few national services are very active in exploring simplification measures designed to reduce the budget share devoted to Intrastat. They consider Intrastat ties up resources which are needed in other statistical domains.⁷

c) and the benefits

In order to judge if the costs of Intrastat are excessive it is necessary to evaluate the benefits of these statistics (or the losses if they were to be abolished). It would be very difficult to express the benefits in quantitative terms (value) as there does not exist a true market price for official statistics. A quantitative measurement of the benefits would inevitably suffer from arbitrary assumptions and would consequently led to disputable results.

Intrastat data are mainly used by national and EU administrations, the national and European business federations, and companies. Within the sphere of economic statistics, foreign trade statistics is undoubtedly the area with the largest number of data disseminated (millions of figures every month) and, more importantly, the largest number of users prepared to pay for this data. User requests mainly concern monthly figures at the detailed product level. There is no significant difference in the demand pattern of the various user groups; however administrations concentrate their detailed data requests on those sectors which receive subsidies or are under specific regimes like the agricultural, steel, or energy sectors. Intrastat provides that detailed information according to a goods classification code, the Combined Nomenclature, which is applied in extra Community trade as well. This nomenclature

serves, with nearly 11000 coded sub-headings, not only statistical but also customs/tariff purposes.

Users may, of course, only benefit from that detailed breakdown if the results published are timely and are of sufficient reliability. Undoubtedly, the quality of intra trade statistics suffered with the introduction of the new collection system. A significant difference in the pattern of data can be clearly seen using time series analyses between pre-1993 data and the data collected under the Intrastat system. Also observed has been increased inconsistencies at the global and detailed levels by comparing corresponding flows (mirror statistics). Monthly statistics at the detailed product level for all declarant Member States were initially published about 8 months too late; however this situation has improved as both declarants and administrations are now more used to the system, but there are still a few Member States that are 3 months behind.

The main weakness of Intrastat, besides the cost of the system, is the size of inconsistencies in the results leading to high uncertainty about the real trade performance of a given Member State.⁸ The following example illustrates this quality problem. In 1995, the total intra Community trade measured by the export flow amounted to 1015.7 billion ECU, when measured by the import flow it amounted to only 971.2 billion ECU, a discrepancy of 44.5 billion ECU (4.6%). Under normal circumstances, these two flows should be almost equal. As most users consider the intra export figures as the more reliable ones (as there are less non-response cases, and a lower likelihood of misclassification of goods) it would be logical to replace a Member State's intra imports figure by the sum of the intra exports figures of its trading partner countries. The results of such an exercise are alarming: Germany's trade surplus with Member States of nearly 19 billion ECU would reduce to 4 billion ECU, whilst the deficit of France at 6.4 billion ECU would more than double. Is it not fascinating, and at the same time fright-

⁴ Eurostat (1996) Intrastat opinion polls p.44

⁵ European Parliament (1996), 'The impact of VAT and Intrastat obligations on SMEs'

⁶ A. Lunden (1996), 'The Intrastat system from the SME point of view' p.121ff

⁷ J. Kidgell (1996), 'Intrastat - Have we achieved a single system for the single market?' p.66

⁸ G. Rambaud-Chanoz (1996), 'Options for Intrastat: progress and outlook' p.187ff. and L. Iapadre (1996), 'The Intrastat system from a user's perspective' p.305ff.

ening, that the accuracy of this single figure which is of highest importance for decision makers becomes the universal measure for the success or the failure of a survey which involves several hundred thousand enterprises and more than a thousand employees in the national administrations?

In view of these results is it quite amazing that the majority of the 2000 users interviewed in an opinion poll have stated they are satisfied with the data quality of intra Community trade statistics.⁹ A possible explanation might be that more than 80% of the users are receiving the data from national services and probably do not cross check this data with the data from partner countries¹⁰. Eurostat has found itself in the rather extraordinary situation of having more or less satisfied users while publishing a large amount of data of very doubtful quality.

3. THE SLIM INITIATIVE JUST IN TIME

a) before SLIM

Prior to the SLIM initiative, considerable efforts were made at national and EU levels to improve the overall efficiency of the Intrastat system. Besides the on-going work of Member States to modernise the collection and compilation systems and to reduce the rate of non response, Eurostat carried out a series of legal activities, projects, and studies, in order to improve the functioning of Intrastat:

A. Simplification measures undertaken

- ① Adoption of a Commission regulation simplifying the declaration of low-value transactions;¹¹
- ② Adoption of a Commission regulation exempting the traders from supplying 'net mass' of certain products;¹²

- ③ Projects with a view to simplifying the classification of certain types of goods (e.g. motor vehicle parts);
- ④ EDICOM projects¹³
Development, promotion and dissemination of data entry software, development of standardised messages, use of telecommunication for Intrastat returns, modernisation of existing compilation systems.

B. General evaluations of the system

- ① Intrastat opinion poll; 4700 providers of data and 1959 users in 12 Member States were interviewed in order to obtain an understanding of how Intrastat is perceived by the different actors;
- ② Inspection of national Intrastat systems;¹⁴
A systematic, on-the-spot evaluation of the individual national collection systems by external trade statisticians from various Member States in co-operation with Eurostat experts;
- ③ European seminar on intra-Community trade statistics; the seminar presented an opportunity to exchange views on the functioning of Intrastat, to debate the question of balance between needs of users and data providers, and to discuss Intrastat's future.

b) SLIM¹⁵ at the right time

The SLIM initiative launched in May 1996 by the Commission, and encouraged by the Internal Market Council, "responded to the growing call from business and professional circles for leg-

islation that achieves its objectives while avoiding imposing unnecessary burdens."¹⁶ Intrastat was selected as one of four pilot projects. The work of the Intrastat SLIM team started under the chairmanship of the Director-General of Eurostat in June 1996 at a propitious moment. The results of the different Eurostat initiatives (see above) served as valuable input for the discussions of the SLIM team.

However, the SLIM initiative cannot just be considered as a continuation of earlier work. It is a fact that the inclusion of Intrastat into this initiative substantially raised the general interest surrounding these statistics and transformed the issue into one of political sensitivity. Thus SLIM gave a fresh impetus to the work which previously had been conducted but which had got entangled in the maze of conflicting interests. The SLIM team had instead a clearly defined mandate which consisted of outlining proposals that will meet the objective of reducing burdens on business.

The pilot projects were also considered as a test of a new working method which aimed at initiating the process leading to simpler legislation. The existing institutional structures of legislative decision making (in particular the functions of the various committees) should, of course, not be replaced but the idea was for Council to outline the areas requiring attention, from which the SLIM teams would investigate and make concrete proposals. These proposals would then be a solid starting point for committee discussions and decisions to be taken at Commission or Council level, thus saving valuable time.

⁹ Eurostat (1996) Intrastat opinion polls p.48ff.

¹⁰ Eurostat (1996) Intrastat opinion polls p.29

¹¹ Commission Regulation (EC) No 2820/94

¹² Commission Regulation (EC) No 2385/96

¹³ EDICOM - Electronic Data Interchange on Commerce - Council decision (96/715/EC)

¹⁴ J. Heimann (1996) 'Inspection of the National Intrastat Systems' p.70ff

¹⁵ Simpler Legislation for the Internal Market

¹⁶ Report of the Commission on the SLIM pilot project (1996) p.2

*c) The Intrastat SLIM team
and its proposals*

Besides the chairman from Eurostat, the Intrastat SLIM team consisted of five Member States' representatives and five representatives of business. The selection of the members was carried out by the Commission on the basis of Member States' priorities. Business representatives were selected with a view to covering the divergent interests of users and providers. The recommendations expressed in the SLIM team's final report¹⁷ are positions of unanimity or of majority whereas minority positions are placed in the annex of the report. In general, formal voting has been avoided.

The proposals have been split into four blocks:

❶ **Reduced or simplified data requirements**

These proposals concern the deletion of mode of transport information and data collected at the option of Member States (e.g. region, port of loading/unloading etc.) as well as the change to more business-friendly ways of declaring information (e.g. substitution of statistical value by invoice value, extension of transmission deadlines);

❷ **Simplified goods nomenclature**

The SLIM team proposed the introduction of a simplified nomenclature called HS6+ - nomenclature; this nomenclature would be based on the HS (Harmonised System) with a limited number of additional subheadings in order to cover specific user needs. The total number of codes should not exceed 7000 and the number of up-dates should be reduced to ensure stability.

❸ **Reform of the collection systems**

The SLIM team were not in the position to recommend a specific system but invited the Commission to under-

take in-depth studies on the different options (e.g. refinement of the threshold system, feasibility of sampling, collection of one flow only);

❹ **Support measures**

The SLIM team recommended that the introduction of simplification proposals should be accompanied by further actions on the modernisation of the collection systems and the return of results to the data providers. The EDICOM program of the Commission will play an important role in reaching these objectives.

The proposed simplification measures should be introduced on 1.1.1998 (block 1 and 2); support measures (block 4) should be on-going, and the studies (block 3) should commence immediately and be terminated in 1999.

The recommendations of the SLIM team are precise and well-balanced reflecting as far as possible the positions of the SLIM team members and those of a large number of interested parties (such as Member States and federations not represented in the team) which have been associated through a large consultation exercise. Some SLIM members, however, considered these consultations as an obstacle course on which radical changes were ruled out.

Summing up, it may be said that the SLIM team accomplished its work with success despite the technical complexity of the matter, the differing interests (which were also apparent within the team) and the short time available (4 months).

*d) Problems
of implementation found*

The SLIM team report received a positive reception from the Commission and the Council. However, the SLIM initiative will only be judged as fully successful if the proposed simplifications are really implemented, which generally im-

plies a change of existing legislation. In order to keep the recommended deadline of 1.1.1998 for the simplifications of block 1 and 2, Eurostat has drafted legislative proposals for the substitution of statistical value (value at border) with invoice value for adoption by the Commission. A Commission Regulation is sufficient for this to be implemented. The deletion of mode of transport and other data as well as the introduction of a simplified nomenclature necessitate changes in the base Regulation on which the Council and the European Parliament will have to decide.

The Commission Regulations were adopted in the beginning of 1997 after very intensive debates, especially on the proposal concerning the value definition. In fact, Balance of Payments and National Accounts statisticians insisted on maintaining the present valuation concept for trade data with reference to internationally and EU agreed concepts and definitions. In order to satisfy these needs without distorting the main idea of the specific SLIM proposal it was agreed to allow the great majority of traders to declare invoice values however, the largest traders (5% of the population) may be requested to provide the statistical value. Member States could then develop estimation techniques to estimate the statistical value for the remaining part, thus maintaining the existing statistical concepts.. This compromise paved the way for the adoption of this Regulation.

As far as the SLIM proposal on the deletion of mode of transport is concerned, more time is needed to adapt the national statistical systems. Transport statistics should produce equivalent information, but the relevant directives allow the Member States to postpone their application until 1.1.2000. In order to avoid information gaps, mode of transport information is foreseen to be dropped Community-wide in Intrastat only at that date. Those Member States applying the transport directives at an earlier stage may drop mode of transport from Intrastat at that moment. On other variables pro-

¹⁷ SLIM report in: Eurostat, Newsletter EDICOM - Intrastat 2/96 p.18-27

posed for removal, like region of origin/destination, agreement has not been reached.

Strongest opposition has developed against the SLIM proposal concerning the introduction of a simplified goods nomenclature. The European industrial federations in particular showed a very negative attitude. They emphasised that the expected information loss would make these statistics useless to their members. It was agreed between Eurostat and representatives of the federations that each side identify the specific needs of users, Eurostat - those of the Commission and national services, the European federations - those of their members. In a joint meeting in June 1997 the results of this exercise will be examined with a view to reaching agreement on the HS6+.

In sum, the SLIM initiative 'part 2' faces, as far as Intrastat is concerned, many difficulties and progress has slowed. Nevertheless, the introduction of some important simplification measures has been achieved even if some compromises have had to be made.

The example of the simplification of statistical value information demonstrates that easing of burden for traders may result in even more complex legislation and new burdens, in this case for national services, due to the increased complexity of compilation and estimation systems. The more radical solution which would have led to a change of statistical concepts did not find a majority.

4. LESSONS FROM INTRASTAT AND THE SLIM INITIATIVE

The experience made with the change of a large system for collecting statistical data and the various initiatives to simplify the system lead the author to the following conclusions:

- When Intrastat was introduced there was an attempt to maintain methodological continuity in terms of scope, level of detail, periodicity etc. with the pre-1993 system which was based on administrative procedures and documents. However, Intrastat has now been running for over four years and the previous administrative environment has altered to become a statistical environment. Attempting to maintain these concepts is very costly and often produces data of a dubious quality. Areas in need of change have been identified in the SLIM project.
- Political pressure may open ways which experts would have excluded because these may involve a risk. For example, the Intrastat threshold system was not proposed by statistical experts but was imposed by members of the European Parliament. Since then the existence of the threshold system has never been put into question.
- Between the conflicting interests of users and providers is no path which may satisfy all parties. However, users of Intrastat data have to acknowledge that the product nomenclature in use is completely unbalanced (90% of intra trade falls into just 3000 product codes) and that compilers cannot ensure reliability for all low value items. The general rule in intra Community trade should be: product breakdown according HS6 (about 5000 subheadings) plus strictly limited additional breakdown if justified!
- The providers of Intrastat data, especially those who are not interested in these statistics, need to accept that only detailed information at product level satisfy the needs of the majority of users and that for this reason they cannot be discharged accordingly from their obligations. But providers may legitimately request that user needs are regularly reviewed and justified, that cost/benefit analyses are made and that the most efficient tools are used in order to minimise the responding burden;
- Eurostat and the national services in charge of the establishment of these statistics are in the difficult role of mediator and must organise an effective dialogue between providers and users. The major objective of statistical offices is to satisfy their users with relevant, timely, and accurate statistics. However, the need for efficiency in the overall functioning of the system acts as a regulator and protects the interest of the data providers. No administration wishes to use scarce resources to collect unnecessary items of data which only serve to establish data cemeteries or unreliable data mountains.
- Eurostat should encourage national administrations to share their experiences in order to identify the best practices.
- The SLIM initiative has been an effective means of initiating or reinforcing simplification activities. The political orientation and the political backing is of utmost importance to overcome counteracting forces defending the status quo.
- Success is not enforceable. A precondition is the preparedness of the different parties to really participate in this exercise. As the Intrastat users have agreed on the general objective to reduce the burdens of data providers a common platform exists which should allow us to reach acceptable solutions - even if such solutions do not necessarily lead to simpler legislation.

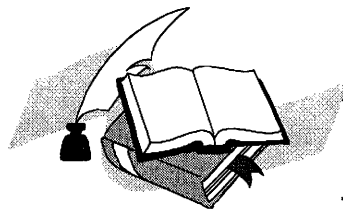


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SUMMARY OF THE LEGISLATION ON STATISTICS ON TRADE BETWEEN MEMBER STATES



BASIC REGULATION

Council Regulation (EEC) N° 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States. (OJ n° L316, 16.11.1991, p.1)

IMPLEMENTING REGULATIONS

Commission Regulation (EEC) N° 2256/92 of 31 July 1992 on statistical thresholds for the statistics on trade between Member States (OJ n° L219, 4.8.1992, p.40)

Commission Regulation (EEC) N° 3046/92 of 22 October 1992 laying down provisions implementing and amending Council Regulation (EEC) N° 3330/91 on the statistics relating to the trading of goods between Member States (OJ n° L307, 23.10.1992, p.27)

Commission Regulation (EEC) N° 3590/92 of 11 December 1992 concerning the statistical information media for statistics on trade between Member States (OJ n° L364, 12.12.1992, p.32)

Explanatory notes to the Intrastat forms referred to in Article 2 of Commission Regulation (EEC) N° 3590/92 (OJ n° C349, 31.12.1992, p.1)

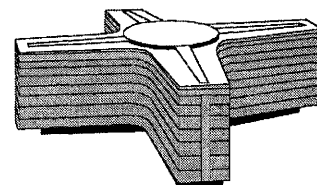
Commission communication regarding the data required by the Member States from parties responsible for providing statistical information, within the context of statistics on trade between Member States, pursuant to Articles 21 and 23 of Council Regulation (EEC) N° 3330/91. (OJ n° C216, 11.8.1993, p.10)

Commission regulation (EC) N° 1125/94 of 17 May 1994 on the deadlines for forwarding statistics on trade between the Member States. (OJ n° L124, 18.5.1994, p.1)

Commission regulation (EC) N° 2820/94 of 21 November 1994 fixing a threshold value for individual transactions in the context of statistics relating to trade between Member States. (OJ n° L299, 22.11.1994, p.1)

Commission regulation (EC) N° 2385/96 of 16 December 1996 amending Regulation (EEC) N° 3046/92 laying down provisions implementing Council Regulation (EEC) N° 3330/91 on the statistics relating to the trading of goods between Member States and amending it by simplifying the concept of net mass (OJ n° L326, 17.12.1996, p. 10)

Commission Regulation (EC) N° 860/97 of 14 May 1997 amending Commission Regulation (EEC) N° 3046/92 with regard to the reporting of the value of goods. (OJ n° L123, 15.5.1997, p. 12)



SLIM LEGISLATION ADOPTED AND IN THE PIPELINE

(cf. Newsletter No 2/96, p.16)

① Net mass

Commission Regulation No 2385/96 (EC) has been adopted and published in the Official Journal of the European Communities No L 326 of 17/12/1996, (page 10). The parties responsible for providing information are not, however, obliged to specify the net mass for the products listed in the Annex to the Regulation.

② Value of the goods

The draft regulation has undergone certain changes since the last Newsletter. Only 5% of enterprises will continue to provide the statistical value of the goods as currently defined; as a result, at least 70% of the total value will be collected in this way. The other parties responsible for providing informa-

tion will only provide the figure corresponding to the taxable amount for taxation purposes.

The regulation will be adopted in the very near future by the Commission and will be applicable as of 1 January 1998.

③ Transport and other data

This draft regulation has also been subject to a number of changes. Deletion of the mode of transport will take effect on 1 January 2000 on condition that the Member States are able to provide this information via other sources. Information on "delivery terms" will be deleted as of 1 January 1998. When it comes to optional data, on the other hand, as of 1 January 1998 only the country of origin will be retained as an optional item of information on the Intrastat declaration.

The draft regulation will shortly be submitted to the Council and the European Parliament.

④ Nomenclature

This draft regulation aims to establish the principle of a product nomenclature based on the Harmonised System (6 digits), whilst reducing the number of subdivisions from the Combined Nomenclature currently applied. This nomenclature will be drawn up on the basis of the results produced by a working party (involving the Commission, the Member States and representatives of users and providers of statistical information).

The draft regulation will shortly be submitted to the Council and the European Parliament.

PROGRESS OF WORK ON THE COMBINED NOMENCLATURE

Work on statistically-related amendments to the CN applicable from 1 January 1998 officially ended with the 119th meeting of the Customs Code Committee (tariff and statistical nomenclature section), which met in Luxembourg on 15 and 16 April 1996. The outcome was that 30 codes were deleted and 24 new ones introduced.

The simplification of the CN applicable from 1 January 1998 could, however, be taken still further, since Eurostat and Commission DGs III, VI, and XXI are at present jointly examining the scope for aggregating subheadings from Chapters 07 and 08 (for which some 100 code dele-

tions are envisaged) and from Chapters 72 and 73. This means that final adoption of the statistically-related amendments should be possible either via the written procedure provided for under Article 5 of the Committee's rules of procedure or through an additional meeting held next June. The final meeting at which the CN applicable from 1 January 1998 should be adopted is scheduled to take place in Brussels in late June or early July.

From the tariff angle, the implementation of the information technologies agreement signed in Singapore last December is likely to mean the addition of some 80

codes to the CN applicable from 1 January 1998.

As part of the work on simplifying the classification applicable to intra-Community trade (SLIM proposal), a joint Eurostat/Member States/FEBI meeting is scheduled for 4 June 1997. At this meeting, the trade and professional associations will be asked to identify those CN subheadings which they regard as most important and which they would wish to see retained in the Intrastat classification. At Eurostat's request, the Commission is also currently canvassing opinion on the subheadings of particular relevance to its own work.

EDICOM - COMEXT

COMEXT CD-ROM: NEW VERSION 1.3

A new version (version 1.3) of the software for extracting data from the Comext CD-ROM is due to be released in the second half of 1997. This new version, supplied for both DOS and Windows, will provide users with a

number of new functions briefly outlined below. Major changes - fully transparent to users - have been made to the CD-ROM's internal structure in order to accommodate data in new classifications without altering the software. Version 1.3

remains compatible with all the Comext CD-ROMs released since 1989.

The new features most immediately apparent to users are the following:

ABILITY TO HANDLE CURRENCIES OTHER THAN THE ECU

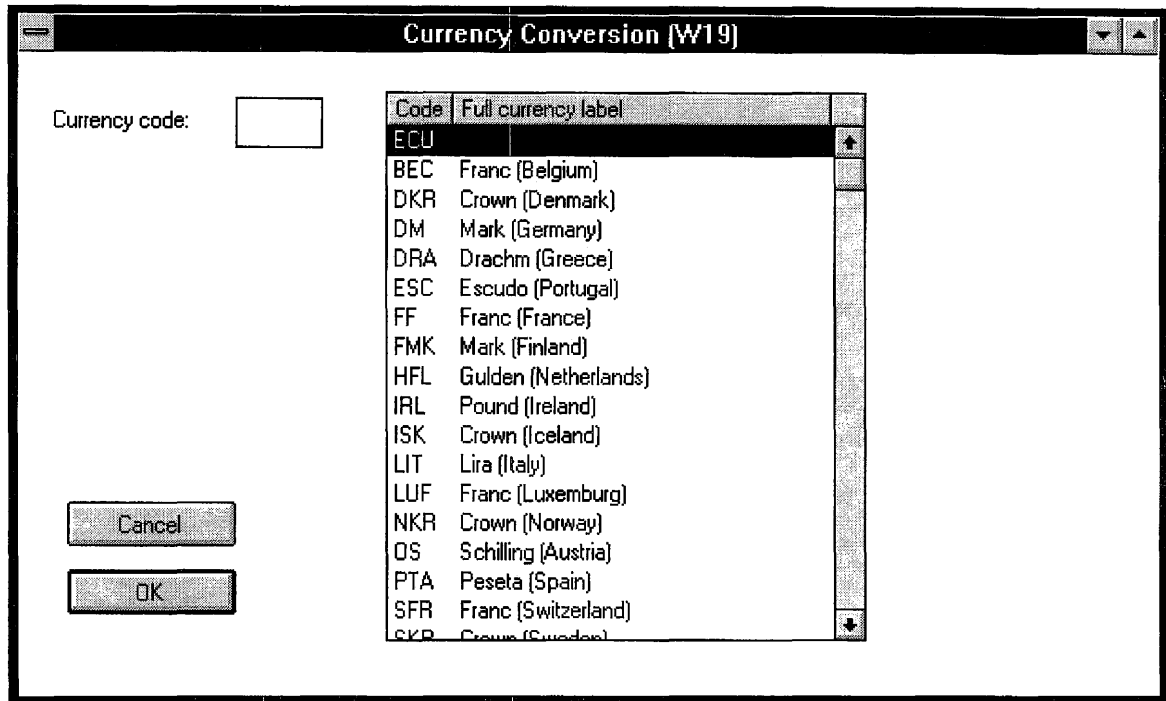
Version 1.3 allows users to consult the data in currencies other than the ecu. The following screen shows the ecu exchange rates applicable for each data-period covered by the CD-ROM.

Internal and External trade of the EU <26.03.1997>W00 - [Consultation of Excha

System Data access Informations Window Utilities Help

Currency code:

Code	Full currency label	88-01	88-02	88-03	88-04	88-05	88-06
BEC	Franc (Belgium)	43.157500	43.156400	43.318400	43.437500	43.441300	43.45
DKR	Crown (Denmark)	7.931370	7.896050	7.928920	7.969020	7.965360	7.89
DM	Mark (Germany)	2.065450	2.065630	2.070570	2.075980	2.079560	2.07
DRA	Drachm (Greece)	164.621000	165.021000	165.849000	166.255000	166.741000	166.19
ESC	Escudo (Portugal)	168.861000	168.802000	169.534000	169.730000	169.847000	169.55
FF	Franc (France)	6.971470	6.978910	7.027740	7.046380	7.041840	7.00
FMK	Mark (Finland)	5.035910	5.003490	4.950910	4.965290	4.940290	4.92
HFL	Gulden (Netherlands)	2.320840	2.319420	2.326650	2.326650	2.330470	2.33
IRL	Pound (Ireland)	0.777322	0.776031	0.775096	0.777073	0.778264	0.77
ISK	Crown (Iceland)	-	-	-	-	-	-
LIT	Lira (Italy)	1518.960000	1521.140000	1531.890000	1541.710000	1545.690000	1542.35
LUF	Franc (Luxemburg)	-	-	-	-	-	-
NKR	Crown (Norway)	7.932770	7.803490	7.813900	7.700610	7.591710	7.55
OS	Schilling (Austria)	14.530700	14.509600	14.551500	14.589600	14.622900	14.61
PTA	Peseta (Spain)	140.242000	139.253000	139.806000	137.513000	137.589000	137.35
SFR	Franc (Switzerland)	1.681250	1.694140	1.711600	1.716940	1.724660	1.72
SKR	Crown (Sweden)	7.459300	7.361760	7.339460	7.303190	7.248940	7.21
UKL	Pound (United Kingd)	0.693743	0.692657	0.674299	0.661370	0.657168	0.66
USD	Dollar (USA)	1.250100	1.216870	1.234330	1.240660	1.228340	1.18
YEN	Yen (Japan)	159.428000	157.247000	156.932000	155.146000	153.210000	150.68



This means that the statistical tables for the European Union's external trade can be consulted in different currencies.

ALPHANUMERICAL COMBINED NOMENCLATURE

The alphanumerical Combined Nomenclature used in the Comext2 database has been incorporated into the Comext CD-ROM, thereby allowing a clearer distribution of confidential trade in the CN chapter concerned.

Internal and External trade of the EU <26.03.1997>W00 - [Full nomenclature (Co

System Data access: Informations Window Utilities Help

Code: 27B Selected products

2713	88 -	PETROLEUM COKE, PETROLEUM BITUMEN AND OTHER RESIDUES OF PETROLEUM OIL OR OF OIL
271311	88 -	PETROLEUM COKE, NOT CALCINED
27131100	88 - c	PETROLEUM COKE, NOT CALCINED
271312	88 -	PETROLEUM COKE, CALCINED
27131200	88 - c	PETROLEUM COKE, CALCINED
271320	88 -	PETROLEUM BITUMEN
27132000	88 -	PETROLEUM BITUMEN
271390	88 -	RESIDUES OF PETROLEUM OIL OR OF OIL OBTAINED FROM BITUMINOUS MINERALS (EXCL. PETRO
27139010	88 -	RESIDUES OF PETROLEUM OIL OR OF OIL OBTAINED FROM BITUMINOUS MINERALS FOR THE MANUFAC
27139090	88 - c	RESIDUES OF PETROLEUM OIL OR OF OIL OBTAINED FROM BITUMINOUS MINERALS (EXCL. FOR THE MA
2714	88 -	BITUMEN AND ASPHALT, NATURAL; BITUMINOUS OR OIL SHALE AND TAR SANDS; ASPHALTITES
271410	88 -	BITUMINOUS OR OIL SHALE AND TAR SANDS
27141000	88 -	BITUMINOUS OR OIL SHALE AND TAR SANDS
271490	88 -	BITUMEN AND ASPHALT, NATURAL; ASPHALTITES AND ASPHALTIC ROCKS
27149000	88 -	BITUMEN AND ASPHALT, NATURAL; ASPHALTITES AND ASPHALTIC ROCKS
2715	88 -	BITUMINOUS MASTICS, CUT-BACKS AND OTHER BITUMINOUS MIXTURES BASED ON NATURAL AS
271500	88 -	BITUMINOUS MASTICS, CUT-BACKS AND OTHER BITUMINOUS MIXTURES BASED ON NATURAL AS
27150000	88 - 94	BITUMINOUS MASTICS, CUT-BACKS AND OTHER BITUMINOUS MIXTURES BASED ON NATURAL ASPHAL
27150010	95 -	BITUMINOUS MASTICS
27150090	95 -	CUT-BACKS AND OTHER BITUMINOUS MIXTURES BASED ON NATURAL ASPHALT OR NATURAL BITUM
2716	88 -	ELECTRICAL ENERGY
271600	88 -	ELECTRICAL ENERGY
27160000	88 - c	ELECTRICAL ENERGY
27BB	88 -	ARTICLES OF CHAPTER 27 DECLARED AS SUPPLIES OR SERVICES FOR SHIPS AND AIRCRAFTS
27BBB0	88 -	ARTICLES OF CHAPTER 27 DECLARED AS SUPPLIES OR SERVICES FOR SHIPS AND AIRCRAFTS
27BBB000	88 -	ARTICLES OF CHAPTER 27 DECLARED AS SUPPLIES OR SERVICES FOR SHIPS AND AIRCRAFTS
27MM	93 - 94	DECLARATION AT CHAPTER LEVEL OF THE INTRA-COMMUNITY TRADE FOR GOODS OF CHAPTER
27MMM0	93 - 94	DECLARATION AT CHAPTER LEVEL OF THE INTRA-COMMUNITY TRADE FOR GOODS OF CHAPTER
27MMM000	93 - 94	DECLARATION AT CHAPTER LEVEL OF THE INTRA-COMMUNITY TRADE FOR

STATISTICAL PROCEDURE 7

The Comext CD-ROM can now handle statistical procedure 7, so that data on economic outward processing arrangements for textiles can now be accessed for extra-EU trade.

NACE REV.1 CLASSIFICATION

The NACE Rev.1 classification of activities, a six-digit alphanumerical classification, will replace the former NACE CLIO D. In contrast to the previous version of the Comext CD-ROM, the code descriptions will also be available (as is the case for the SITC Rev. 3). The hierarchical presentation of the classifications has also been improved.

All of these changes (as well as other minor improvements not presented here) will certainly be welcomed by the many Comext CD-ROM users.

Code	Selected products
TT	88 - TOTAL TRADE
A	88 - PRODUCTS OF AGRICULTURE, HUNTING AND FORESTRY
AX	88 - PRODUCTS OF AGRICULTURE, HUNTING AND FORESTRY
AX01	88 - PRODUCTS OF AGRICULTURE, HUNTING AND RELATED SERVICES
AX011	88 - CROPS, PRODUCTS OF MARKET, GARDENING AND HORTICULTURE
AX0111	88 - CEREALS AND OTHER CROPS N.E.C.
AX0112	88 - VEGETABLES, HORTICULTURAL SPECIALITIES AND NURSERY PRODUCTS
AX0113	88 - FRUIT, NUTS, BEVERAGE AND SPICE CROPS
AX012	88 - LIVE ANIMALS AND ANIMAL PRODUCTS
AX0121	88 - BOVINE CATTLE, LIVE AND THEIR PRODUCTS
AX0122	88 - SHEEP, GOATS, HORSES, ASSES, MULES AND HINNIES, LIVE AND THEIR PRODUCTS
AX0123	88 - SWINE, LIVE
AX0124	88 - POULTRY, LIVE AND EGGS
AX0125	88 - OTHER ANIMALS, LIVE AND THEIR PRODUCTS
AX012M	88 - LIVE ANIMALS AND ANIMAL PRODUCTS<INTRA DECL CHP>
AX02	88 - PRODUCTS OF FORESTRY, LOGGING AND RELATED SERVICES
AX020	88 - PRODUCTS OF FORESTRY, LOGGING AND RELATED SERVICES
AX0201	88 - WOOD IN THE ROUGH; NATURAL GUMS; NATURAL CORK; OTHER FORESTRY PRODUCTS
AXMM	88 - PRODUCTS OF AGRICULTURE, HUNTING AND FORESTRY<INTRA DECL CHP>
AXMMM	88 - PRODUCTS OF AGRICULTURE, HUNTING AND FORESTRY<INTRA DECL CHP>
AXMMMM	88 - PRODUCTS OF AGRICULTURE, HUNTING AND FORESTRY<INTRA DECL CHP>
B	88 - FISH
BX	88 - FISH
BX05	88 - FISH AND OTHER FISHING PRODUCTS, SERVICES INCIDENTAL TO FISHING
BX050	88 - FISH AND OTHER FISHING PRODUCTS, SERVICES INCIDENTAL TO FISHING
BX0500	88 - FISH AND OTHER FISHING PRODUCTS
C	88 - PRODUCTS FROM MINING AND QUARRYING
CA	88 - COAL AND LIGNITE; PEAT; CRUDE PETROLEUM AND NATURAL GAS; URANIUM AND THORIUM
CA10	88 - COAL AND LIGNITE; PEAT

COMEXT IN VIEW OF THE USERS

The number of users of the COMEXT system rose from 200 to 450 in 1996, making COMEXT the European Commission's largest application in terms of use of consumption of computer resources.

In the light of this success, the COMEXT team - anxious to provide a high-quality statistical information service - carried out a large-scale survey of the system's users. The results of this survey were presented at the Users Committee meeting held in Brussels on 19 March 1997.

For the COMEXT team, the purpose of this survey was to find out what users thought of the system, to ascertain their requirements in terms of data and/or functions and, more generally, to strengthen the developer-user dialogue.

It emerged from the numerous replies to the questionnaire that what the typical user mainly wanted from COMEXT was to extract data from the domain relating to the Member States' external trade with the rest of the world according to the Combined Nomenclature.

A typical extraction might be as follows:

⇒ REPORTING COUNTRIES:

Countries within the European Union

⇒ TRADING PARTNERS:

Countries outside the European Union)

⇒ PRODUCTS:

Detailed products (8-digit CN)

⇒ FLOWS:

Imports

⇒ STATISTICAL PROCEDURE:

Total

⇒ PERIOD:

Annual

The new data which users would like to be able to consult via the COMEXT system are USA data, data on imports by preference type, data on the IMF countries' trade and HS-based COM-TRADE data (now available).

As far as future developments are concerned, users would like to see the introduction of new functions such as the display of partial data, a harmonisation of the country nomenclatures, scope

for formulating data requests off-line and the provision of new format types for the extraction files.

The questionnaire also dealt with training and support, and the results here were highly satisfactory: of the 76% of users who had followed a training course, 73% had found it good, while of the 70% of users who had made use of support facilities, 87% had found these facilities good.

Conclusions:

The survey of system users was well received, and as a follow-up it has been decided to:

- ① strengthen the support team;
- ② develop and produce a COMEXT bulletin designed to maintain contact with users;
- ③ hold regular meetings of the Users Committee;
- ④ set up a support site on the Commission's INTRANET.

Further information can be obtained from Mr Sébastien CADIC

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TELECOMMUNICATIONS FOR THE INTRASTAT DATA COLLECTION SYSTEM

The following two reports continue our series about the use of telecommunications for Intrastat data collection. In earlier newsletters there has been articles from the Netherlands and Finland (1/1995), from Belgium and the United Kingdom (2/1995), from Luxembourg and France (1/1996), and from Austria and Ireland (2/1996).

EDI IN THE SWEDISH INTRASTAT COLLECTING SYSTEM

*B. Thurffjell / H. Niva
Swedish Board of Customs
IT-Division*

This article describes the Swedish Collecting System for Intrastat declarations, by the use of EDI. The responsible authority for Intrastat is the Statistics Sweden (SCB). The Swedish Customs are responsible for collecting Intrastat declarations.

Prior to joining the European Community

Before Sweden joined the European Union the Swedish Customs Information System (TDS) handled all the import and export declarations in Sweden. TDS was developed in the beginning of the 90's, and one of its advantages was the capability of using EDI.

Nearly 250 Swedish companies (including third declarants) used EDI for customs declarations, which were approximately 50 % of the total declaration volume.

Strategy

The strategy followed when Sweden joined the EC was :

- we would build a separate Intrastat system, but it should be incorporated into our present EDI environment;
- we could not build a totally new sophisticated system within that limited time period, so we tried to use parts of TDS as far as possible;
- a questionnaire to the EDI-companies gave a straight answer. We had to make an EDI solution which was as similar as possible to the TDS solution. With that solution most of the companies were willing to make the necessary changes to their systems.
- the clearing house function between the companies and the customs should be used as before, with no changes.

In November the Swedish people said «yes» to the European Union, and by then we were testing our adapted TDS and the new Intrastat system.

The new Intrastat system

A large proportion of TDS was linked to the Intrastat system. Among them were, for example, the report sys-

tem, common validations, reference data, common parts of the EDI-system, the authentication system and the on-line help system.

Other parts were just copied and adjusted to fit into the new Intrastat system.

The new Intrastat system was launched at the same time as the other new/adapted systems, on the first of January 1995. Shortly after that, the EDI volume of declarations began to increase and this has continued during 1995 and 1996. The companies, of course, also had initial problems, making the necessary changes to their systems to use EDI for Intrastat and this task had, sorry to say, not the highest priority for some of them.

The Swedish Intrastat System today

The Swedish Intrastat system is now functioning well, giving the necessary support to the connected companies, as well as the customs officers. (see figure EDI-Concept, Companies ↔ Swedish customs)

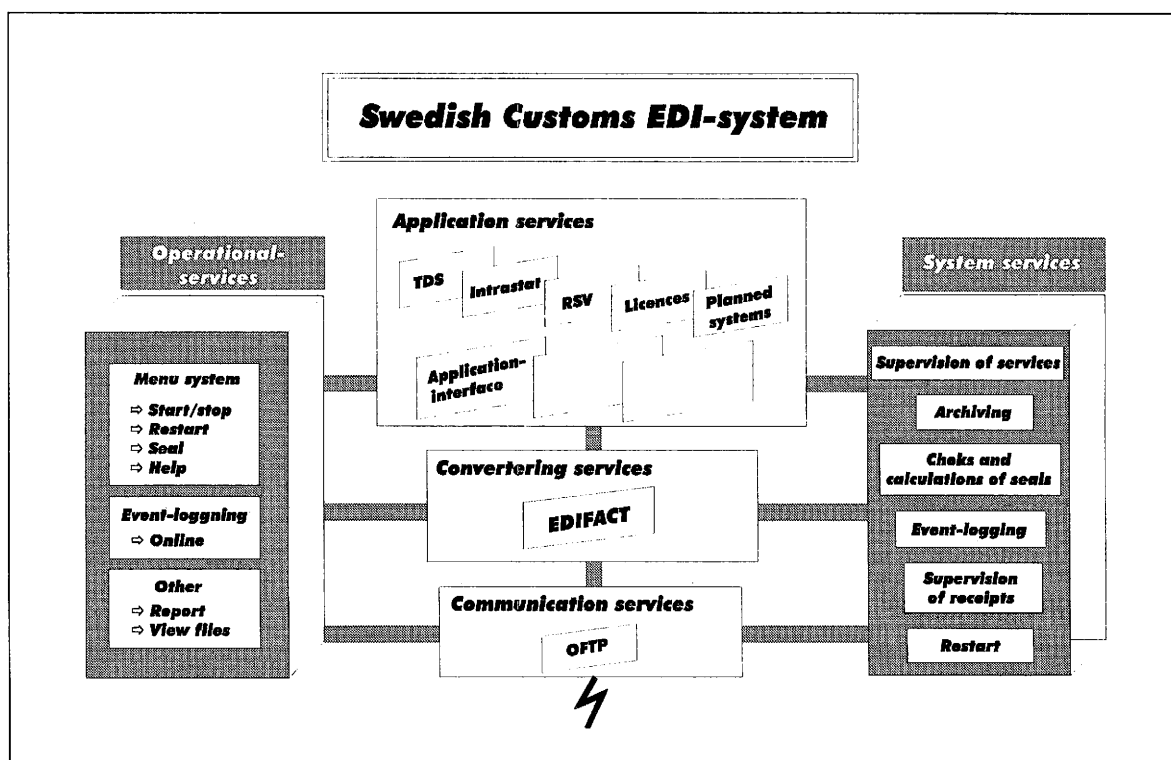
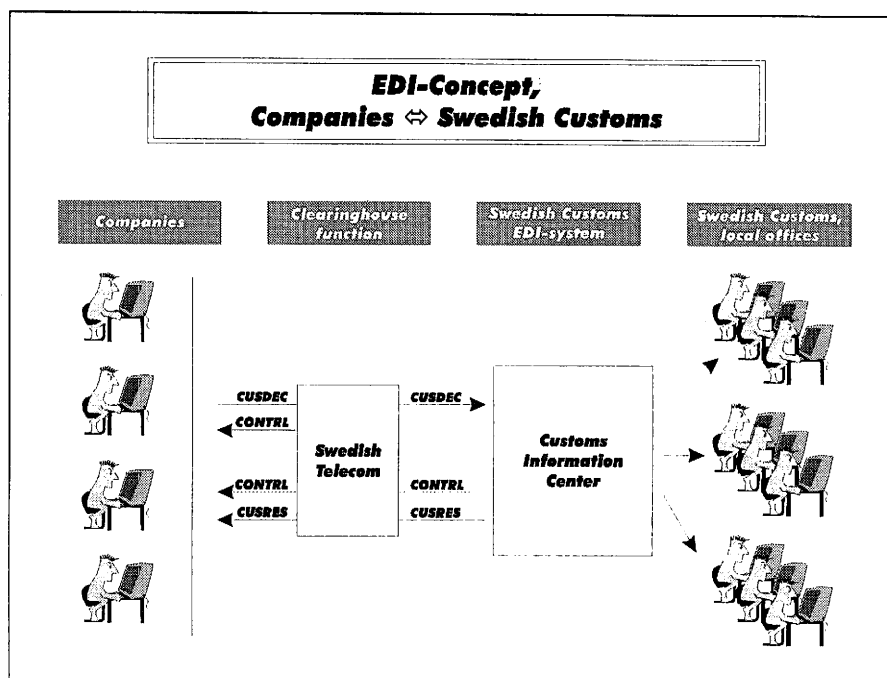
Companies send their EDIFACT file to our clearing house where initial authentication checks, conversions, and logging are made. The clearing house always sends a CONTRL message back to the company. It is used as a first receipt as to whether the file is OK or not, from the clearing house's point of view.

If the file is OK, the clearing house sends it to the Customs Information Center in Luleå, where final authentication checks (with control of the electronic seal), and a validation of the message content is made. If it is correct, a receipt is put in

the returning CUSRES message. If anything in a message is not correct, an error code, describing the error type, is put in the CUSRES message. The system also gives information about the location down to the number of item. If the EDIFACT file contains syntax errors a CONTRL message is sent back to the company.

When the infile has been processed the system sends the corresponding outfile to the clearing house. Companies then can collect their files from the clearing house, or if they have a special service, the clearing house will send the files to them.

(see figure Swedish Customs EDI-system)



While we still only have one message (896, new declaration), any type of correction of an earlier declaration has to be made manually to the local customs authorities, using fax, paper, telephone etc. The same applies for nil declarations.

the total number of declarations received. The number of lines sent by EDI was 104,301, which is 37.9 % of the total. Third declarants as well as PSIs submit their declarations by EDI. The number of companies that use EDI is 110 (62 of them are third declarants).

veloping an Internet solution for Intrastat, reporting by EDI. Distribution of the IDEP/CN8 package via Internet is another interesting subject. Messages for corrections and nil declarations should also be developed in the future

Statistics for use of EDI in February 1997

The number of declarations sent by EDI was 32,068, which is 61.4 % of

The future

We intend to start a project, which will study the possibilities of de-

We are steadily promoting the use of EDI with our declarants. There are still companies using EDI for their customs declarations, not using EDI for their Intrastat reports.

DANMARKS STATISTIK

*B. Biering-Sørensen
Danmarks Statistik*

Denmark has about 10,135 PSIs (Providers of Statistical Information) returning INTRASTAT data. Some provide returns for both arrivals and dispatches. It is the Ministry of Taxation, Central Customs and Tax Administration who collect the data for INTRASTAT, while Statistics Denmark prepares trade data for publication and EUROSTAT.

The Danish threshold categories are 1,500,000 DKK for arrivals and 2,500,000 DKK for dispatches.

Returns are produced and sent in various ways:

- 6,700 traders use paper declarations; they will be contacted and asked to use the Intrastat Data Entry Package IDEP/CN8.
- 1,150 IDEP/CN8 users supply only diskettes, not yet via telecommunications.
- 930 PSIs use mostly financial software and returns are by diskette.
- The Customs' batch and on-line system is used by 1,355 PSIs.

When a PSI wants to produce the returns from a financial software product, it is necessary first to contact the local Customs and Tax Administration, who will provide a file layout and ask for test data. After the test, and when the file is accepted, the VAT number is entered into the Customs and Tax diskette reading system. Only the VAT numbers accepted and registered are allowed to provide returns this way.

	On-line	2nd level solution	Batch	EDIFACT	Tape and diskette
Goods Registration	Yes	Yes ¹	Yes	(Yes) ²	No
Import	Yes	No	Yes	Yes	Yes
Export	Yes	No	Yes	Yes	Yes
Intrastat	Yes	No	Yes	No	Yes
VIES	Yes	No	Yes	No	Yes

- 1 The second level solution gives the possibility to create the return in your own application, and then transfer the file.
- 2 The EDIFACT solution is not yet tested, but a pilot project is established.

IDEP/CN8 can be used without such a test, and all users receive the software diskettes free. We have not yet allowed returns to be sent via modem, very few have asked for this possibility. We will soon be asking the users if they are interested, and then initiate some testing.

In Denmark we do not provide an EDIFACT solution when the on-line (telecommunication) system is used for INTRASTAT. However, for imports from and exports to third countries it is possible to use the EDIFACT standard.

The particularities of the technical implementation are negotiated between the PSI and the Central Customs and Tax Administration in Copenhagen.

The following possibilities exist for connection to the Customs and Tax system called Business:

❶ Fixed lines (permanent, direct connections) :

- SNI connection,
- Datel connection

For these lines a permanent connection is established between the in-

formation system by the enterprise and the Customs and Tax Administration.

❷ Dial-up via network

- SDN net
- danNet
- LEC
- Maersk
- IN-net

Via these networks, the following dial-up possibilities exist:

- Datapak-X.25, asynchronous and SNA
- Datex - X.21
- DATEL, asynchronous and synchronous

❸ Dial-up via telephone line

- Datel, asynchronous call with protocol VT100 or IBM 3101

If the PSI's equipment cannot communicate using one of these protocols, a network connection may be used to convert the protocols available.



CONFORMITY LABEL FOR SOFTWARE WHICH CAN BE USED TO COMPILE INTRASTAT DECLARATIONS

*André Peters,
National Bank of Belgium
Department of External Trade Statistics*

All organizations compiling external trade statistics face the same constraints. They have to carry out their task with the minimum cost for collection and correction, continuously improve the quality of the statistical results and ensure their speedy transmission to Eurostat. Given these constraints, an effective organisational structure has to be put in place.

It is in this context that the National Bank of Belgium decided, in 1995, to award a conformity label to commercial software which could be used to compile declarations on the trading of goods in compliance with the EDIFACT or SDF data processing format laid down for the electronic receipt (diskette, telecom) of these declarations.

The objective of this conformity label is threefold:

- Firstly, to bestow a commercial advantage on software companies which make the necessary investment to develop a program for compiling the declaration in compliance with the specified standards. Companies which obtain this quality label can obviously refer to it in their marketing.
- Secondly, as an assurance to declarants who invest in electronic Intrastat declarations; by using software with the label, they can be sure of sending a declaration in compliance with the standards, thereby avoiding subsequent checks on the part of the collecting authority.

- Lastly, the collecting authority reduces coding and correction costs by receiving electronically perfect declarations.

The conditions for obtaining the label are few but very stringent. Each year all software with a label is checked to ensure compliance with these conditions. To sum up, the software should:

- compile an Intrastat declaration in electronic form and permit its transmission either on diskette or via the telecommunications network.
- be capable of checking the presence of the obligatory data stipulated by the Intrastat manual (Combined Nomenclature code, mode of transport, value, weight, supplementary units etc.).
- check the validity of the coded data.
- check the relationship between the variables CN8 code and supplementary units, mode of transport and port of loading/unloading.
- be able to incorporate annual coding changes.

The procedure for obtaining the label is simple, free of charge, fully documented and objective. The information is available to all on request. To enable the companies to develop their software, we provide them with a test set containing correct and false transactions and stating exactly where the errors lie. If requested

by the companies, we check the conformity of the software. This check involves inputting declarations into the software, whereupon the corresponding output files are examined and the conformity label awarded or refused depending on whether or not all the errors are identified and corrected and the file format is correct. This checking procedure lasts for a maximum of a few hours and is repeated annually.

Additional measures underpin this labelling policy:

- The companies which have obtained the conformity label are included automatically in a working party whose primary objective is to inform them, as a matter of priority and in good time, of anticipated developments relating to the Intrastat declaration (change in legislation, introduction of the euro, new rules, new codes, change of thresholds etc.).
- Each year we offer declarants using such software 12 diskettes free of charge and 12 envelopes with "postage paid".
- At our training seminars for declarants, or simply on request, we distribute the list of software with the conformity label.
- On simple request, we supply the files containing the list of codes for goods and countries.
- We keep the companies which are involved in the "market" for Intrastat

declaration software informed of the opportunities in this market and of statistics on the number of declarations received electronically.

This labelling policy is beginning to bear fruit, in the shape of an increasing aware-

ness, on the part of computer services companies, of the existence of a market for electronic declarations and also greater knowledge of the needs and objectives of the National Bank of Belgium in this field. In 1997, seven software packages have conformity labels while two

are in the pipeline, compared with four in 1996.



AUTOMATED DATA HANDLING OPERATIONS IN THE FIELD OF INTRA-COMMUNITY TRADE STATISTICS

*Fritz Pfrommer, Peter Schmidt
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Wiesbaden*

At the Federal Statistical Office, the setting-up of the Intrastat system was perceived as an opportunity to simplify and largely automate the collection and processing of statistical data. Alongside the aim of modernising and optimising all workflows, the need for rationalisation using state-of-the-art technology was at the forefront of considerations.

For this reason, a project entitled "Automated Data Handling Operations in the field of Intra-Community Trade Statistics (*Automatisierte Sachbearbeitung in der Intrahandelsstatistik - ASI*) has been under way since 1993 in pursuit of the following goals:

- to develop a data-handling procedure that guarantees high-quality results;
- to enhance the efficiency of data-handling operations;
- to ease the workload of staff handling straightforward, standardised jobs;
- to achieve a high degree of acceptance on the part of staff whose jobs are changed;
- to reduce costs.

This article describes the project and the requisite technical and organisational setting.

1. STARTING SITUATION

The data-handling procedure applied in the field of intra-Community trade evolved from the process tried and tested over the decades in the foreign-trade arena. However, the direct declaration procedure with no customs involvement appreciably changed the data-collection process. In particular, the switch-over widened the scope for the more extensive use of electronic media for data acquisition. Since 1993, the Federal Statistical Office has, each month, been receiving several thousand diskettes and magnetic tapes (in 1995 the average monthly figure was approx. 5 500) containing returns on intra-Community trade from enterprises responsible for providing information or from declaring third parties. The Office now receives over 80% of all

reported items in this way. In addition, an intra-Community trade register with the addresses of all enterprises responsible for providing information had to be set up and maintained. The number of returns rose considerably compared with former foreign-trade statistics, and intra-EU reported items now outnumber those for extra-Community trade by around two to one.

The following overview gives the salient figures for intra-Community trade statistics (monthly averages for 1995):

- Enterprises required to file VAT returns and engaged in intra-Community trade: 350 000
- Enterprises responsible for providing information: 80 000
- Data-collection forms received: 350 000
- Magnetic data carriers received: 5 500
- Reported items: 5 500 500

2. CONCEPTUAL DESIGN OF PROCESSING SETUP

Upon receipt, all returns are routed to the appropriate input point. For intra-EU trade forms, this is the document reader which scans the forms, recording the data of the readable ones and rejecting those it cannot read. The unreadable documents are passed on to the conventional data-acquisition section. Diskettes and magnetic tapes are picked out during the inspection of incoming items, and the data are prepared for further processing.

The VAT number serves as an identifier. It is stated for each reported item and enables an exhaustiveness check to be carried out, so that reminders can be issued or inquiries made. The correctness of these numbers must therefore be checked, and all reported items with a queried tax number followed up. The number of such cases is disproportionately high as the tax authorities use this number in a way that is not specifically tailored to statistical purposes.

All items undergo a computerised plausibility check and are subsequently examined and corrected on-screen at the data-handling workstations. All the requisite information is directly available, and each return can be comprehensively processed. The function portfolio comprises facilities for:

- accessing the entire data material according to various criteria and filters, e.g. processing status, field of activity, goods code, type of error and value of item;
- displaying document image or a part thereof in the case of paper-based returns;
- displaying receipt-inspection records in the case of electronic media;
- all types of processing functions such as changing, confirming, deleting, highlighting, serial processing, etc.;

- accessing auxiliary information such as trade classification, country codes, etc., by means of a keyword search;
- printing document image, return data and tables;
- formulating queries directly at the workstation and dispatching them by mail or fax;
- directly accessing the intra-Community trade register;

All corrections made to the returns are input directly on-screen, triggering a fresh plausibility check.

Processing operations for a particular reporting month are completed once a completely error-free set of material has been obtained. This is then transferred to the extensive tabulation program. After tabulation, all data are initially archived and are reused for the later annual correction and for auditing purposes.

This processing approach makes for a steady and constantly flowing sequence of operations. Intermediate data and other *ad hoc* evaluations, as well as overviews on the status of processing and the timely recognition of processing bottlenecks, can be produced at any time. Overall, the data-processing procedure becomes faster, more reliable, and more efficient.

3. SYSTEM DESIGN AS IMPLEMENTED

3.1 Document-reading system

In cooperation with Eurostat, the redesigning of the forms for intra-Community trade statistics was successfully configured so as to give good machine-readability. Document-reading software was developed which guaranteed a high degree of recognition and rapid processing. In addition to its character-recognition capability, the system also makes

the scanned document images available for further processing. A maximum of 20 000 documents can be processed per working day. Following a feasibility study under the EDICOM programme, a reading system was put out to tender and procured in 1992. It comprises a UNIX computer, three readers with image servers and seven correction workstations, connected via a local area network (LAN). The system has been in operation since early 1993 and has proven its worth in an outstanding fashion. It is capable of processing approx. 70% of all incoming documents. The setup was supplemented in 1995 by a second reading system featuring a UNIX computer, three scanners with image servers and a special character-recognition computer. This add-on package enables a greater number of documents to be read, and is mainly used for scanning the images of unreadable documents.

3.2 Data-transfer system

Given the need to cope with the large number of incoming data media types, an automatic processing configuration with a suitable read-in system came into consideration. The hardware and software were procured centrally by Eurostat under the EDICOM programme. The system consisted of a server and four automatic-feed diskette readers. A read-in facility for magnetic tapes and cassettes is also available. The system has been running satisfactorily since 1993, and two reading stations were added in 1996.

3.3 Dialogue-based data-acquisition program

When the Intrastat system was introduced, the European Union attached great importance, right from the outset, to the electronic transmission of returns. This was regarded as a priority goal in order to both ease the burden on information providers and rationalise processing operations. Although many declarants use a commercial software

system to compile data, an additional data-collection program - together with appropriate backup (help desk) - had to be provided for the other declarants. A study was carried out to test commercial programs and the two systems developed by statistical offices: IDEP/CN8 from Eurostat and CBS-IRIS from CBS, the central statistical office of the Netherlands. On the basis of the results obtained, CBS-IRIS went into statistical-production operation in early 1996 and now boasts around 1 000 users.

3.4 Workstations and servers

The holistic approach to processing places exacting demands on both quality of representation and speed of processing. This called for high workstation computing power and high-performance network connections for transmitting data and images to the terminals. As well as access to the intra-Community trade register, the system must also provide facilities for using other services, such as fax.

The envisaged 125 workstations feature high-resolution 19-inch VDUs with more than 500 MB of local disk capacity. The workstations are linked via a LAN to a central switch system with 100 Mbit connections to all servers. Decentralised printer servers are used for printing out documents.

The server system for data management is made up of five coupled computers, of which three identically equipped ones act as database servers, while the other two are used for backup and archiving purposes. All systems are interlinked via 100 Mbit switches. The link-up to the SNI mainframe and archive system is provided by FDDI rings. Each database server is equipped with two CPUs, 440 MB of main memory and 60 GB of disk storage capacity. The backup servers have one CPU and 40 GB of disk memory. A further computer is used as a software server. The system is designed to retain

its operational capability in the event of one computer failing.

3.5 Software

The system places high demands on the software, particularly the database software used. Of great importance in this connection are the distribution of data over various computers, the parallel operation of backup servers and rapid access to large stocks of unformatted data. Thanks to the use of a special-purpose real-time database system as the basis of the software component for processing operations, the distributed installation of database access programs in a client-server configuration is successfully employed to ensure a high degree of load sharing among the clients. For access to, and selection of, the data to be processed, a sophisticated index structure incorporating several access strategies was developed which permits reorganisation-free management of the databases over the entire processing period. In addition to the returns and images databases, a "history" database also has to be operated to accommodate all the corrections that have been carried out. The databases are kept accessible in parallel, dialogue mode for, in each case, three reporting periods. Further databases have to be operated to handle late returns, which have to be taken into account in the annual corrections to the statistical results. The overall data volume lies in the region of 30GB per reporting period.

By virtue of an integrated job steering system, batch jobs are carried out automatically at night, when no dialogue-based processing takes place. Before dialogue mode recommences in the morning, all the declaration data records and images provided by the document-reader and data-transfer systems during the previous day are saved to the database. In parallel with this, the processed records are retrieved from the database and transferred to the SNI mainframe, where they are subjected to the conventional plausibility program with register

comparison before being resaved to the databases. This must be carried out for all databases being processed. The sequence of operations is represented schematically on the following page.

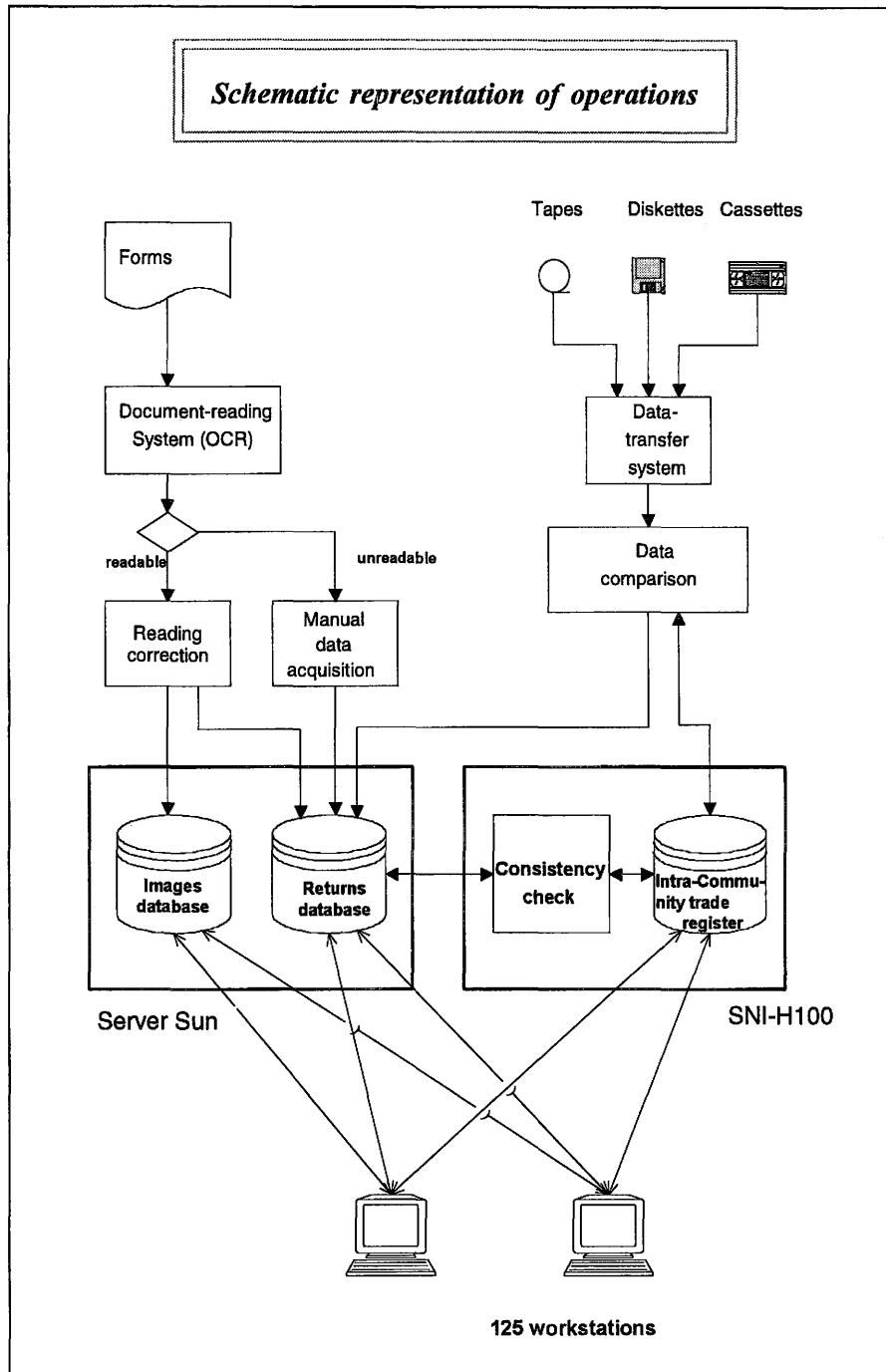
The archived data stocks of two years must be available for queries and auditing purposes. They are stored in a virtual file system within an automatic archive facility for magnetic tape cassettes that permits read-only access using the same software. Restrictions apply only in relation to the number of users and to waiting times when magnetic tape cassettes are being loaded.

In view of the high number of clients and the exacting availability requirements, a dedicated system is employed to provide all computers with the current software versions and to distribute the necessary metadata, such as goods codes.

As a result of the changeover to automatic data handling, processing operations are completely dependent on the availability of the data-processing application. If a fault occurs, the immediate effect is that processing deadlines are missed and a large number of workstations go down. For this reason, great importance must be attached to availability. A disruption in the event of a component failure during dialogue-mode operation must not exceed one hour.

4. PHASE-IN PROCEDURE AND STATUS

The various sub-systems had to be installed successively in terms of both software and hardware. The first sub-system, the document-reading facility, went into operation in early 1993. With a slight delay, the data transfer system was installed in parallel. Software development was carried out in stages. Once the underlying conceptual designs of the



software architecture had been established, prototype user interfaces were developed and subjected to thorough testing in order to gauge acceptance and evaluate ergonomic aspects.

The contract for the first stage of implementation was awarded in late 1993, and a first prototype was ready to run in mid-1994. The definitive design of the user interface was completed by the end of 1994, so that a finished system was available as from the beginning of 1995. Mid-1995 saw the commencement of trial operation, during which almost all

staff members of the foreign-trade statistics section underwent extensive training.

The system reached the finished-product stage in late 1995 and began actual production operation with the processing of the January 1996 reporting month. The associated workload encompassed all reported items (750 000) which were amenable to input via document reading. Since the autumn of 1996, returns submitted on diskette have also been processed within the automated data-handling setup.

By the February 97 processing month, the data stock had increased to 2.6 million data records, i.e. to more than 40% of total data. This was achieved by way of gradually enhancing and expanding program functionality. It is planned to handle the vast majority of items automatically from mid-1997, and the system should be able to accommodate all data records by the end of 1997.

In parallel with this, program capability is being further enhanced. Functions not featured hitherto will be successively integrated. What is more, increased system use is generating a continuous stream of suggestions for improvements and upgrades. Where appropriate, these too will be gradually incorporated.

5. IMPACT AND EXPERIENCE

Although the automated data-handling system is not yet used for all intra-Community trade returns and has yet to operate at full functional capability, it has already had a major impact. Expenditure of time and effort on the manual processing of forms has been reduced and will be largely obviated once a new document-reading system is in place. In the automated processing setup, errors are no longer remedied in two steps (marking/preliminary checking and processing of error lists), but in a single step after the plausibility check.

As a direct consequence, the statistical data obtained after the computerised plausibility check contain a higher error rate. On the other hand, the absence of pre- and post-processing tasks means that efforts can increasingly be focused on the checking and correction process itself. Overall, an increase in efficiency is thereby achieved which permits more intensive checking to be carried out. For example, it has become possible to step up the correction and querying of data

labelled with an erroneous VAT number. Even though, for capacity reasons, it is hardly possible to eliminate all errors of this type, it will be much easier to keep a check on compliance with the requirement to provide information.

The checking and processing of content implausibilities, i.e. the actual data-handling operations, have been equally intensified. Whereas, in the past, the items which could be used for comparison purposes were determined by the sorting process, the person handling the data now has access to all the returns submitted by an information provider. In many cases, this leads to serial errors being shown up which can then be corrected or queried as such. In addition, the reported items of the previous month can be retrieved, and with them information on how a similar case was dealt with.

As a result of the automated and continual flow of data, changes have occurred in the timeframe of the entire processing procedure. Thus, the first plausibility-checked data are available for further processing just one day after the forms have been input; corrected data undergo a same-day second plausibility check. Intermediate data can now be calculated faster, so that serious errors can be detected in good time and provisional results delivered earlier.

Community trade statistics, it is planned to extend its application to extra-Community trade, with the software and the hardware design being largely retained.

The system was planned with the use of advanced transmission methods in mind. By mid-1998, in conjunction with CBS-IRIS, electronic data transmission should be possible as an alternative. To this end, facilities for accessing suitable networks, such as X.400 and the Internet, are currently being set up.

6. FUTURE DEVELOPMENTS



Once the system has been completely implemented in the field of intra-



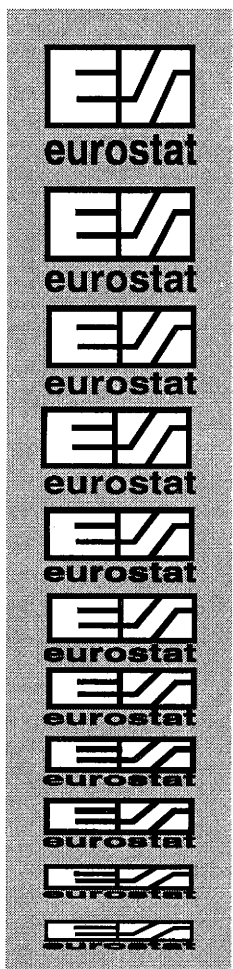
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