

Benchmarks and scoreboards - the growing use of statistics for European policy-making

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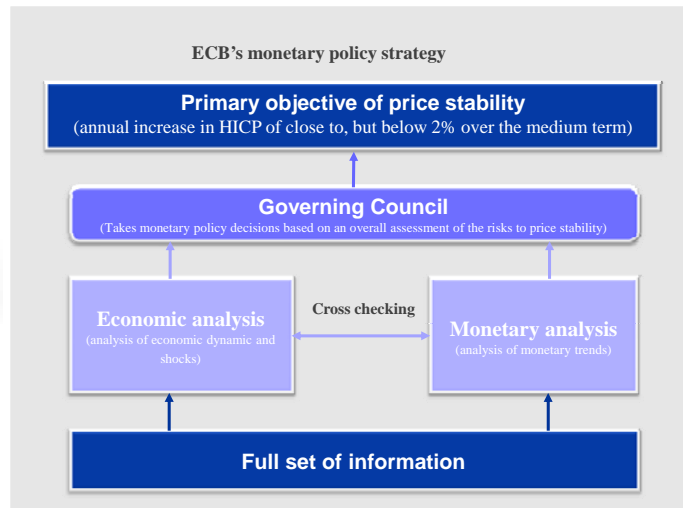
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Outline

- 1 Growing use of statistics for European policies**
- 2 Production of European Statistics**
- 3 More detailed and accessible statistics**

Statistics for ECB's policy-making

Statistics are vital for the ECB's single monetary policy



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Statistics for greater integration of EU policies

Statistics are also a key element in the EU reforms following the crisis

1. Single market and single currency well established, but some policy areas remained under national discretion
2. Institutional and regulatory reforms for greater integration of policies

*Financial
supervisory
policies*

*Fiscal
policies*

*Macro-
economic
policies*

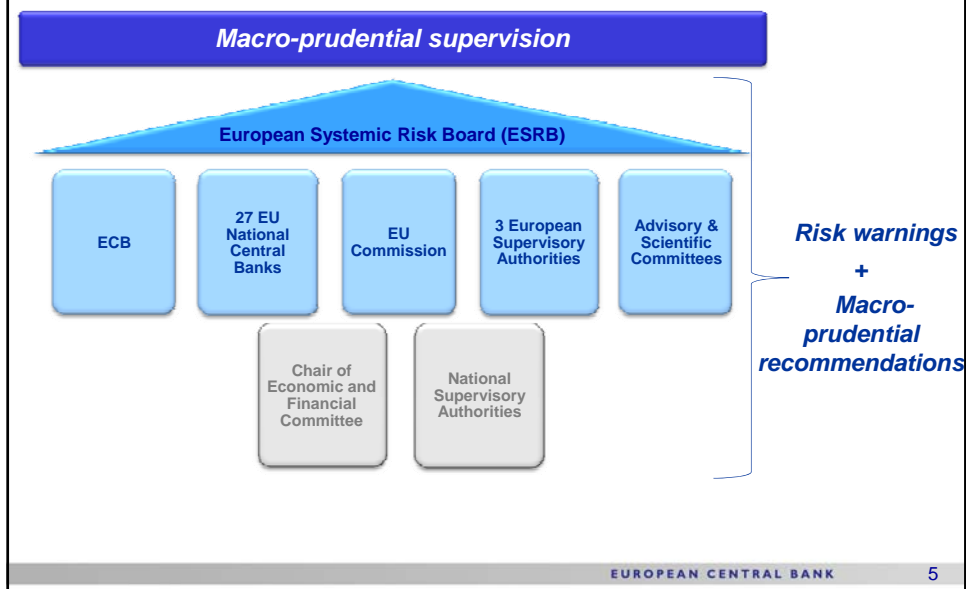
3. Use indicators as alert mechanisms (early warning tools) and to enforce policy compliance



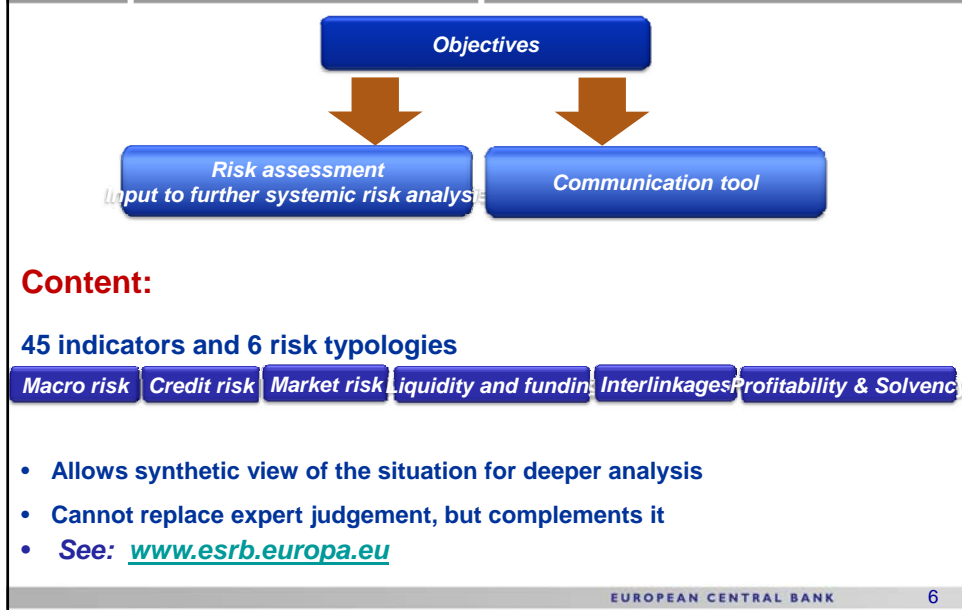
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Statistics for the European Systemic Risk Board



ESRB Risk Dashboard First publication 20 September 2012



Statistics for fiscal and macro-economic surveillance

Fiscal surveillance <i>Monitoring of fiscal policy</i>	Macroeconomic surveillance <i>Monitoring of macroeconomic indicators</i>
<p><i>Risk of fiscal imbalances:</i></p> <p>Preventive action: STEP 1 <u>Recommendation to Member State</u></p> <p>STEP 2 <u>0.2% of GDP to be deposited with interest</u></p>	<p>Alert mechanism Report <i>In-depth country studies based on 10 indicators</i></p> <p><i>Existence of macroeconomic imbalances</i></p> <p>Preventive action <u>Recommendation to the Member State</u></p> <p><i>Excessive macroeconomic imbalances</i></p> <p>Corrective action STEP 1 <u>Council recommendation and corrective action plan</u></p> <p>STEP 2 <u>Deposit of 0.1% of GDP with interest in case of lack of corrective action</u></p> <p>STEP 3 <u>0.1% of GDP annual fine if repeated lack of action</u></p>
<p>STEP 1 <u>EDP recommendation and closer monitoring</u></p> <p>STEP 2 <u>Deposit of 0.2 of GDP without interest</u></p> <p>STEP 3 <u>Fixed fine of 0.2% of GDP (up to max 0.5%)</u></p> <p>STEP 4 <u>Variable fine is continuous non-compliance</u></p>	

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Statistics for macro-economic surveillance

Scoreboard

1. MIP-Scoreboard launched on 14 Feb 2012
2. 10 macroeconomic and macro-financial indicators
3. Data sources are Eurostat and ECB
4. Financial sector indicator to be added by end-2012
5. Additional indicators examined in "in-depth" analysis of imbalances ("Alert mechanism")
6. Eurostat + Member States compile quality profiles for the indicators

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Scoreboard – outcome for 2011

	Current account balance (% of GDP, 3 years average)	Net international investment position (% of GDP)	Export market shares (5 years % change)	Real Effective Exchange Rate, HICP (3 years % change)	Nominal unit labour cost (3 years % change)	Private sector credit flow (% of GDP)	Private sector debt (% of GDP)	General government debt (% of GDP)	House prices, consumption deflated (y-o-y % change)	Unemployment rate (3 years average)
Threshold	+6/-4%	-35%	-6%	+/-5%	+9%	+15%	160%	60%	+6%	+10%
Belgium	-0.6	63.8	-15.4	-0.5	7.2	16.4	233.9	96.2	0.4	7.7
Germany	5.5	34.3	-8.3	-4.1	6.4	3.8	136.4	83.2	-0.9	7.1
Estonia	2.7	-58.7	-0.9	2.0	-1.3	-3.7	165.0	6.7	-2.1	14.1
Ireland	-1.0	-95.7	-12.8	-8.7	-8.0	-2.5	288.3	94.9	-10.4	12.7
Greece	-10.9	-92.0	-20.0	3.0	6.6	-3.2	126.8	144.9	-6.8	11.3
Spain	-5.0	-96.0	-11.6	-1.3	-1.8	-2.5	220.1	61.0	-4.3	19.2
France	-1.8	-10.7	-19.4	-3.4	6.2	7.4	160.6	82.3	5.1	9.6
Italy	-3.1	-26.6	-19.0	-2.3	5.0	4.5	134.7	118.4	-1.4	7.9
Cyprus	-12.1	-62.3	-19.4	-0.7	8.1	27.9	316.2	61.5	-6.5	5.9
Luxembourg	6.4	103.9	3.2	0.8	16.8	-4.9	259.9	19.1	2.9	4.8
Malta	-3.4	9.2	6.9	-3.6	6.3	-	210.0	69.0	-1.5	6.8
Netherlands	5.7	34.2	-8.1	-2.0	5.5	3.1	218.7	62.9	-3.0	4.1
Austria	2.8	-10.5	-14.8	-1.5	6.4	5.8	160.6	71.8	-1.4	4.4
Portugal	-10.0	-103.0	-8.6	-2.7	2.0	3.6	247.6	93.3	0.1	10.3
Slovenia	-1.5	-37.3	-5.9	-0.4	11.4	1.0	128.3	38.8	0.7	6.7
Slovak Republic	-2.8	-65.2	32.6	6.5	6.8	4.9	74.2	41.0	-5.0	12.9
Finland	1.4	14.8	-18.7	-0.9	9.6	2.3	172.9	48.3	6.8	8.1

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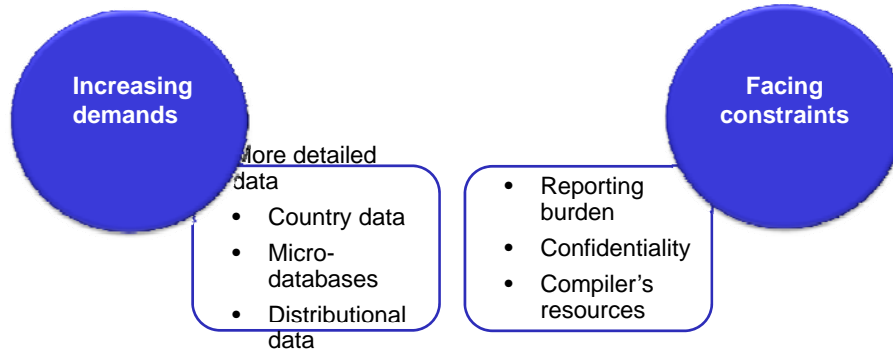
Reliable statistics to face the financial crisis

- Increased policy relevance → quality of statistics of greater importance
 - Statistics now trigger warnings, recommendations, corrective actions and eventually fines
- Statistics should not be subject to political considerations (“independence”)
 
- Robust quality standards systematically applied

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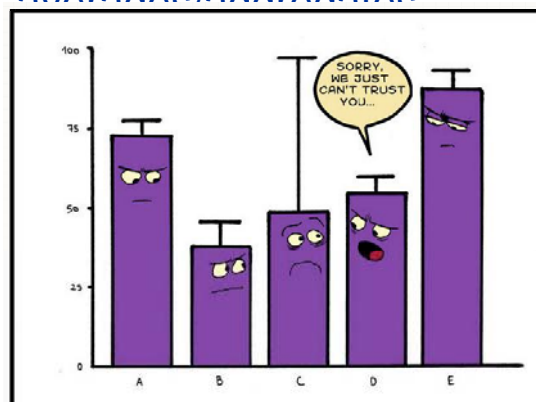
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Challenges in European statistics production



More detailed data

Going beyond
averages/aggregates



More detailed data: individual countries

- In addition to euro area/EU aggregates, there is also a need for **EU individual country data** (e.g. for country missions)



More detailed data: micro-databases

- More granular data collection
- More resource intensive for compilers, less costly for reporting agents
- Increased flexibility in responding to (complex) data requests
- Examples:
 - Centralised Securities Database (CSDB)
 - Securities holdings statistics (SHS)
 - Register Institutions and Affiliates Database (RIAD)



More detailed data: distributions Survey on SME Access to Finance

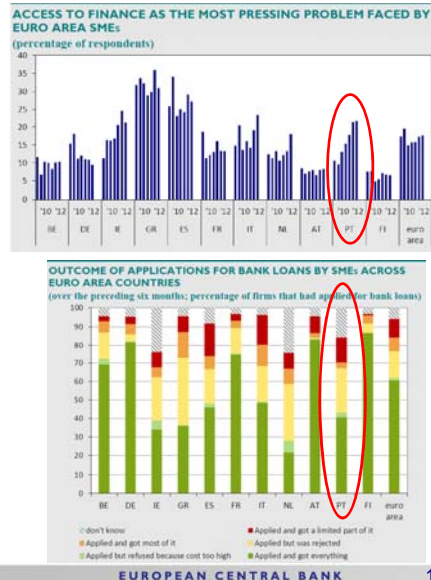
1. Importance SME euro area economy:

- 99.8% (number of firms)
- 60% (turnover)
- 70% (employment)

2. Euro area data: SME financing situation very heterogenous

3. In Portugal: access to financing for SME is growing problem

- Only 40% get all the financing they apply for



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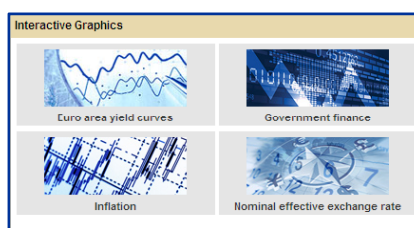
Accessibility to statistics

• ECB website

- Press releases
- Interactive graphics
- Publications

• Statistical Data Warehouse

<http://sdw.ecb.europa.eu>



Statistical Data Warehouse

Home > Economic Concepts

Selected indicators for the Euro Area

Indicator	Value
Annual percentage changes (unless otherwise stated)	Euro Area
Inflation rate (HICP)	2.5
Monetary aggregate M2	2.7
GDP in prices of the previous year (economic growth)	-0.6
Unit labour costs	1.4
Population (in millions)	332
Unemployment rate (as a % of labour force)	11.6
Labour productivity	0.2
Current account balance (as a % of GDP)	0.70
US dollar / Euro exchange rate	1.2762
Government deficit (.) / surplus (.) (as a % of GDP)	-2.9

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Conclusions

1. Increased policy relevance of statistics (from the “back-office” to the “board room”)
2. Statistics = powerful tool for communication and cooperation with policy makers and relevant stakeholders
3. Quality of statistics is crucial, starting from the quality of the input data
4. Access to statistics as an important aspect of accountability and credibility



Thank you for your reporting
and your attention!!!

Annex

