II

*(Acts whose publication is not obligatory)*

# COMMISSION

## COMMISSION DECISION

**of 3 September 1997**

**on changes to the Member States' GNP estimates for the purpose of implementing Council Directive 89/130/EEC, Euratom on the harmonization of the compilation of gross national product at market prices**

**(Text with EEA relevance)**

(97/619/EC, Euratom)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Council Directive 89/130/EEC, Euratom of 13 February 1989 on the harmonization of the compilation of gross national product at market prices [1],

Whereas it is necessary to ensure the comparability, reliability and exhaustiveness of gross national product at market prices;

Whereas the achievement of these objectives makes it necessary to set up deadlines for the transmission of any changes to GNP estimates on the points notified before the implementation of this decision, pursuant to the last sentence of Article 10 (8) of Council Regulation (EEC, Euratom) No 1552/89 of 29 May 1989 implementing Decision 88/376/EEC, Euratom on the system of the Communities' own resources [2], in order to enable the Commission to give an opinion on these points;

Whereas the list of the work which remains to be carried out by Member States, given at annexes A and B, concerns the reservations which have not yet been officially lifted by the Commission, even though some of the related work has been completed and the results transmitted to the Commission;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 6 of Directive 89/130/EEC, Euratom,

HAS ADOPTED THIS DECISION:

*Article 1*

The deadlines for the transmission, to the Commission, of any changes to GNP estimates or any additional methodological information showing clearly that the reservations concerned are no longer relevant, on the points notified before the implementation of this Decision, pursuant to the last sentence of Article 10 (8) of Council Regulation (EEC, Euratom) No 1552/89, and of the related information, is fixed for 1st October 1998.

The points which have been notified are listed in annexes A and B to this Decision.

The modifications made by Member States shall be transmitted to the Commission with all the necessary supporting calculations and explanations.

However for Austria, Finland and Sweden the deadline for the transmission of changes concerning the notified points listed in annexes A and B is 1st October 1999.

*Article 2*

This Decision is addressed to the Member States.

Done at Brussels, 3 September 1997.

*For the Commission*

Yves-Thibault DE SILGUY

*Member of the Commission*

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[1] OJ L 49, 21. 2. 1989, p. 26.
[2] OJ L 155, 7. 6. 1989, p. 1.

*ANNEX A*

## RESERVATIONS OTHER THAN EXHAUSTIVENESS NOTIFIED ON GNP (1)

BELGIUM

a)

— updating the output estimates in construction and market services, the intermediate consumption ratio for construction, and income estimates of self employed persons,

— checking intermediate consumption estimates for secondary output,

— revising private consumption estimates, except those coming from administrative sources, and the treatment of licences, patents and canteen services,

— revising factor income with the rest of the world as far as taxes, social contributions and the split of the respective balance of payments items between Belgium and Luxembourg are concerned;

b)

— inclusion of subsidies and the classification of taxes,

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final use and intermediate consumption.

DENMARK

a)

— updating price information used in connection with the quantity-price method to calculate output of construction,

— correction of some inaccuracies concerning the treatment of tips,

— inclusion of the results of the general revision of the Danish accounts currently being undertaken (reservation put by Denmark);

b)

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final use and intermediate consumption.

GERMANY

a)

Old *Länder*

— the improvement with regard to representativity, coverage and periodicity of the voluntary four-yearly cost-structure survey for wholesaling, retailing, transport (excluding railway) and other market services,

— certain inaccuracies concerning private consumption of air transport and canteen services,

— final consumption expenditure by households with respect to the estimate of the purchases of cars (reservation put by Germany);

(1) Reservations specific to each Member State are given under a) while those which cut across several Member States are given under b). The exception to this is the reservation concerning exhaustiveness, which is given in Annex B.

New *Länder*

— sources and procedures used to compile output and intermediate consumption estimates for agriculture,

— sources used to compile output and intermediate consumption of energy and water supply, mining, manufacturing and construction,

— sources used to compile output and intermediate consumption of retail trade, transports and communication (excluding Reichsbahn, Bundespost and Telefon),

— respecting precise ESA definitions (so-called macro-economic reclassifications),

— re-examination of the private consumption expenditure and the gross capital formation estimates;

b)

— inclusion of subsidies and classification of taxes,

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final uses and intermediate consumption.

GREECE

a)

Updating value added estimates for the following activities:

— agriculture,

— mining,

— manufacturing,

— public utilities,

— construction,

— transport and communication,

— trade,

— health services,

— private education services,

— other services;

b)

— inclusion of subsidies and classification of taxes,

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final use and intermediate consumption.

SPAIN

a)

— improvement of the statistical basis for output and intermediate consumption of market services (excluding wholesaling, retailing, transport, banking, insurance), to take account of quality change in extrapolation methods based on price and quantity indicators,

— revision of output and intermediate consumption calculations for wholesaling and retailing activities,

— incorporation of an estimate of taxes and social contributions for income transactions with the rest of the world,

— checking whether the impact of quality changes has been taken into account in extrapolations based on price and quantity indicators;

b)

— inclusion of subsidies and classification of taxes,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

FRANCE

a)

— Improvement of certain statistical bases used to draw up national accounts, in particular use of the 1989 family budgets survey and improved correction for enterprises missing from the BIC ('bénéfices industriels et commerciaux') statistics;

b)

— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— demarcation of final uses and intermediate consumption.

IRELAND

a)

— improvement of the method for selecting the tax sample and extrapoling the results to calculate companies' gross operating surplus,
— improvement of the estimate of the gross operating surplus of individual firms, in particular by correcting definitions,
— various problems relating to wage estimates as a result of extrapolation and the method of approximation;

b)

— inclusion of subsidies and classification of taxes,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financal institutions,
— distinction between final uses and intermediate consumption.

ITALY

a)

— Improvement of certain sources and methods used to draw up national accounts, in particular systematic comparision of the household survey with national accounts data,
— the hypotheses used to gross up the results of the sample surveys to the universe of work units;

b)

— inclusion of subisides and taxes linked to production,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

LUXEMBOURG

a)

— revision of the valuation of stocks and of the treatment of the market activities and products of public administrations;

b)

— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

NETHERLANDS

b)

— inclusion of subsidies and classification of taxes,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

AUSTRIA

a)

— improvement of intermediate consumption estimates for the renting of business buildings,
— final consumption expenditure with respect to the estimate of the purchases of cars,
— certain inaccurracies concerning the completeness of GFCF estimates;

b)

— inclusion of subsidies and classification of taxes,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

PORTUGAL

a)

— validation of gross fixed capital formation and changes in stocks estimates derived from the commodity-flow method with the results of the Enterprise Survey,
— use of the 1981 and especially the 1989 Household Budget Survey to check the results of the commodity-flow calculations,
— correction of the treatment of leasing to comply with that provided for in ESA-79,
— use of objective statistical surveys of plant and animal production in order to evaluate agricultural production (Nomenclatura das Contas Nacionais (NCN) 01),
— validation of estimates of the production of fisheries products (NCN 03),
— validation estimates of intermediate consumption in agriculture, forestry and fisheries (NCN 01, 02 and 03),
— use of the surveys on the use of tourist expenditure in 1990, 1991 and 1992 in order to validate the structure of the consumption of non-residents;

b)

— inclusion of subisides and the classification of taxes,
— treatment of housing services,
— transition from GDP to GNP,
— treatment of general government and private non-profit institutions,
— treatment of financial institutions,
— distinction between final uses and intermediate consumption.

FINLAND

a)

— estimates of intermediate consumption and value added for construction, trade, hotels, restaurants and cafés, business services and private personal services,

— estimates of household consumption and of gross fixed capital formation for business services and private personal services,

— methods of validation and reconciliation of data sources,

— estimates of household expenditure with respect to the prices of motor vehicles, and the treatment of household consumption concerning motor vehicle repairs funded by insurance companies;

b)

— inclusion of subsidies and the classification of taxes,

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final uses and intermediate consumption.

SWEDEN

a)

— revision of private household consumption and gross fixed capital formation estimates with regard to the use of up-to-date statistical data which are already available,

— changes in stocks in the construction industry and the market service branches (excluding wholesale and retail trade),

— treatment of the purchases of big household equipment (e.g. cookers, refrigerators and washing machines),

— revision of the export and import of services with respect to the latest revision of the balance of payments and the respect of the ESA 1979 definitions concerning the treatment of the export and import of insurance services,

— revision of output and value added estimates with regard to the use of up-to-date statistical data which are already available, especially from annual surveys and VAT statistics,

— checking the gross output of agriculture and forestry, waterworks, power stations, gas production, construction industry and also the service branches to ensure that possible secondary output is taken into account;

b)

— inclusion of subsidies and the classification of taxes,

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final uses and intermediate consumption.

UNITED KINGDOM

b)

— treatment of housing services,

— transition from GDP to GNP,

— treatment of general government and private non-profit institutions,

— treatment of financial institutions,

— distinction between final uses and intermediate consumption.

*ANNEX B*

## RSERVATION ON THE EXHAUSTIVENESS OF GNP

| | |
|---|---|
| 1. Belgium<br>2. Denmark<br>3. Germany<br>4. Greece<br>5. Spain<br>6. France<br>7. Ireland<br>8. Italy<br>9. Luxemburg<br>10. Netherlands<br>11. Austria<br>12. Portugal<br>13. Finland<br>14. Sweden<br>15. United Kingdom | comprehensiveness of the measurement of GNP and, in particular, the extent to which the underground economy is taken into account |