COMMISSION DECISION

of 18 June 2001

on the implementation of Decision 507/2001/EC of the European Parliament and of the Council concerning a set of actions relating to the trans-European network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries (Edicom)

(notified under document number C(2001) 1529)

(2001/490/EC)

THE EUROPEAN COMMISSION,

Having regard to the Treaty establishing the European Community,

Having regard to Decision No 507/2001/EC of the European Parliament and of the Council of 12 March 2001 concerning a set of actions relating to the trans-European network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries (Edicom) [1], and in particular Article 3 thereof,

Whereas:

(1) Decision No 507/2001/EC lays down the reference framework for an information network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries.

(2) The measures set out in this Decision meet the aims and conditions established by Decision No 507/2001/EC.

(3) Some measures are taken at a centralised level, whilst others are taken directly in those Member States which collect and produce statistical information. The objectives remain the same in each case.

(4) In accordance with Decision No 507/2001/EC, the Commission approves the annual work programme including the distribution of annual expenditure.

(5) The measures set out in this Decision are in accordance with the opinion of the Committee on statistics relating to the trading of goods between Member States and the Committee on statistics relating to the trading of goods with non-member countries, established by Council Regulation (EEC) No 3330/91 [2] and Council Regulation (EEC) No 1172/93 [3],

HAS ADOPTED THIS DECISION:

Article 1

For the 2001 work programme, the measures qualifying for Community funding are set out in Annex I up to the amounts stated in Annex II to this Decision.

Article 2

This Decision is adressed to the Member States.

Done at Brussels, 18 June 2001.

For the Commission

Pedro SOLBES MIRA

Member of the Commission

[1] OJ L 76, 16.3.2001, p. 1.

[2] OJ L 316, 16.11.1991, p. 1.

[3] OJ L 118, 25.5.1995, p. 10.

ANNEX I

EDICOM MEASURES — GENERAL WORK PROGRMME

Measures relating to the implementation of a higher-quality information network, which is less costly and available more quickly, in line with the requirements of Community policy

The 2001 work programme will pursue the following objectives:

1. *Production of advanced estimators*

The general objective of the proposed measures is to produce preliminary results at European level (EU and euro zones) which comply with minimum quality requirements at their level of aggregation. By comparing monthly statistics, as published initially and after revision, it will be possible to anticipate the final values of regularly revised data using appropriate econometric modelling or other suitable methodologies.

2. *Improvement in the quality of basic statistics in external trade*

The recent development of an outlier detection package by the Commission (Eurostat) shows that an integrated and portable approach to control the quality of basic statistics in infra and extra-EU trade would be more efficient. In particular, it appears that the control of values, quantities and unit values in the production of these three types of statistics should be better integrated. Methods developed in the Member States and the Commission (Eurostat) in the quality control of basic statistics should be synthesised and lead to a common platform. Such a package would perform editing, allow for follow-up of businesses with dubious or erroneous statistical information, combine with the management of the data collection, and perform the necessary imputation of missing data.

The objective of the proposed measures is therefore to improve the quality of the statistics and to analyse the methods developed in Member States to control the individual data/records coming from companies and the methods developed in Member States and the Commission (Eurostat) to control data at a more aggregated level of product and geographical classifications. The outcome will be a thorough evaluation of the current methods in use and an assessment of the feasibility of the common platform at EU level.

3. *Improvement in quality measurement and control of the external trade statistics*

Traditionally, external flows have been measured by the customs administration, which has its own culture. In particular, as a tax administration, it makes extensive use of accounting practices, i.e. an apparently clear-cut distinction between true values and errors. Therefore, there is no tradition of quality control, error measurement and communication on reliability of external trade statistics in many Member States. This is no longer a satisfactory situation, especially following the introduction of Intrastat (a system of direct collection of information from companies), where data is collected for statistical purposes, based on a close link with the VAT system.

The aim of the proposed measures is to respond to this unsatisfactory situation by enhancing quality measurement, control and assurance.

4. *Improvement in the updating process for statistical results*

The aim of the proposed measures is to determine a harmonised updating procedure for reducing the impact of factors affecting the quality of statistics. A high level of variability in the updating process applied to monthly data reduces the degree of harmonisation of external trade statistics. To identify the best methods, the updating process applied by each Member State must therefore be studied both from the methodological point of view and from the publication policy (how often, over what period, etc.) perspective. Then, a more harmonised procedure/approach at Union level (either the 'best' practice used by one or more of the Member States, or a completely new approach) will be proposed.

5. *Improvement in the methods of adjusting statistical results*

In Intrastat as in Extrastat, thresholds for data collection are used by the Member States in order to limit the burden on traders. There is currently no harmonisation of the methods or the tools for the adjustments that are required. Member States have developed various adjustment methods to compensate the under-estimation of external trade statistics — especially that of intra-EU trade. Although these adjustments help to improve the quality of statistics by compensating under declaration due to non-responses and trade below the assimilation threshold, they generate significant differences between the statistics of the Member States since there is no harmonisation of these methods. As a first step, a study on descriptive and comparative methods used by Member States was carried out analysing differences and similarities of the used methods. It turned out that, even though these methods vary from one Member State to another, they still have considerable similarities.

In order to select best practices and improve current methods, it is important to carry out simulations with the Member States' data at company level in order to validate and propose a more harmonised approach/set of methods from methodological, administrative, IT and human resource perspectives to be used in the Member States and the Commission (Eurostat). The objective of the proposed measures is to find the best adjustment methods and develop a user-friendly and portable application to test alternative methods in the Member States.

6. *Dealing with asymmetries in Intrastat*

The collection system of the statistics on intra-EU trade, Intrastat, 9 generates sets of statistics which are not coherent at the level of intra-EU trade. Two of the main reasons for the mirror discrepancies are related to the Intrastat system itself:

1. the collection system applies a threshold to exempt small traders from declaration;

2. there is non-response, since Intrastat no longer relies on customs control but on companies declaring directly to the competent national authorities.

Other factors contributing to the discrepancies are confidentiality rules, the classification of goods, reporting time lags, provisional results and updating processes, triangular trade, etc.

The asymmetries are very important because they affect the reliability of the euro zone trade balance as well as the balance of payments and national accounts (rest of the world account). Asymmetries are not limited to intra-EU trade and may occur with extra-EU partners.

In order to address these problems and improve the situation of users at European level (EU, euro zone), the aim of the proposed measures is to compare and implement specific models to reconcile the divergent data, on the basis of several methods.

7. *Reconciliation of external trade statistics*

External trade statistics is a statistical area which is unique in that two trading partners compile corresponding sets of data. The export flows from country A to country B registered in country A should be the same as the import flows from country A registered in country B. The reality, however, is quite different. Export and import flows between two countries concerning the same goods and the same period show differences.

The differences are identified by comparing import and export flows, i.e. by undertaking a 'mirror statistics exercise'. The next step is to find explanations and make adjustments to the identified discrepancies as far as possible, i.e. to conduct a reconciliation exercise. The ultimate aim, of course, is to improve the quality of trade statistics.

A reconciliation exercise of external trade statistics between partner countries is an important activity within the framework of the statistical cooperation programs. In addition, reconciliation exercises are carried out with major trading partners on quite a regular basis depending on the amount of resources available and other varying circumstances.

However, statisticians face a challenging task when analysing the mirror data to reconcile the trade statistics. In particular, several adjustment methods have to be applied in order to reach a common basis for such reconciliation work, e.g. for transport and insurance costs, impact of re-exports, problems of under-valuation, etc.

A reconciliation exercise with partner countries is a very efficient way of checking and improving the quality of the trade statistics. The actions planned therefore aim to produce a statistical methodology and computer tool that can be applied in different circumstances when reconciling trade data between two or more partners. The tool being developed will be tested by reconciling trade statistics between EU and two of its major trading partners, Canada and the USA. Accurate, uncontested and reconciled external trade statistics are vital when trade negotiations take place.

Measures relating to the implementation of a network of information that is relevant and appropriate to users' changing needs, within the framework of Economic and Monetary Union and the international economic environment

The 2001 work programme will pursue the following objectives:

1. *Improvement in the management of disclosure avoidance for foreign trade statistics*

The collection and dissemination of foreign trade statistics is a very detailed process covering more than 10 000 products. In many cases, this level of detail is not compatible with the rules on confidentiality which protect individual data provided by enterprises. Where necessary, the Member States apply their own rules for disguising data at national level and forward the initial data and the relevant authorised levels of publication to the Commission (Eurostat).

The current techniques for disguising data are defined at Member State level and applied directly to the aggregates of the European Union and the Monetary Union. By using statistical algorithms, it should be possible to disseminate information at Union level with no risk of disclosing individual data. Moreover, users of the COMEXT database are not yet aware of the possible impact of disclosure avoidance on data taken from this database: the risk of error of appreciation is great because the data used are, at best, incomplete.

The methods defined at national level cannot be consistent at Community level. A two-way flow may therefore be confidential for one Member State, but public for the partner country. On the other hand, detailed confidential data for one Member State are not integrated into the aggregate calculated at EU or Monetary Union level, whereas the European aggregate could often include national information with no risk of divulging individual data.

The objective of the proposed measures is therefore to improve and standardise the methodology implemented by the Member States and by the Commission (Eurostat) to respect the confidentiality of individual data while also ensuring that the most relevant data are disseminated.

2. *Development of external trade price indices*

The close and short-term monitoring of foreign trade prices is very important for economic and monetary policy, in particular, for the following reasons:

for exports, to measure the competitiveness of the European Union and the euro zone products in relation to those of competitors on the external markets,

for imports, to measure the risk of imported inflation,

for exports and imports, to construct suitable deflators of foreign trade, used for example in economic accounts.

The measurement of foreign trade prices has not yet been the subject of methodological harmonisation on Community level. Sources of price information are diverse, and so are the techniques for calculation of indices. Only some countries of the euro zone conduct direct sample surveys to follow the export and/or import prices. This information is not sufficient to compile European aggregates for the EU or the euro zone.

The indices that come closest to import and export prices are the unit value indices that are derived from trade data. These indices exist for both directions, imports and exports and also provide information on the source and destination countries of the flow of goods. Thus, this data can be aggregated to European indices for the EU and the euro zone. However, there are some inherent shortcomings of unit value indices that severely limit their potential usage for the objectives of economic and monetary analysis as stated above.

In this context, the actions planned aim at exploring and analysing existing national methodologies for export and import price indices in detail.

Measures relating to the implementation of an information network better integrated into the general statistical system and adapted to developments in the administrative environment

The 2001 work programme will pursue the following objectives:

1. *Development of trade registers and attention to globalisation*

For the open economies of the EU, external trade statistics are a major source of information that is widely used by economists, policy-makers and business associations. However, to make full use of these data, most users need them to be linked with enterprise statistics for which a full set of variables is already available at EU level.

On the other hand, it is important to provide the users with additional data measuring the impact of international groups on trade statistics. Connections between trade and business registers should play a key role in this respect. Provided enterprise groups are identified in the business register, the link with trade statistics would give estimates of the part of external trade carried out by transnational groups.

To achieve these goals, the Commission (Eurostat) has proposed an action plan over the next five years, that is divided into the two following topics: trade registers and globalisation. It is proposed that this work be continued.

— Trade registers

The objective of the proposed measures is to establish connections between the trade and business registers so that a broad range of new analysis of external trade statistics can be carried out. For instance, it would be possible to measure the part of trade carried out by each economic sector, for any reporter/partner/commodity combination. The links between trade and structural business statistics could also be analysed, for instance, the effect of trade on employment.

— Globalisation

The fundamental implication of globalisation is that the activities of enterprises need to be analysed and measured in a global as well as a national context. Traditionally, statistical data have focused on the international trade area with much less attention to other important cross-border economic relationships such as the activities of multinational firms and intra-firm flows. The result is that statistics may fail to fully capture the scope of cross-border economic activities.

The objective of the proposed measures is to examine the extent to which existing external trade statistics can contribute to the collection of this information and determine possible technical modifications to existing systems which can facilitate this collection.

2. *Adaptation and modernisation of Extrastat*

Customs declarations (single administrative documents) are the main source of statistical information on trade in goods between the EU and non-member countries. However, there are obvious limits to the statistical use of the single administrative document (SAD). It is planned to assess user needs and make fuller use of customs declarations in order to obtain better statistical information in several domains: financial statistics, taxes, application of customs measures, nature of transaction, etc. This information should be collected, checked and processed using harmonised methods and stored in a general database, from which various types of statistics could be compiled as required. Special attention would be focused on external trade statistics by mode of transport and links with the system of statistical information on transport. The information required for trade negotiations and, in particular, the statistical functions of the TARIC (Community's integrated tariff) database should be analysed and improved.

The objectives of the proposed measures are therefore:

— to make an inventory of the available data on the customs declaration that are not used for statistical purposes and to analyse the consequences of fuller use of the customs declaration in connection with the system of collecting and processing data by national administrations and with the system of dissemination,

— to assess the precise information needs with regard to trade negotiations,

— to increase the statistical potential of the TARIC database.

3. *Reassessment of the burden of the Intrastat system on statistical information providers*

In 1995/1996 the Commission (Eurostat) conducted two surveys, one among users of Intrastat data and the other among Intrastat statistical information providers. Some 4 700 information providers were questioned in the 12 Member States that comprised the European Union when Intrastat was introduced in 1993. The findings of this opinion poll were analysed and published in April 1996. In the months following publication, proposals to simplify the Intrastat system were examined as part of the SLIM initiative (simpler legislation for the internal market), resulting in amendments to Community rules.

The objective of the proposed measures is to make a new assessment of the burden of the Intrastat system on statistical information providers, based on the results of the 1995/1996 assessment, with a view to examining whether there is a need for further adaptations to the system.

Measures relating to the implementation of a network improving the statistical service provided to administrations and users and providers of data

The 2001 work programme will pursue the following objectives:

1. *Dissemination of data*

The users of external trade statistics require rapid access to pertinent data. Rapid dissemination of the most up-to-date data possible, adapted to the needs of different users, will establish the ESS as the preferred supplier of data on the external and intra-trade of the EU and euro zone. While other parts of the work programme foresee the development of new indicators and the improvement of existing data, this part puts in place the systems and tools necessary to ensure the rapid dissemination of these data. In accordance with Decision 1999/1719/EC, the common generic services and tools developed for IDA will be used where appropriate. A number of projects designed to meet this goal are planned for 2001.

The rapid dissemination of existing and new types of data will be ensured by the development of a macroeconomic database bringing together data on the main product and partner aggregates required by the ECB and other users of external trade data. The now-casting and estimation techniques developed under other actions will be used to ensure that the data are as complete as possible. As well as raw value data, the database will hold seasonally adjusted and index data.

A second project will develop modern, flexible dissemination outputs from this database, using standard formats and tools, such as XML. These will allow for rapid dissemination of data either on paper or using the World Wide Web.

To ensure that the database fully meets the needs and expectations of users such as the ECB, it is vital to fill in gaps in historical data, for example those due to the non-availability of data for Member States before their date of accession. A third project will research and develop the outputs needed to ensure the completeness of the historical part of the database.

A fourth project will develop concise, informative and interesting analysis of the external trade of the EU and euro zone using a mixture of tables, graphs and text. This will lead to two types of publication: regular short analyses of the latest trade data, and a longer annual review of the structure and evolution of the trade of the EU and euro zone.

2. *Development of a tool for classifying goods*

As part of the Edicom 2 programme, a number of projects designed to promote interoperability between computer systems and networks are planned, including the development of tools and software for the collection of statistical data with a view to facilitating the work of administrations and information providers alike.

The projects include the adoption of data collection methods which use computerised data exchange for compiling and transmitting statistical returns on the trading of goods between Member States.

As collection is done on the basis of coded statistical data, it is important to provide foreign trade operators with a tool for classifying goods in existing nomenclatures.

The main purpose of the proposed measures is to design and develop a common software product allowing the automatic classification of goods.

The product must be modular and interoperable at Community level, so that it can be adapted to existing information collection tools, and should lend itself to use in all the official languages of the Community. On-line use via an Internet server will also have to be envisaged in the longer term.

3. *Dissemination of metadata*

As part of the Edicom 2 programme, a number of projects designed to promote interoperability between computer systems and networks are planned, including the creation of a network to improve the statistical service offered to administrations, data providers and data users.

A major feature of the projects is the basic information on foreign trade statistics, including metadata such as nomenclatures, classifications and derived products.

The objective of the proposed measures is to design and develop computer modules which will make it possible to improve access to and dissemination of information on trade nomenclatures and their various derived products (explanatory notes, key words, alphabetical indexes, transposition or correlation tables, etc.), in a coherent and user-friendly relational set.

It is primarily intended for users of foreign trade statistics who require access to statistical concepts and methods, but also, more specifically, for the administrations of the Member States which use and disseminate foreign trade classifications established at Community level (CN, nomenclature of countries and territories, etc.) and their by-products, and any person or organisation interested by the setting in computer file layout of nomenclatures and derived products.

Measures relating to the implementation of a network based on tools for the collection of information in the light of the latest technological advances in order to improve functions available to information providers

The 2001 work programme aims to develop the tools for collecting statistical information

The collection of data from companies and their initial treatment is a fundamental component of the external trade statistic system. One of the successes of the programm Edicom I was the development and implementation of collection tools for the Intrastat system used by a large number of companies (electronic forms IDEP/CN8 and IRIS, and Web forms). Owing to modifications of the technological environment, and in the light of the experience gained, the objective of the measures proposed during this first stage of the programme will be to:

— ensure the continuity and development of these tools by making the necessary technological and functional modifications,

— take into account new methodological requirements,

— take into account developments in message standardisation,

— ensure the promotion of modern collection tools.

Measures relating to the implementation of an integrated and interoperable network

The 2001 work programme will pursue the following objectives:

The Edicom programme has methodological, organisational, legislative and computer components which require a coherent, integrated and synergic approach. The following measures are therefore proposed for the first year:

1. *Development of an information system on methodology*

   All methodological measures proposed must be coordinated to ensure their consistency and must aim at better integration of statistics on the trade of goods into the European statistical system. They must also be linked to existing methodology (including the *acquis communautaire*) and accompanied by teaching guides.

   It is also proposed to start development of a comprehensive, coherent and consistent documentary base to support the overall project and enable the methodological information to be disseminated interactively in a user-friendly way using the latest technology.

2. *Analysis of the existing system*

   The Edicom programme consists of a wide range of measures aimed at modernising and improving the trans-European network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries. It is proposed from the start of the programme to undertake an analysis of all elements making up the existing network (its structure, standards, methods and processes, etc.) to ensure the consistency and synergy of the programme's measures and to examine the extent to which IDA generic services can be used. In conjunction with this measure and in anticipation of future needs, the memory facilities and functions of the software for disseminating external trade statistics (Comext) will be enhanced and training in the new functions will be provided to network users.

ANNEX II

EDICOM MEASURES — INDICATIVE COST BREAKDOWN

(EUR 1 000)

	Year 2001
Measures relating to the implementation of a higher-quality information network which is less costly and available more quickly, in line with the requirements of Community policy	
— Centralised measures:	1 556
— Measures to be taken in the Member States:	1 683
Belgium	167
Denmark	210
Germany	155
Greece	50
Spain	271
Italy	121
Luxembourg	4
Netherlands	84
Portugal	154
Finland	132
Sweden	115
United Kingdom	220
Measures relating to the implementation of an information network that is relevant and appropriate to users' changing needs, within the framework of Economic and Monetary Union and the international economic environment	
— Centralised measures:	481
— Measures to be taken in the Member States:	673
Belgium	19
Denmark	55
Germany	80
Greece	142
Italy	64
Austria	25
Portugal	28
Finland	86
Sweden	99
United Kingdom	75
Measures relating to the implementation of an information network better integrated into the general statistical system and adapted to developments in the administrative environment	
— Centralised measures:	531
— Measures to be taken in the Member States:	318
Germany	60
Greece	56
Italy	30
Portugal	79
Finland	63
Sweden	30

(EUR 1 000)

	Year 2001
Measures relating to the implementation of a network improving the statistical service provided to administrations and users and providers of data	
— Centralised measures:	1 038
Measures relating to the implementation of a network based on tools for the collection of information in the light of the latest technological advances in order to improve functions available to information providers	
— Centralised measures:	629
— Measures to be taken in the Member States:	1 155
Belgium	5
Denmark	29
Greece	148
Spain	91
France	73
Ireland	92
Luxembourg	6
Netherlands	268
Portugal	132
Finland	101
Sweden	102
United Kingdom	108
Measures related to the implementation of an integrated and interoperable network	
— Centralised measures:	1 220
Measures relating to technical and administrative assistance; support measures	630
Total	9 914