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COMMISSION WORKING DOCUMENT

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1. INTRODUCTION

Article 4(3) of Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment (the 'BoP Regulation')[1] specifies that:

'The quality of the data transmitted shall be assessed, on the basis of the quality reports, by the Commission with the assistance of the Balance of Payments Committee referred to in Article 11(1). This assessment by the Commission shall be sent to the European Parliament for information.'

This working document assesses the quality of the data reported by the Member States in 2012. It was prepared with the assistance of the Balance of Payments Committee, as required by the BoP Regulation. It is based on the results of the balance of payments (BoP) quality assessment exercise undertaken by Eurostat between January and June 2013.

After a short description of the principles applied for assessing the quality of official statistics and a brief overview of the challenges encountered in compiling BoP data in a globalised environment, this document analyses the extent to which BoP data comply with the quality principles underpinning the European Statistical System (ESS).

In doing so, the report focuses primarily on the legal obligations on Member States to compile and transmit BoP data and how far they comply with them. It also provides information relevant for assessing the quality of the BoP data, with particular emphasis on total aggregates and the major components needed to compile the aggregates.

2. ASSESSING THE QUALITY OF OFFICIAL STATISTICS

BoP quality assessment is an annual exercise conducted by Eurostat in accordance with the principles established by Commission Regulation (EC) No 1055/2008 implementing Regulation (EC) No 184/2005 as regards quality criteria and quality reporting for balance of payments statistics[2]. BoP quality assessment verifies compliance with all the quality criteria laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European

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[1]   OJ L 35, 8.2.2005, p. 23.
[2]   OJ L 283, 28.10.2008, p. 3.

statistics[3], Article 12(1), namely: relevance, accuracy, timeliness, punctuality, accessibility and clarity, comparability and coherence.

Eurostat has made great efforts to develop quality management methods and tools for supporting the production of high-quality European statistics. Quality reporting underpins quality assessment, which in turn is the starting point for quality improvements. The 'ESS Handbook for Quality Reports' details the full range of methods that can be used for assessing the quality of official statistics[4], which differ according to the type of statistical process.

The purpose of statistics is to produce estimates of an unknown value; these estimates are not equal to the true values because of variability and bias. Statistics may suffer from a wide range of sampling and non-sampling errors. For statistics based on a sample survey there is an established theory for checking accuracy that looks at the variability of an estimator around its expected value, expressed by its variance, standard error, coefficient of variation or confidence intervals. Like national accounts, balance of payments data are compiled as aggregates of a variety of primary statistics, some based on sample surveys, some derived from administrative data, some resulting from models. In the case of aggregated statistics such as BoP, accuracy cannot be measured by a direct approach. The two main instruments that, according to the manuals on quality of statistics, can be used for assessing the quality of statistics of this kind are the analysis of revisions and the examination of errors and omissions[5]; both instruments are covered by this report.

The IMF has also developed standards for assessing the quality of statistics, which form part of the Data Quality Assessment Framework (DQAF). One specific DQAF is dedicated to BoP[6].

Eurostat's BoP quality reports reflect the standards established for the ESS and defined by the DQAF. To make these reports more suited to capturing the different features of data quality, their content has been expanded over time and will be further improved in the future.

While the quality of aggregated statistics is not the simple sum of the quality of all the underlying primary data, the quality of BoP data certainly depends on the quality of all the underlying data sources. Quality reports are regularly prepared for international trade in goods[7], the main component of the current account; it would, however, be extremely costly and time-consuming to assess the quality of every single component that feeds BoP.

3. CHALLENGES ENCOUNTERED IN COMPILING BoP STATISTICS

Systems for compiling balance of payments statistics were initially developed as by-products of foreign exchange control systems: resident banks collected and provided BoP compilers (generally in the national central banks) with information on each individual transaction in foreign currency. This source of information, called the international transaction reporting system (ITRS) or 'settlement-based reporting', remains the primary source for compiling BoP statistics in many countries outside the European Union.

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[3]   OJ L 87, 31.3.2009, p. 164.
[4]   See 'ESS Handbook for Quality Reports', Eurostat Working Papers, 2009. See also 'ESS Standard for Quality Reports', Eurostat Working Papers, 2009.
[5]   See 'ESS Handbook for Quality Reports', Eurostat, 2009, p. 65.
[6]   See http://dsbb.imf.org/images/pdfs/dqrs_bop.pdf.
[7]   See http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-RA-10-026.

The lifting of foreign exchange restrictions, the increasing number and complexity of cross-border financial transactions and the integrated management of payments made by multinationals gradually limited the comprehensiveness of the information collected from the settlement system. In the EU, the usefulness of settlement-based reporting for compiling BoP statistics was further limited by the moves to liberalise the EU market in financial services[8]. Since the traditional data source used for compiling BoP data was becoming less and less comprehensive, European BoP statisticians developed alternative data sources, in a context of reduced resources and increasing opposition to the statistical burden on respondents.

From 2000 onwards BoP compilers in the EU introduced new data collection and compilation systems. The new systems, already implemented in most of the EU Member States, are based on a combination of different surveys, sometimes integrated with the limited information still available from the ITRS. Greater use is made of information obtained directly from firms or individuals. Fuller use is made of sampling and estimation methods. Consistency with other statistics, e.g. on national accounts and on merchandise trade, is monitored more closely and common tools have been set up at the level of the EU and the euro area to make the compilation process more uniform. One example is the Centralised Security Database that allows portfolio investment data to be compiled by looking at the information on each individual security; another example is the FDI network, which allows exchanges of micro-data related to foreign direct investment (FDI).

4.   RELEVANCE

'Relevance' means the degree to which statistics meet the current and potential needs of users. As a result of the financial crisis, BoP (and international investment position, IIP) data have been attracting greater attention from users. BoP and IIP statistics are fundamental tools for analysing external imbalances and are also used as primary data for three of the eleven indicators that are part of the EU Macroeconomic Imbalance Procedure (MIP) scoreboard[9].

In the BoP quality assessment exercise, relevance is measured in terms of the availability of the data required by the BoP Regulation to the final users, assuming that users' needs are well reflected in the Regulation.

Since users' needs evolve over time, the Commission has amended the BoP data requirements in line with the new international standards. The latest Commission Regulation amending the BoP Regulation as regards the update of data requirements and definitions[10] was published in the Official Journal on 27 June 2012 and will apply from 1 January 2014.

As a consequence of the recent troubles in the financial markets, users are, however, already expressing requests for detailed BoP and IIP data that go beyond what is included in the amended BoP Regulation. They would, for example, need more geographical breakdown, and possibly bilateral data. Users responsible for trade negotiations with non-EU countries have reiterated their

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[8]   Regulation 2560/2001 on cross-border payments in euro exempted all transactions below the threshold of EUR 12 500
from statistical reporting. When Regulation 2560/2001 was reviewed, the threshold was raised to EUR 50 000 (Regulation (EC) 924/2009, Article 5(1)).

[9]   http://epp.eurostat.ec.europa.eu/portal/page/portal/excessive_imbalance_procedure/imbalance_scoreboard.

[10]   Commission Regulation (EU) No 555/2012 of 22 June 2012, OJ L 166, 27.6.2012, p. 22.

request for information on services 'by mode of supply'[11]. Eurostat is pressing Member States to deliver this additional information on a voluntary basis.

4.1. Data availability

The data completeness criterion focuses on the availability of the data required by the BoP Regulation. It is measured as the share of the number of values which are provided out of the total number of values required. Table 1 shows this indicator by Member State and by dataset.

In the case of the **euro indicators**, in the reference quarters (2011Q3-2012Q2) all the Member States complied fully with the requirements of the BoP Regulation.

For the quarterly balance of payments, data availability was stable throughout the latest quarters and averaged 98 % for the reference periods (2011Q3-2012Q2), up from 95 % for the previous four quarters (2010Q3-2011Q2) thanks to the increased detail reported by Bulgaria, France (100% compliant since 2012Q1) and Romania.

On **international trade in services**, data availability increased slightly from 97 % in the previous year, reaching 98 % for all data cells requested.

For both **FDI flows and FDI stocks**, in the reference period 2011 (t + 9), the EU average fell from the 100 % recorded the previous year to 98 % and 99 % respectively. The overall availability of FDI data with an activity and geographical breakdown for the reference year 2010 (t + 21) improved, though, from 92 % to 95 % for FDI flows and from 95 % to 97 % for FDI stocks.

Data availability is very high for all BoP domains. The few data not reported relate to very detailed items and geographical or activity breakdowns.

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[11]   This would involve making a clear distinction between transactions depending on whether: (a) it is the service which is provided across the border ('mode 1'), (b) it is the consumer who crosses the border ('mode 2'), or (c) it is the provider of the service who moves across the border ('mode 4'). See Manual on Statistics of International Trade in Services 2010, Chapter V.

Table 1: Data completeness

	Euro indicators (t + 2)	Quarterly balance of payments (t + 3)	International trade in services (t + 9)	FDI flows (t + 9)	FDI stocks (t + 9)	FDI flows (t + 21)	FDI stocks (t + 21)
Belgium	100 %	100 %	100 %	100 %	96 %	39 %	100 %
Bulgaria	100 %	93 %	100 %	100 %	100 %	100 %	100 %
Czech Republic	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Denmark	100 %	100 %	100 %	100 %	100 %	99 %	99 %
Germany	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Estonia	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Ireland	100 %	100 %	100 %	100 %	100 %	99 %	99 %
Greece	100 %	100 %	74 %	100 %	100 %	70 %	100 %
Spain	100 %	100 %	100 %	100 %	100 %	100 %	100 %
France	100 %	92 %	100 %	93 %	100 %	100 %	100 %
Italy	100 %	100 %	100 %	100 %	97 %	100 %	63 %
Cyprus	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Latvia	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Lithuania	100 %	100 %	100 %	100 %	100 %	95 %	100 %
Luxembourg	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Hungary	100 %	98 %	100 %	99 %	96 %	100 %	100 %
Malta	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Netherlands	100 %	100 %	92 %	100 %	100 %	100 %	100 %
Austria	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Poland	100 %	74 %	100 %	59 %	87 %	76 %	84 %
Portugal	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Romania	100 %	97 %	95 %	100 %	100 %	100 %	100 %
Slovenia	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Slovakia	100 %	94 %	97 %	100 %	100 %	95 %	96 %
Finland	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Sweden	100 %	94 %	98 %	100 %	100 %	100 %	100 %
United Kingdom	100 %	100 %	93 %	99 %	96 %	91 %	91 %
EU average	**100 %**	**98 %**	**98 %**	**98 %**	**99 %**	**95 %**	**97 %**

5. ACCURACY

'Accuracy' means the closeness of estimates to the unknown true values. While primary statistics can measure accuracy with statistical indicators such as mean errors and variance, similar indicators cannot be developed for macroeconomic statistics that are the result of a number of different data collection and compilation procedures. The BoP quality report measures accuracy by looking at the size of the revisions. It is assumed that each revision takes the dataset closer to the true value.

Revisions do not mean that 'errors' have been made or that the quality of the data has been deteriorating over time. On the contrary, revisions are made when new data sources and better information become available. A well established and publicly communicated revisions policy is a sign of the strength of the statistical system in question.

The size of revisions is, however, a measure of the quality of the first release of a specific dataset, compared with the latest vintage made available. There is a trade-off between timeliness and size of revisions: the earlier the first release of a dataset, the higher the revisions that can be expected as later vintages of the same dataset are released.

5.1. Stability

A very preliminary estimate of the quarterly balance of payments is available 60 days after the reference period ('euro indicators'), while the first complete estimate is available 90 days after the end of the reference period. Final estimates are normally available after three and half years (14 quarters), but revisions are also possible after longer periods.

Table 2 shows the mean values of revisions of the quarterly balance of payments between data available at t+60 and t+90 days, while Tables 3 and 4 show the mean values for revisions from first to final estimate over the last 14 reference quarters (2009Q1-2012Q2), expressed as a percentage of the original value.

Graph 1 shows the differences between the first and final estimates for the total current account of the EU-27.

Revisions for credits were highest in 2007, then kept decreasing until 2009 and remained constant thereafter. Revisions of national data often balance out between countries. Estimates of the EU-27 aggregates are therefore quite stable over time.

Revisions in different directions for credits and debits can result in sizeable revisions of the balance, even if the absolute revisions are minor.

Mean values of revisions should be interpreted with caution as they might be abnormally high if the initial estimates were low. Indicators for small economies are very sensitive to this factor: in a few cases they show extreme values despite the fact that the absolute amounts of both the first estimates and subsequent revisions are very small. More generally, cautious interpretation is also called for in cases (e.g. financial derivatives) where revisions of net flows (debits minus credits) are measured.

In the **current account** very small revisions were recorded on both the credit and the debit sides of the **goods account**, whereas in the **services account** the values of revisions were generally little higher than for goods, being most significant for **other services**. The **income account** is affected most by revisions, with very high values often recorded on direct investment income due to the difficulties compilers have in estimating profits in their first transmissions. Over the 14 quarters considered, mean revisions were generally higher for the **financial account** items than for the current account items, reflecting differences in both the scale and volatility of cross-border financial

transactions. For the EU, the revisions were largest for **outward direct investment, portfolio investment liabilities** and **financial derivatives**.

Table 2: Mean values of revisions for euro indicators, 2009Q1-2012Q2, % of the original value

MS	Goods		Services		Compen. of empl.		DI income		PI income		OI Income		Current transfers	
	C	D	C	D	C	D	C	D	C	D	C	D	C	D
BE	0.9	1.2	3.3	3.9	0.6	12.3	16.3	-56.5	-1.9	-	-2.8	-8.5	20.4	7.3
BG	-0.9	0.1	2.8	3.8	4.5	-33.4	98.4	17.7	23.9	-	12.5	22.7	-0.5	-9.6
CZ	0.6	3.1	1.6	31.2	5.2	-3.4	13.0	35.9	11.9	-	-0.8	-12.1	8.6	1.3
DK	0.2	0.1	0.6	0.3	0.5	8.9	0.7	0.0	-0.4	-	0.2	3.0	3.1	1.6
DE	0.2	0.7	0.1	-3.4	1.9	3.3	12.2	0.2	-0.4	-	2.8	2.4	0.1	-3.3
EE	0.0	0.0	0.1	0.0	-2.0	0.3	-6.5	-2.3	-5.3	-	1.5	0.2	1.5	0.1
IE	3.2	9.9	5.7	-1.0	12.9	-0.1	17.5	13.3	4.8	-	-2.2	-5.7	75.5	28.8
EL	-2.0	-1.2	-0.8	-3.9	-3.3	-0.7	47.6	-17.2	-21.0	-	-8.5	-0.5	-0.8	5.4
ES	0.4	-0.1	4.1	1.7	0.5	0.0	2.6	78.3	-0.6	-	-2.6	-6.0	-0.4	-0.5
FR	-1.6	-0.6	-2.3	-4.4	3.5	3.1	12.5	4.9	27.7	-	-15.7	-20.4	19.4	17.9
IT	0.1	0.2	1.6	1.4	7.5	3.8	-0.6	-10.2	-4.1	-	1.8	2.4	4.0	10.4
CY	29.9	8.1	35.9	4.5	21.6	11.3	133.2	114.4	-4.3	-	26.2	20.5	30.1	30.7
LV	-0.2	-1.0	-3.6	-2.8	0.5	-2.6	-54.2	-17.5	0.3	-	-0.9	-3.9	-0.4	-0.5
LT	0.4	0.9	26.1	0.6	12.5	144.9	-278.3	85.8	46.7	-	36.3	107.7	15.3	7.6
LU	5.7	3.8	2.1	3.5	-0.7	-27.1	42.9	127.5	1.2	-	2.8	-3.0	2.1	-0.2
HU	-1.3	-1.1	-2.0	-6.1	554.0	-0.8	23.0	4.2	-1.6	-	4.2	2.2	70.0	52.1
MT	1.3	0.9	3.2	3.5	0.0	0.0	-369.8	18.8	0.6	-	-0.7	-2.5	c	c
NL	-0.2	1.7	3.6	-0.9	-41.4	-23.1	-13.2	-35.1	2.6	-	-46.0	-39.8	-19.8	-2.3
AT	1.5	11.1	6.1	3.2	0.8	1.1	2.2	7.7	0.9	-	0.5	1.9	-1.0	2.3
PL	1.1	1.2	0.5	0.9	-2.9	26.7	-485.0	14.8	-1.7	-	-5.3	35.4	16.9	-0.6
PT	0.4	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-	0.3	7.0	17.8	26.0
RO	0.0	0.1	3.9	2.1	4.5	2.7	189.3	-11.0	4.7	-	19.3	2.0	1.7	-0.6
SI	2.7	6.9	20.1	12.9	0.0	-0.9	1.0	-3.3	-0.2	-	0.2	-0.1	1.9	2.1
SK	3.3	0.5	-6.6	-6.4	79.1	25.7	-252.3	83.9	-7.4	-	-13.1	-15.9	-7.4	65.6
FI	1.2	-1.8	0.2	0.3	0.2	1.0	-2.5	-57.3	-0.2	-	0.1	0.0	17.8	4.5
SE	0.0	0.0	0.0	0.0	-0.6	0.0	-36.3	-50.8	0.0	-	0.0	0.0	8.8	6.0
UK	-0.8	-0.5	0.1	0.6	2.7	-2.5	125.2	2.0	2.5	-	-5.6	-4.2	23.9	4.1
EU	**0.1**	**0.7**	**1.8**	**-0.4**	**0.7**	**-2.2**	**-1.3**	**-12.7**	**3.8**	**3.5**	**-7.4**	**-7.8**	**0.6**	**4.5**

Table 3: Mean values of revisions for main items of current account, 2009Q1-2012Q2 (%)

MS	Goods		Services		Transport		Travel		Other services		Comp. of emp.		DI income		PI income		OI Income		Current transfers	
	C	D	C	D	C	D	C	D	C	D	C	D	C	D	C	D	C	D	C	D
BE	1.1	3.1	9.3	6.0	1.5	2.5	3.0	1.6	15.1	2.5	4.8	29.0	9.6	-3.6	7.1	-	-10.0	-29.8	31.7	11.1
BG	-0.4	1.2	0.6	-0.7	-8.1	-9.1	5.1	4.5	3.5	7.9	2.4	41.7	-92.1	-308.7	3.3	-	3.8	9.5	9.4	-3.9
CZ	2.1	-3.2	1.0	11.3	-8.5	2.3	12.9	-8.4	0.2	-1.2	0.5	6.2	-54.1	12.7	-4.1	-	-6.9	-1.0	11.3	-10.6
DK	0.8	-1.5	4.4	2.9	3.9	6.4	-6.5	1.2	9.1	-3.1	30.5	-0.6	-0.1	-52.9	4.4	-	1.6	-1.4	3.2	-0.7
DE	1.6	1.9	3.5	1.8	2.7	1.6	0.2	0.7	4.4	2.6	7.5	17.0	53.5	-8.7	-2.1	-	8.6	9.8	-0.3	-7.6
EE	-1.6	-1.8	0.3	-1.1	0.5	-5.4	-0.3	4.0	0.2	0.6	-6.8	0.1	14.7	995.4	2.4	-	-0.7	-1.5	-11.2	-5.1
IE	-1.4	-0.2	-1.9	-0.7	-0.1	0.1	13.6	-9.7	-2.5	-0.1	13.7	-4.4	5.9	-6.7	5.3	-	-8.5	-8.7	-1.3	2.5
EL	-1.3	-0.7	-0.2	-0.7	-0.2	-0.6	0.0	0.0	-1.3	-1.7	-1.4	-0.7	312.8	-75.8	0.0	-	-2.7	-1.4	-0.5	0.5
ES	0.5	-0.3	1.3	1.9	1.8	5.5	3.0	0.5	0.6	0.5	1.9	-1.1	39.5	17.6	-0.5	-	0.8	-0.3	2.9	1.2
FR	0.0	-1.2	23.1	12.0	3.7	3.8	4.4	-0.1	42.4	29.4	16.1	-5.7	31.8	34.0	0.0	-	4.8	0.1	34.9	40.2
IT	-0.3	0.6	8.0	5.6	0.1	0.5	0.7	0.1	21.7	12.7	245.7	67.9	158.1	34.9	0.6	-	21.7	-1.0	33.9	8.5
CY	-24.5	-7.1	3.1	7.3	1.2	5.2	-4.5	10.2	5.8	8.7	12.0	6.1	51.0	53.5	0.5	-	4.3	5.6	-6.3	-2.6
LV	-0.6	-0.1	-0.5	-1.6	-0.3	2.5	0.2	0.0	-1.4	-3.6	-3.2	2.5	50.5	-21.9	-5.7	-	-1.0	-2.0	0.1	-0.2
LT	-0.1	-1.4	2.1	6.0	-0.1	1.1	13.5	25.3	-4.2	-3.0	24.2	26.0	195.3	16.6	-8.2	-	-3.0	-29.6	-6.1	17.9
LU	-0.8	1.0	-7.3	-0.8	-0.4	-2.2	14.4	0.9	-7.9	-3.4	0.3	11.3	11.9	13.9	0.1	-	-10.9	-21.9	-2.2	-0.7
HU	-5.6	-0.2	2.6	0.1	-1.0	-1.4	0.0	-13.2	4.7	3.5	-3.6	-17.6	61.0	46.1	1.7	-	-0.4	1.5	9.4	0.5
MT	17.8	17.9	4.0	30.2	1.3	10.1	c*	c*	16.4	45.3	-0.8	-4.7	-122.6	-630.7	0.1	-	-0.1	0.2	c*	c*
NL	-1.2	-1.0	-0.1	2.1	-0.1	0.8	-1.8	0.0	-0.1	2.6	-0.5	63.9	31.1	27.5	2.3	-	-1.5	-5.1	-21.3	-6.2
AT	0.7	-1.0	1.8	0.4	1.6	1.1	-0.5	0.7	2.8	-0.3	-0.2	-5.9	24.7	56.4	2.4	-	0.5	-0.2	-0.8	-2.3
PL	-0.5	-1.4	-1.2	0.8	1.3	2.4	-2.8	5.7	-0.9	-2.0	-22.7	203.1	163.1	-22.2	8.0	-	0.0	-0.3	-34.4	-14.2
PT	-0.4	0.0	0.3	-0.1	0.1	-1.6	0.0	0.3	1.1	0.7	0.1	8.5	21.2	2.2	0.4	-	15.3	-4.0	-8.5	-10.7
RO	-0.1	1.3	2.3	-8.9	-5.4	-22.5	2.7	-0.2	5.6	2.6	4.6	1.4	-662.5	-277.7	0.3	-	22.7	-4.4	-0.5	-4.2
SI	0.3	-0.1	-7.2	-1.9	6.1	0.1	-0.4	-6.5	0.7	3.6	91.3	-8.7	-137.7	-26.2	-1.2	-	-0.2	2.3	3.6	17.5
SK	-0.4	-0.5	-1.8	-1.0	-0.9	-5.0	-3.9	6.5	-2.6	0.6	-12.3	-29.6	186.5	118.9	-1.0	-	-1.0	-3.1	-20.5	-20.6
FI	1.0	0.7	10.8	18.7	12.3	4.1	3.2	2.0	c*	c*	0.3	6.2	13.2	506.3	-4.7	-	0.3	3.2	-1.9	7.0
SE	0.2	0.5	-1.3	-0.1	-0.9	-3.9	-5.9	-2.8	0.1	1.9	2.0	-3.6	7.7	51.4	3.0		-5.0	-10.7	-8.4	0.5
UK	0.2	-0.1	5.4	0.0	1.8	-1.1	8.6	1.4	5.7	-1.2	8.8	-3.4	-2.5	7.5	0.5	-	9.9	3.9	20.1	8.2
EU	**0.3**	**0.3**	**4.9**	**2.9**	**1.6**	**1.7**	**2.0**	**0.1**	**7.0**	**3.8**	**13.9**	**19.2**	**16.0**	**8.7**	**-0.7**	**-2.3**	**1.2**	**-3.3**	**1.6**	**1.7**

*c – confidential

Table 4: Mean values of revisions for main items of financial account, 2009Q1-2012Q2

	QBOP FINANCIAL ACCOUNT MEAN (%)						
MS	DI outward	DI inward	PI assets	PI Liabilities	OI assets	OI liabilities	Fin deriv.
BE	33.2	1.6	-90.5	-13.2	30.5	8.2	132.4
BG	-182.6	-154.4	59.1	-7.5	-920.6	-45.7	6.7
CZ	-89.4	683.4	-41.4	0.0	-20.2	-1802.9	-14.0
DK	-3.1	180.0	-40.2	-10.9	-4.7	0.7	-14.7
DE	141.7	32.0	-2.5	15.9	45.3	2.8	35.6
EE	38.3	110.3	3.4	66.9	2.3	-94.6	-13.3
IE	47.1	38.2	-35.4	87.9	-14.7	-3.8	18.0
EL	-557.7	-131.7	54.4	0.4	1.2	1.3	-1.1
ES	207.2	48.7	25.0	-3.8	-3.1	-14.7	-29.6
FR	-7.5	-17.6	-30.7	4.5	-29.4	-29.4	-359.2
IT	161.8	-23.7	-156.0	-1.9	-1330.6	11.1	697.3
CY	314.7	296.8	-16.5	-258.3	-170.3	-87.4	-21.6
LV	-36.1	-63.9	-207.3	34.2	-22.3	8.0	10.7
LT	-87.5	188.9	-3.3	-29.9	73.9	3.7	-16.7
LU	-142.3	64.8	-8.5	-14.6	79.1	-0.1	1721.6
HU	-84.9	52.4	46.2	4.0	-2.0	33.4	-2.8
MT	-9.1	-101.3	-5.1	-49.4	0.2	2.1	-3.2
NL	-51.7	121.8	-5.3	10.1	-257.4	34.7	14.8
AT	114.9	52.7	-2.7	5.9	-7.3	16.8	-225.7
PL	275.5	-34.4	-50.4	1.2	66.1	-17.5	-2.3
PT	-364.4	-94.3	-15.2	39.8	-39.5	-14.5	-9.4
RO	473.5	-131.2	-167.0	-18.5	-41.3	42.5	40.1
SI	-23.5	35.3	5.3	12.0	-20.3	43.8	-2028.6
SK	16.3	64.0	98.6	15.0	-25.3	82.9	-0.4
FI	249.3	-140.1	4.9	20825.7	9.9	-3.1	23.7
SE	87.6	-51.4	7.2	17.1	-148.4	-34.1	-38.2
UK	-3.6	32.6	159.9	8.8	1.5	87.6	-14.4
EU	**35.2**	**9.0**	**4.0**	**-32.1**	**-3.7**	**10.9**	**70.5**

Graph 1: Differences between first and final estimates for EU-27 current account, 2005Q1-2012Q2, in EUR million
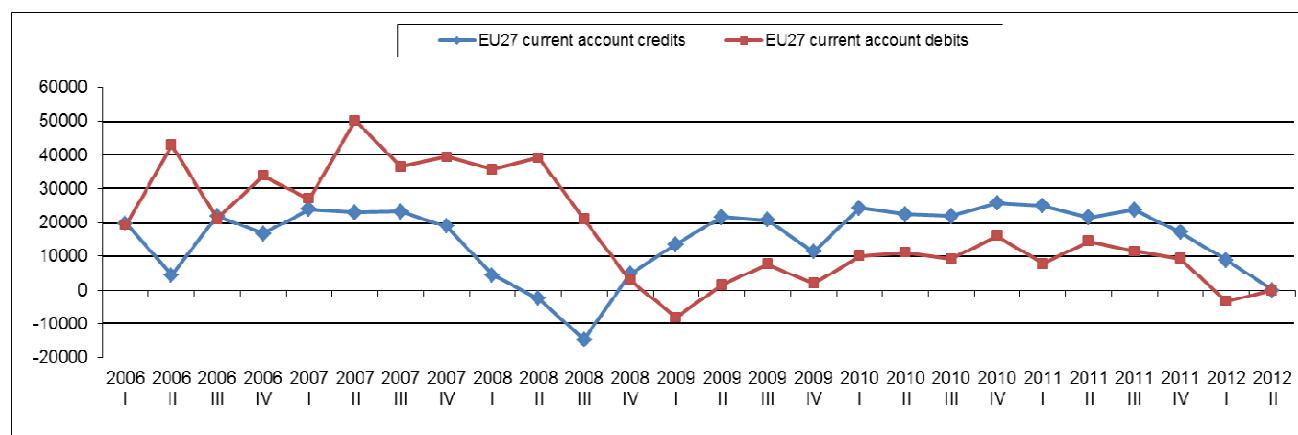
6. TIMELINESS AND PUNCTUALITY

Punctuality is measured in terms of compliance with the deadlines for data transmission set by the BoP Regulation. Table 5 analyses the punctuality of the balance of payments statistics. It shows that, with very few exceptions, the Member States were able to meet the deadlines for all the datasets.

Timeliness could also be measured as the gap between the reference period covered by the datasets and the moment when the data are made available to the users. Currently BoP data are reported to Eurostat 90 days after the end of the reference period. The amended BoP Regulation takes into account users' requests for more timely statistics, reducing the reporting deadline from the current 90 days to 85/82/80 days, respectively from 2014/2017/2019 onwards.

Table 5: Punctuality of data transmissions

Deadline:	Euro indicators* *reference period + 2 months*	Quarterly balance of payments* *reference period + 3 months*	International trade in services *reference period + 9 months*	Foreign direct investment — flows *reference period + 9 (or 21) months***	Foreign direct investment — stocks *reference period + 9 (or 21) months***
Belgium	-1	-1	0	-3	24
Bulgaria	-10	-13	0	-2	-2
Czech Republic	-2	-9	-8	11	-6
Denmark	-16	-8	0	-3	-3
Germany	-7	-6	-3	-5	-17
Estonia	-1	-20	-35	-21	-21
Ireland	-4	-5	-17	-2	-2
Greece	-7	-4	-2	-4	-3
Spain	0	-2	-1	-2	-2
France	-3	-3	0	-3	-3
Italy	-1	-4	0	0	0
Cyprus	0	-1	-1	-3	-3
Latvia	0	-23	-25	-27	-27
Lithuania	-2	-5	0	-2	-2
Luxembourg	-9	-2	-1	-3	0
Hungary	-3	-1	0	-2	-2
Malta	0	-4	-10	-3	-3
Netherlands	-15	-9	-3	-5	-3
Austria	-3	-4	-4	-58	-58
Poland	0	-2	-3	-3	-2
Portugal	-5	-6	-7	-10	-10
Romania	-1	-6	-2	-4	-4
Slovenia	-16	-17	-86	-30	-30
Slovakia	0	0	0	-5	-5
Finland	-4	-12	-7	-9	-9
Sweden	-2	-9	-1	-2	-2
United Kingdom	0	1	-1	-2	-2

*For euro indicators and quarterly balance of payments, the average punctuality for four data transmissions (2011Q3-2012Q2)
**For FDI (both flows and stocks), two separate data requests exist, with different deadlines: 9 months and 21 months after the end of the reference period. Both datasets are however due at the same date, end of September.

7. ACCESSIBILITY AND CLARITY

BoP data for the EU-27 Member States are available free of charge from Eurostat's website (Eurobase) at: http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database. They are organised as shown in Figure 1.

Figure 1: BoP data online for all users

Both the number and the detail of the BoP data disseminated online have steadily increased over time. Regular dissemination of data on workers' remittances started in February 2010. Due to the increasing interest in national BoP and IIP data, longer time series, deeper geographical breakdowns and more complete tables started to be disseminated in 2011. In 2011 new tables relating to 'Main Balance of Payments and International Investment Position items as a share of GDP' and 'Export market shares' were created and quarterly International Investment Position data started to be disseminated. In April 2013 Eurostat started to disseminate more granular information related to the quarterly BoP financial account.

8. COMPARABILITY

'Comparability' relates to the differences that can be observed when statistics on the same domain are compared between geographical areas or over time.

The BoP quality report measures comparability over space by looking at asymmetries. Eurostat regularly provides tables that highlight the top persistent asymmetries for each country and item and encourages countries to address the underlying problems via bilateral contacts and exchanges of more detailed information. The foreign direct investment (FDI) network was also set up to allow exchanges of bilateral FDI data and, in the course of time, is expected to reduce the asymmetries in FDI.

Graph 2 compares EU-27 and World asymmetries. While EU-27 asymmetries are by no means insignificant (they represent 0.8 % of EU GDP), they have been stable from 2004 onwards. The various initiatives that Eurostat is undertaking to address asymmetries in the EU-27 BoP are clearly bearing fruit.

Graph 2: EU-27 and World asymmetries, total current account, 1999-2012, in EUR million
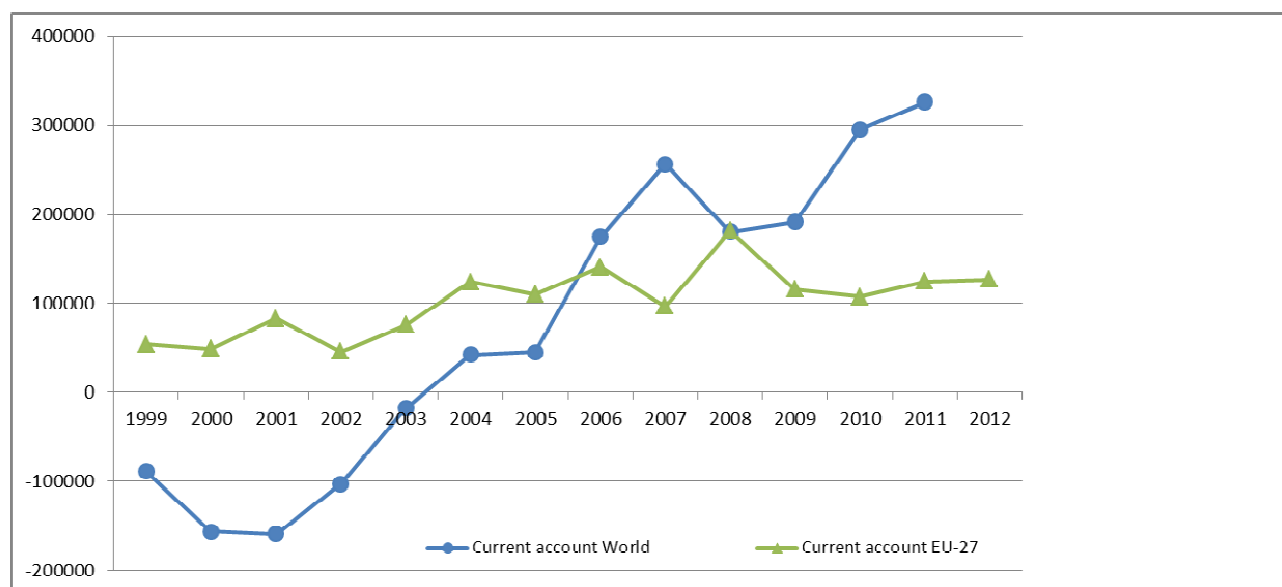
9. COHERENCE

Coherence focuses on the consistency of statistics produced for different purposes. The BoP quality report measures this component by looking at both internal consistency (compliance with integrity rules, coherence between the quarterly and annual data and size of errors and omissions) and external consistency (coherence between BoP data and similar statistics from different statistical frameworks). The external consistency of BoP goods data and foreign trade statistics (FTS) (as produced by Intrastat and Extrastat) is regularly monitored.

9.1. Internal consistency

Internal consistency is measured by looking at the values of net errors and omissions. Net errors and omissions constitute the residual item balancing the accounts. Sometimes compilation errors offset one another. Consequently, the size of this residual item does not necessarily provide any indication of the overall accuracy of the statement.

Net errors and omissions are closely monitored by national BoP compilers: high values or constant increases are a sign of problems in the compilation systems that have to be identified and addressed.

Table 6 shows the average relative error recorded by the Member States for the period 2009-11. It is equal to the average of the absolute value of net errors and omissions during the period in question (measured as a share of the average of current account credits and debits), as recorded in the quarterly balance of payments of the Member States. For the period 2009-11 five Member States (Italy, Denmark, Sweden, Finland and Ireland) recorded a value of around 10 % for this indicator. Compared to period 2008-10, the size of errors and omissions decreased slightly in Bulgaria, Finland and Sweden. In Italy the values of errors and omissions remain high, and are due to the transition towards a totally new collection and compilation system.

Table 7 shows the cumulated relative sum of errors and omissions (E&O), which is computed for each period as the cumulated sum of E&O divided by the total current account (sum of credit and

debit). This indicator assesses the persistency of the sign of errors and omissions, showing lower values for Member States for which errors and omissions are changing signs, an indicator of E&O not being systematic. In 2011 five Member States (Denmark, Italy, Poland, Slovakia and Finland) recorded a value in excess of 10% for this indicator.

Table 6: Average relative error, 2009-11

Belgium	1%	France	8%	Austria	4%
Bulgaria	6%	Italy	12%	Poland	5%
Czech Republic	2%	Cyprus	3%	Portugal	2%
Denmark	10%	Latvia	2%	Romania	5%
Germany	4%	Lithuania	1%	Slovenia	2%
Estonia	2%	Luxembourg	0%	Slovakia	4%
Ireland	9%	Hungary	2%	Finland	9%
Greece	3%	Malta	4%	Sweden	10%
Spain	3%	Netherlands	4%	United Kingdom	4%

Table 7: Cumulated relative errors and omissions, 2011

Belgium	1%	France	3%	Austria	0%
Bulgaria	9%	Italy	-12%	Poland	-17%
Czech Republic	-4%	Cyprus	2%	Portugal	-2%
Denmark	-19%	Latvia	4%	Romania	-4%
Germany	4%	Lithuania	0%	Slovenia	0%
Estonia	-1%	Luxembourg	0%	Slovakia	-12%
Ireland	-5%	Hungary	-5%	Finland	-19%
Greece	-2%	Malta	7%	Sweden	-1%
Spain	-2%	Netherlands	-4%	United Kingdom	0%

9.2. External consistency

External consistency relates to the coherence between BoP data and similar statistics from different statistical frameworks.

External consistency relating to goods, as reported in BoP data and in foreign trade statistics (FTS), is regularly monitored by Eurostat. When comparing the two datasets, methodological differences between the BoP and FTS should be taken into account. The main ones have to do with the fact that the BoP requires a change of ownership in order to record a transaction, whereas FTS record physical cross-border movements of goods, and with different valuation methods[12]. One example of this

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[12] Imports/debits are valued *free on board* (f.o.b.) in the BoP, but are valued *cost, insurance and freight* (c.i.f.) in FTS.

difference is the treatment of non-monetary gold that changes ownership without being physically moved to the country of the new owner; this gold is not included in FTS but is included in the BoP.

The overall consistency between FTS and BoP data can be assessed quickly by looking at the time series of differences between the values for credits/exports and debits/imports available from the two statistical frameworks and is shown in Graph 3 for the EU-27 aggregate. The consistency between the data on goods in the BoP and in FTS has improved in recent years and the difference has stabilised at fairly low levels.

Graph 3: Goods ─ difference between FTS and BoP, EU-27 and 'extra EU-27' partners
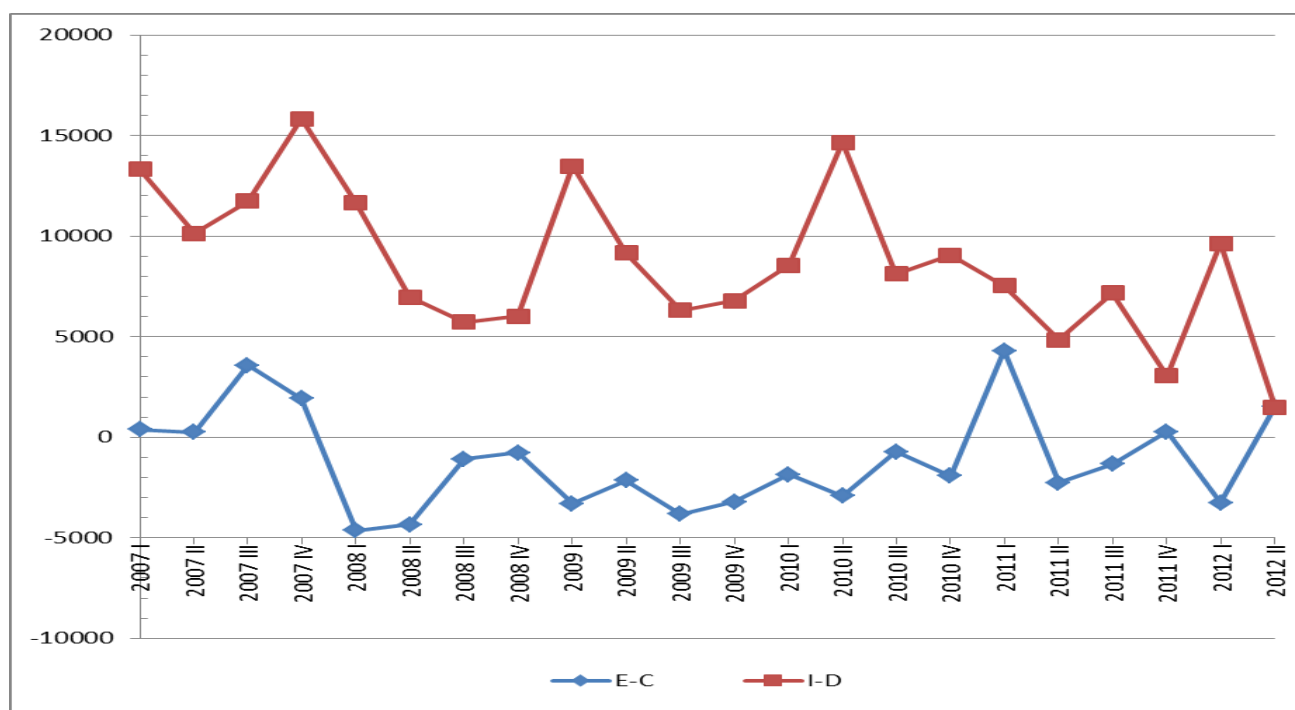
10. CONCLUSIONS

The entry into force of the BoP Regulation led to closer harmonisation of balance of payments statistics throughout the EU and increased the availability of data to users.

This working document shows that the BoP data required by Eurostat under the BoP Regulation are reported by every Member State, generally on time. A much larger amount of BoP data is now available to final users compared to what could be obtained at the end of the 1990s: more detail is now available on transactions and geographical breakdowns, the frequency and timeliness of the data have improved and longer time series have been reconstructed for the sake of economic analysis. Greater use is made of estimation, increasing the importance of quality reports that allow regular monitoring of the stability and consistency of the data.

As a result of the financial crisis, both BoP and IIP data are under closer scrutiny by users. Eurostat and national compilers are making every effort to ensure that BoP and IIP data fully meet the needs of the wide circle of users.

The next BoP quality assessment exercise will start in January 2014.