



# Workshop on the implementation 2008 SNA: Consistency between national accounts and balance of payments statistics

Minsk, 03 – 05 October 2017

## Session 1

# Consistency between National Accounts and Balance of Payments statistics in the EU

The state of consistency in the nonfinancial accounts

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## Rationale

- **BPM6, Appendix 7 and SNA2008, Chapter 26**
  - Full harmonisation of BOP and NA
- **Accounting system**
  - Transactions: BOP resident view – NA nonresident view (ROW)
  - BOP credits (inflows) = ROW payables
  - BOP debits (outflows) = ROW receivables
  - Current+Capital account balance = Net lending/net borrowing (B9)
- **Classification**
  - BOP Services consistent with Central Product Classification (CPC) – except: travel, construction, government goods and services n.i.e.
  - BOP Functional category – NA Instrument classification (investment income, financial account)

## Reconciling the nonfinancial accounts

BOP component	ROW item	Description
Goods	P61	Exports of goods
	P71	Imports of goods
Services	P62	Exports of services
	P72	Imports of services
Primary income	D1	Compensation of employees
	D2	Taxes on production and imports
	D3	Subsidies
	D4	Property income
Secondary income	D5	Current taxes on income & wealth
	D6	Social contributions and benefits
	D7	Other current transfers
	D8	Adjustment for the change in pension entitlements
Capital account	D9	Capital transfers
	NP	Acquisition less disposal of nonfinancial nonproduced assets

## Measuring inconsistency

### ■ Absolute/nominal differences

- Picture of current situation "as is"
- But: countries with high transaction volumes have higher exposure

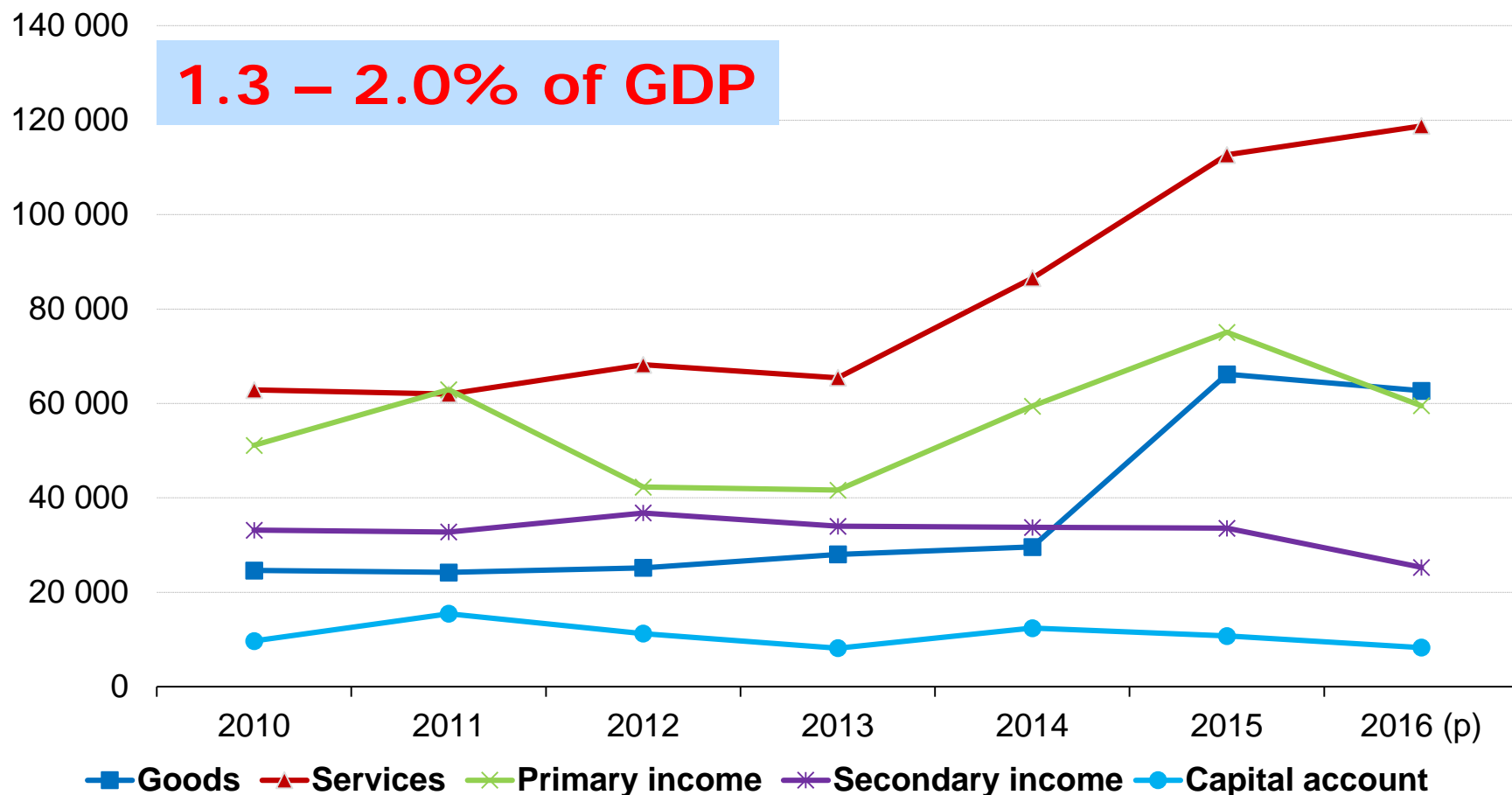
### ■ Relative differences

- In % of GDP
- In % of total transaction volumes
- Simulating little significance in countries with high GDPs, high significance in countries with low GDPs

### ■ Revision and vintage bias

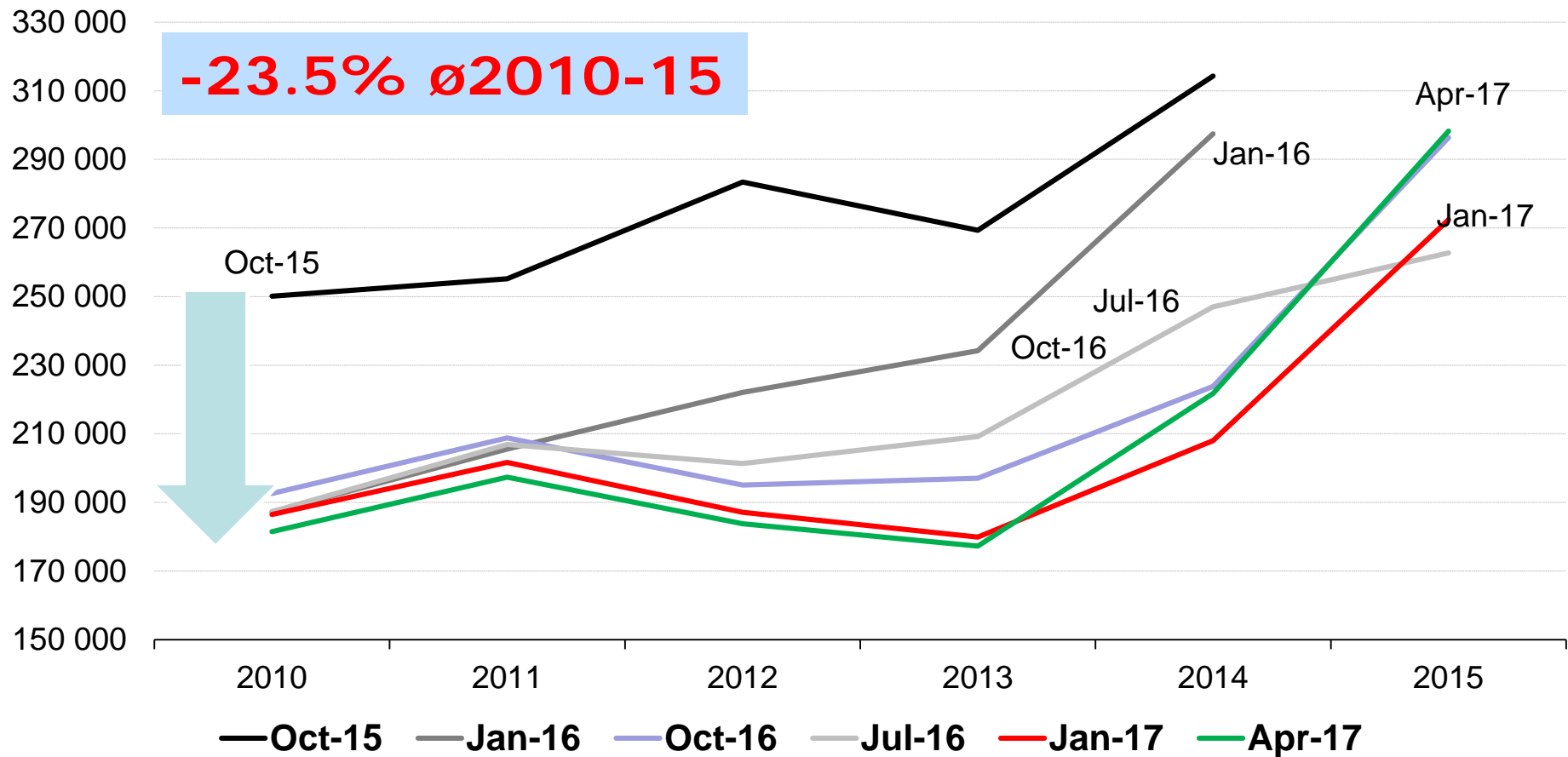
- Risk of overestimating the problem
- Research in causalities required
- Every country is different

## Consolidated discrepancies in the EU28



*Absolute discrepancies, 2010-2016, sum of EU28 (m€) – Apr.2017*

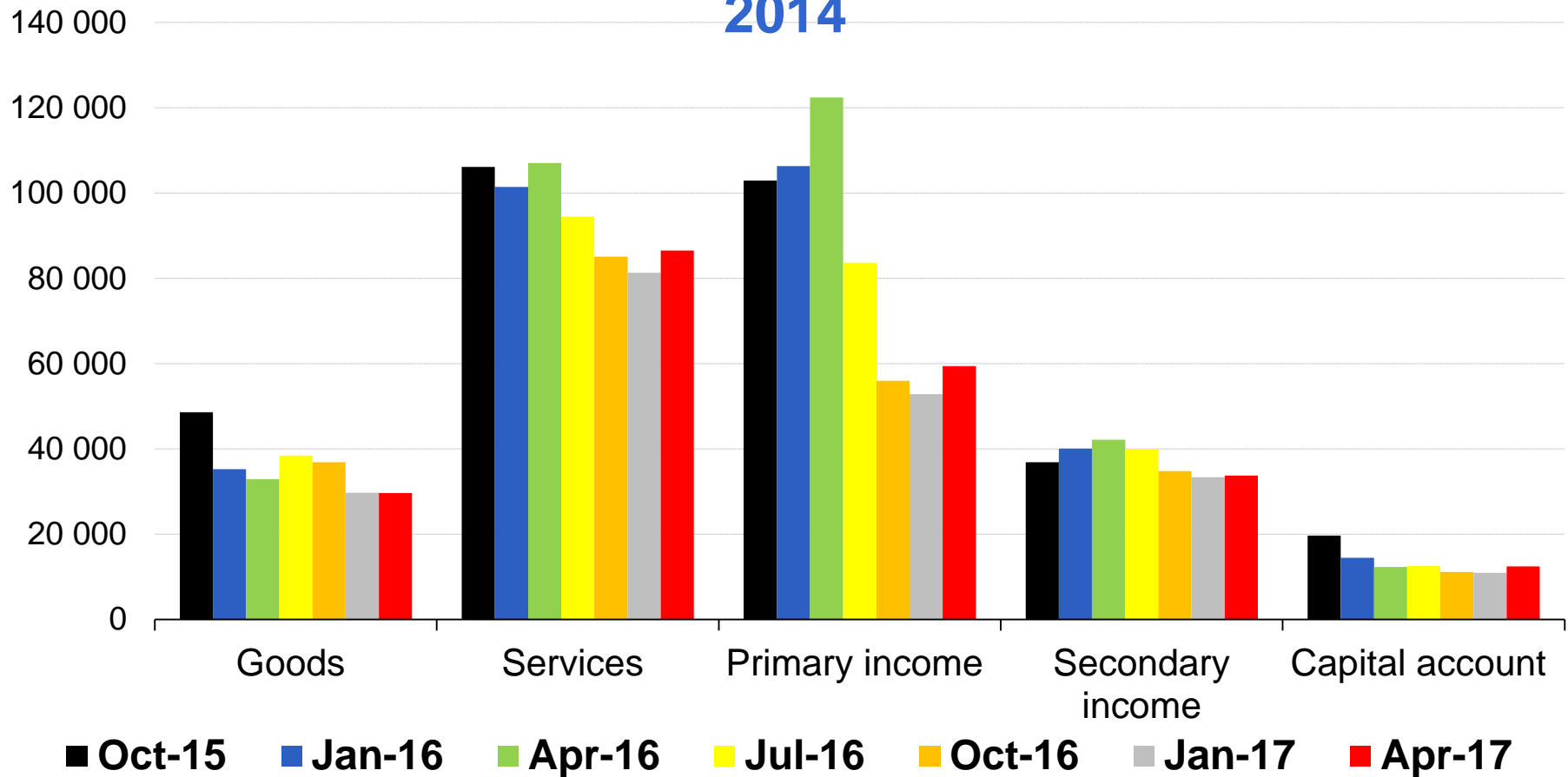
## The impact of revisions in general



*Absolute discrepancies, 2010-2015, sum of EU28 (m€)*

# The impact of revisions by components

2014



*Absolute discrepancies, sum of EU28, 2014 (Oct.2015 to Apr.2017)*



## The geographical image of EU inconsistencies

6 Member States with  
full consistency

12 Member States  
with low  
inconsistencies; 8%

4 Member States with  
moderate  
inconsistencies; 16%

6 Member States with  
high inconsistencies;  
76%

## Organisational setup

- **Centralised**
  - One compiler – two statistics
- **Decentralised**
  - Two compilers – two statistics
  - Different degrees of coordination
- **Can decentralised compilation processes produce consistent statistics?**
  - Data sources
  - Estimation practices (e.g. CIF-FOB, FISIM)
  - Institutional autonomies
  - Historic traditions

## Worst case: Directional inconsistencies

Item	Member State	BOP balance (m€)	ROW balance (m€)
Goods	Luxembourg	-2 612	+1 651
Services	France	+8 803	-8 841
Primary income	Belgium	-869	+149
Secondary income	Poland	-848	+3 148
Capital account	France	+2 075	-114

Source: Eurostat

## Conclusions

- **Some components are more exposed than others**
  - data sources
  - heterogeneity
- **Decentralised compilation can work with a high degree of coordination**
- **Objective: full consistency?**
  - Revision and vintage bias
  - Consistent statistics as quality indicator
  - Multidimensional aspects (geographical asymmetries, input-output tables)

# Questions and Answers

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**EUROPEAN COMMISSION  
EUROSTAT**

Directorate C: National accounts, prices and key  
indicators

*Unit C5: Integrated Global Accounts and Balance of  
Payments*

