I. INTRODUCTION

1. When Austria became a member of the European Union in 1995 the whole statistical system had to be adapted substantially to meet the European standards. In the preparation phase for the European Monetary Union the increased demands on various important policy relevant macroeconomic statistics and economic indicators again challenged the whole system of official statistics. The top-management of the two big producers of official statistics - the Austrian...
National Bank and Statistics Austria - therefore started consultations and negotiations on a possible strategy how to meet best these new challenges to provide more, better, cheaper and faster the statistics needed under the given budgetary constraints. While in the first phase priorities were naturally concentrated on getting things done it was evident to give later on more and more emphasis on how statistics is compiled in a most efficient way and to use the comparative advantages of both institutions.

II. THE COOPERATION AGREEMENT

2. In May 2002 the Austrian National Bank and Statistics Austria signed a formal Framework Cooperation Agreement for a five year period which was renewed with small amendments in December 2007 for further five years. In this cooperation agreement some essential basic principles were laid down as to the content and as to some procedural aspects of a close cooperation. Underlining the relevance of macroeconomic statistics for various national and international policy purposes, two categories of cooperation areas and important basic principles which should guide the cooperation like partnership, mutual understanding and assistance and the use of comparative advantages and synergies were mentioned.

3. The first cooperation area refers to statistics compiled by one institution in which the cooperation partner has a vital interest as user (i.e. price statistics, short-term economic statistics, monetary and banking statistics).

4. The second one deals with statistical areas for which an intensive cooperation seems necessary and appropriate.

5. The main reasons to cooperate intensively are:

   (a) An efficient production of statistics by using as much as possible existing synergies and comparative advantages;

   (b) Avoiding double statistical work and surveys;

   (c) A common use of administrative/statistical registers and administrative data;

   (d) Reducing or even avoiding response burden;

   (e) Transfer of know-how and expertise;

   (f) Use of common infrastructure.

6. Examples for the second type of cooperation areas are:

   (a) National Accounts: Balance of Payments – Rest of the World Account
       Financial – Non-financial Sector Accounts
7. The framework cooperation agreement foresees the elaboration of detailed annexes to precise the cooperation in a specific statistical field. The first annex signed was on the new BOP Collection System. Two further annexes (on Registers and FISIM) are near to be signed or are under preparation (i.e. Financial Accounts, FATS).

8. A high level steering committee meets four times a year to discuss strategic points of the cooperation, to evaluate the proposals of working groups on new annexes and to take the final decision and last but not least to exchange information relevant for the other partner. An important aspect is also to assist mutually in the preparation of new or amended legal acts.

III. THE NEW BOP COLLECTION SYSTEM 2006

A. General Aspects

9. In Austria the National Bank is responsible for BOP Statistics on the basis of a national law (exchange currency law). The old system was mainly based on cross-border payments (settlement system, indirect reporting). At the end of the nineties, after joining the EU, and especially after the introduction of the Euro substantial changes like the changes in payment systems (clearing), cash-pooling by enterprises and the introduction of threshold for payment reporting made the old system more and more costly and significant quality problems appeared. Therefore, the settlement system had to be replaced by data collection via direct reporting/surveys. To keep response burden as low as possible the new system can be characterised by using existing statistical data, registers and administrative data sources or making calculations and estimates instead of (difficult) surveys.

10. To implement the new BOP collection system on January 2006, important preconditions had to be solved due in advance:

    (a) **Creation of an adequate national legal base** (in close cooperation):
        - Foreign Exchange Law 2004
        - Reporting Regulation 2004 (Capital Accounts Reporting)
        - Reporting Regulation 2005 (Current Accounts Reporting)

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2 Financial Intermediation Services Indirectly Measured
3 A key point was to give the National Bank access to registers and administrative data, to enact reporting regulations and to allow the data exchange with Statistics Austria, EUROSTAT and the European Central Bank
4 Data collection by Statistics Austria as service provider to the National Bank
(b) **Bilateral contracts on BOP compilation:**
Pre-survey in the context of Structural Business Statistics to identify the survey population and to analyse threshold issues
Implementation of the new system
Current quarterly and annual BOP compilation

(c) **Project realisation**
Identification of survey population, comparison of individual company data from Statistics Austria and National Bank sources to assure quality
Shared use of classifications (economic sector and activity codes, BOP items)
Definitions of technical reporting interfaces
Roll-Out of the project (reporting units, users)

(d) **Budget, cost analyses and transparency**

(e) **Quality reports (quarterly and annual)**

B. **Division of responsibilities**

11. According to the expertise, infrastructure and data sources available in both institutions it was necessary to decide which institution is responsible for which part of the BOP and related statistics compilation.

12. It was agreed that the National Bank compiles the capital accounts – a genuine field of the Banks’ statistics - and only a small part of the current accounts:

   (a) **Investment income** which is closely associated with the capital accounts statistics like on Foreign Direct Investment (FDI) and the International Investment Position (IIP).

   (b) Trade in services and current transfers of the **financial sector** to use the well established traditional relations to financial institutions.

13. Statistics Austria, on the other hand, takes responsibility for the rest of the current account:

   (a) For **trade in goods** the statistics Austria’s Foreign Trade Statistics form the base adjusted for transactions not covered (like smuggling of cigarettes and drugs) or adapted to meet the concepts and definitions of the BOP Manual or SNA/ESA (revaluation of imports from c.i.f. to f.o.b. or the treatment of goods sent for repair or processing).

   (b) For **trade in services of market producers** (except the financial institutions) and **non-profit institutions** quarterly/annual surveys were introduced addressing all units above certain thresholds (direct reporting).

   (c) Imports and exports of **services of government** is estimated using administrative data.
(d) Current transfers are to a small extent based on surveys as part of the survey on trade in services (market producers and non-profit institutions), for the rest administrative sources or estimation models are in use.

14. Coordination is a key point for the compilation of such a complex system like the balance of payments. The coordination role between the National Bank and Statistics Austria as well as between different directorates within Statistics Austria involved in the project (Foreign Trade Statistics, Business Statistics, Tourism Statistics, Public Finance Statistics, Tax Statistics, etc) is taken by the National Accounts Section of Statistics Austria. By this, a uniform use of concepts, definitions and classifications for international transactions as well as the coherence and consistency between BOP Statistics and National Accounts can be achieved.

C. Use of administrative data or estimation models

15. By law Statistics Austria (Statistics Act) as well as the National Bank (Foreign Exchange Law) are obliged to use administrative sources to the extent possible instead of statistical surveys. Therefore, administrative data sources or estimation models are used wherever possible to avoid or reduce response burden, to minimise the cost of statistics and also to ensure exhaustiveness.

(a) For import and export of goods with non-EU member states data from the customs administration are used (EXTRASTAT). INTRASTAT transactions below a certain threshold are estimated on the basis of turnover tax statistics information. The revaluation of imports from c.i.f. to f.o.b. is based on an estimation model. Smuggling of cigarettes and the illegal trade with drugs is taken over from National Accounts estimates.

(b) Inbound and outbound tourism is based partly on household surveys, but additional use is made of a variety of existing statistical or administrative data sources.

(c) Business services not covered by the specific quarterly and annual surveys (below a threshold) are also estimated on the basis of turnover tax statistics and social security information on employment.

(d) Service imports and exports of non-profit organisations rely on a small sample survey.

(e) Government services are purely based on administrative data (public finance statistics from closed accounts).

(f) Imports and exports of Research and Development (R&D) services are based on information from the R&D statistics.

(g) Compensation of employees is calculated from income tax statistics and employment statistics or available information from international organisations, embassies etc.
(h) **Investment income** is mainly a model calculation based on statistics on FDI and the IIP.

(i) **Current transfers** comes partly from surveys (business branches, non-profit organisations), but the main part from administrative sources (public finance statistics) or are model estimates (workers remittances, insurance claims, direct taxes from labour income etc).

### IV. FOREIGN AFFILIATES STATISTICS (FATS)

16. FATS statistics will be from next year onwards (beginning with report year 2007) the responsibility of Statistics Austria according to a draft national regulation on FATS. Foreign Affiliates are a subgroup of foreign direct investment firms. FDI statistics, which is in the competence of the National Bank, and FATS are strongly interrelated. It is evident that a close cooperation between the National Bank and Statistics Austria is needed to meet the EU and national user requirements.

17. Having in mind the different competencies for FATS and FDI statistics it is useful to differentiate between inward and outward FATS when developing a cooperation strategy. Inward FATS refers to foreign affiliates resident in the compiling country (Austria) and controlled by non-resident enterprises. Outward FATS refers to foreign affiliates abroad controlled by the compiling country (Austria).

#### A. Inward FATS

18. The basic idea for the implementation of inward FATS in Austria is as follows:

   (a) Foreign controlled enterprises resident in Austria can be extracted from the FDI surveys run by the Austrian National Bank

   (b) The variables requested from these enterprises (number of enterprises, turnover, production value, value added at factor costs, personnel costs, number of persons employed, intra-mural R&D expenditure, activity classification, etc.) are available from the Structural Business Statistics and the R&D Statistics.

19. The precondition to realise this idea is:

   (a) Data transmission from the Bank to Statistics Austria on foreign controlled Enterprises which are resident in Austria: name and address, identifier of the companies’ register, country of residence of the ultimate controlling institutional unit, other variables for checking/supporting of matching;

   (b) Data link with the Structural Business Statistics and R&D Statistics data base via the ID-code of the business register;

   (c) Estimation of the variables of (small) units not covered in the SBS on the basis of turnover (tax statistics) and/or employment (social security data).
20. One can resume that by this approach no specific survey for inward FATS is needed and therefore no new respondent burden is created.

B. Outward FATS

21. The basic idea for outward FATS is to integrate the new variables as compared to the FDI statistics (turnover, number of persons employed) into the regular FDI surveys of the Austrian National Bank.

22. To resume, by this way the FATS data are consistent with FDI data and the additional respondent burden is not significant.

V. SUMMARY

23. The Austrian case of a close cooperation between the National Bank and the Statistics Institute clearly shows that the conflicting goals of more, better and faster statistics on the one hand and reducing the respondent burden and the costs of the production of statistics on the other can to a great deal be met, if certain preconditions are fulfilled.

24. First of all, the creation of a sound legal base to avoid serious restriction for the statistical cooperation of the two big providers of official statistics has to be mentioned. It enabled the necessary exchange of information for statistical purposes and the harmonisation of registers and classifications.

25. The formalization of the cooperation in a signed framework cooperation agreement between Statistics Austria and the Austrian National Bank was a milestone in the development of official statistics. The flexibility foreseen in this cooperation agreement is an important instrument to define and execute cooperation projects in specific areas via annexes to the framework agreement and to react quickly to changing circumstances and new data needs. The high level steering committee plays a central role to guide the cooperation and to take into account the specific expertise and comparative advantages of the involved institutions. At the same time the committee is an excellent platform to exchange information relevant for the cooperation partner to fulfil its task on a national or international level.

26. The introduction of the new BOP data collection system in January 2006 and the agreed division of labour and responsibilities can be judged very positively after more than two years. The quality of the international transaction data in the BOP Statistics improved significantly as compared to the old mainly settlement based system. By using the expertise and infrastructure available in one of the partner institutes the respondent burden and the costs has been kept low. A significant contribution stems from the extensive use of administrative sources. In difficult or too expensive to survey area estimation models have been developed which on the other side put more workload on statisticians.

27. The implementation of the Foreign Affiliates Statistics is a next example of close cooperation. According to the planning, the inward part will not need any survey and will therefore not create any additional response burden.

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