

Compendium

Chapter 11: Statistics for European Union Purposes



Release date: 30 October 2015

Next release: To be announced

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1. How our Statistics are used by the European Union

The European Union uses National Accounts data for a number of administrative and economic purposes. Gross National Income (GNI) is one of the four measures used by the EU and is calculated in accordance with the European System of Accounts. GNI is used to set the EU Budget and to calculate part of Member States contributions to the EU Budget.

2. UK transactions with the institutions of the European Union

<u>Table 11.1 (54 Kb Excel sheet)</u> shows payments flowing between the European Union and the UK. The first part of the table shows the payments flowing into the UK in the form of European Union expenditure. The second part of the table shows the UK contribution to the EU budget, which depends on UK GNI. An explanatory note detailing <u>GDP</u>, <u>GNI</u> and the <u>UK's contribution to the EU budget (237.5 Kb Pdf)</u> was published 8 September 2015.

3. Data to monitor government deficit and debt

The convergence criteria for Economic and Monetary Union (EMU) are set out in the 1992 Treaty on European Union (The Maastricht Treaty). The Treaty, plus the Stability and Growth Pact, requires Member States to avoid excessive government deficits - defined as general government net borrowing and gross debt as a percentage of GDP. The Treaty does not determine what constitutes "excessive". This is agreed by the Economic and Finance Council (ECOFIN).

Member States report their planned and actual deficits and the levels of their debt to the European Commission. Data to monitor excessive deficits are supplied in accordance with EU legislation.

The UK submitted the estimates in Table 11.a to the European Commission in October 2015.

Table 11.a: UK Government deficit and debt, 2009 to 2015

	2009 to 2010	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015
General government deficit						
Net borrowing (£ billion)	163.0	144.0	125.1	126.4	103.1	93.5
As a percentage of GDP	10.8	9.1	7.7	7.5	5.9	5.1
General government debt						
Debt at nominal value (£ billion)	1,074.0	1,212.6	1,345.6	1,421.0	1,521.6	1,600.8
As a percentage of GDP	71.4	77	82.6	84.6	86.7	87.5

Source: Office for National Statistics

4. Tables

Chapter 11 - Statistics for European Union Purposes (54 Kb Excel sheet)

5. Background notes

- 1. We would welcome your feedback on this publication. If you would like to get in touch please contact us via email: blue.book.coordination@ons.gsi.gov.uk
- 2. As part of our user consultation, we are conducting a <u>Blue Book survey</u>. The aim of the survey is to find out:
 - how you use our statistics
 - your understanding of the data published
 - your views on the quality of the publication

Your responses will help us improve some of our most important products. We will analyse the responses and publish a summary of the results over the forthcoming months.

The survey will take about 10 minutes to complete and will close on 04 December 2015. All answers will remain anonymous. Our confidentiality statement has further details.

- This release includes data available up to 2014. Data are consistent with <u>Index of Production</u>, published on 07 October 2015, the current price trade in goods data within UK Trade, published on 09 October 2015 and <u>Balance of Payments</u>, <u>Quarterly National Accounts</u> and <u>United Kingdom Economic Accounts</u>, published on 30 September 2015.
- 4. In line with the National Statistics Quality Review (NSQR): Review of National Accounts and Balance of Payments, we have published a response to National Statistics Quality Review (NSQR) Series (2) Report No. 2: Review of National Accounts and Balance of Payments on our website.
- 5. On 13 July 2015 users of national accounts were invited to respond to an informal consultation on the national accounts medium-term work plan, which lays out a proposed set of priorities for the next 3 years. This consultation closed on 25 September 2015. It followed a previous work plan for national accounts and related outputs following the consultation held in 2013.
 - We will publish the final report, National Accounts Medium-Term Workplan, on our website by the end of November 2015.
- 6. We maintain a <u>Special Events Calendar</u>. Special events are events that are identifiable; they do not recur on a regular cycle (so are not targeted by seasonal adjustment) and have the potential to have an impact on statistics. As explained in our <u>Special Events policy</u>, it is not possible to separate the effects of special events from other changes in the series.
- 7. The UK Statistics Authority published <u>2 new assessment reports on the Annual and Quarterly National Accounts and Supply and Use Tables and Input-Output Tables on 25 February 2015</u>. These are available on the UK Statistics Authority website.
- 8. In order to implement improvements reflected in the European System of Accounts 2010 (ESA 2010), we will introduce a new survey to collect purchases data, and have published an <u>article detailing our intentions</u>, along with a <u>high level project plan</u>.
- 9. We regularly publish National Accounts <u>methodological information and articles</u> to provide more detailed information on developments within the national accounts. This includes supplementary analyses of data to help with the interpretation of statistics and guidance on the methodology used to produce the national accounts.
- 10. The UK national accounts are produced under internationally agreed guidance and rules set out principally in the <u>European System of Accounts (ESA 2010)</u> and the accompanying <u>Manual on Government Deficit</u> and <u>Debt-Implementation of ESA 2010 2014 edition (MGDD)</u>.
- 11. In the UK, we are responsible for the application and interpretation of these rules. Therefore we make <u>National Accounts classification decisions</u> based upon the agreed guidance and rules.
- 12. We publish a monthly <u>Economic Review</u>, giving economic commentary on the latest GDP estimate and our other economic releases. The next article will be published on 3 November 2015.

- 13. Common misinterpretations of this series:
 - expectations of accuracy and reliability in early estimates are often too high
 - revisions are an inevitable consequence of the trade-off between timeliness and accuracy
 - · early estimates are based on incomplete data

Very few statistical revisions arise as a result of "errors" in the popular sense of the word. All estimates, by definition, are subject to statistical "error". In this context the word refers to the uncertainty inherent in any process or calculation that uses sampling, estimation or modelling. Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information which allows the statistical error of previous estimates to be reduced. Only rarely are there avoidable "errors", such as human or system failures, and such mistakes are made clear when they do occur.

- 14. Estimates for the most recent quarters are provisional and are subject to revision in the light of updated source information.
- 15. Our revisions to economic statistics brings together our work on revisions analysis, linking to articles, revisions policies and documentation from the Statistics Commission's report on revisions.
- 16. Latest copies of our releases and Publications are on our website.
- 17. Details of the policy governing the release of new data are available from the media relations office.
- 18. We are committed to ensuring all information provided is kept strictly confidential and will only be used for statistical purposes. Further details regarding confidentiality can be found in the respondent charters for <u>businesses</u> and <u>households</u>, on our website.
- 19. You can follow us on Twitter and Facebook.
- 20. National Statistics are produced to high professional standards set out in the <u>UK Statistics Authority's Code</u> of <u>Practice for Official Statistics</u>. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.
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22. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.