

# Environmental Goods and Services Sector

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# Driving forces and challenge



- **Strong policy interests** to implement future measures directed towards the environmental sector:
  - Rapid increase in the demand and supply of environmental goods and services
  - Cleaner technologies and products are economically more advantageous
- **Need good quality, comparable, coherent data.**

# Overview of the Handbook



## ■ Sources:

- Environmental Industry OECD/Eurostat Manual (1999)
- SERIEE, SEEA
- Countries' experiences
- Task Force input and discussions

## ■ Structure and organisation:

- Theoretical framework
- Practical information
- Examples



# Theoretical framework - EGSS definition

- The Environmental industry OECD/Eurostat Manual definition ..... as a starting point.
- The **Environmental Goods and Services Sector (EGSS)** heterogeneous set of producers of technologies, goods and services that:
  - measure, control, restore, prevent, treat, minimise, research and sensitize to **environmental damages** to air, water and soil as well as problems related to waste, noise, biodiversity and landscapes; Includes “cleaner” technologies, goods and services that prevent or minimise pollution.
  - measure, control, restore, prevent, minimise or research and sensitize to **resources depletion**; Results mainly in resource-efficient technologies, goods and services that minimise the use of natural resources.



# Theoretical framework EGSS' delimitation (1)

- What is included and excluded in the EGSS?
  - Environmental purpose:  
technical nature of the activity and producer's intention
  - Not included in the sector
    - Natural hazards and risk management
    - Extraction, exploitation and mobilisation of non-renewable resources



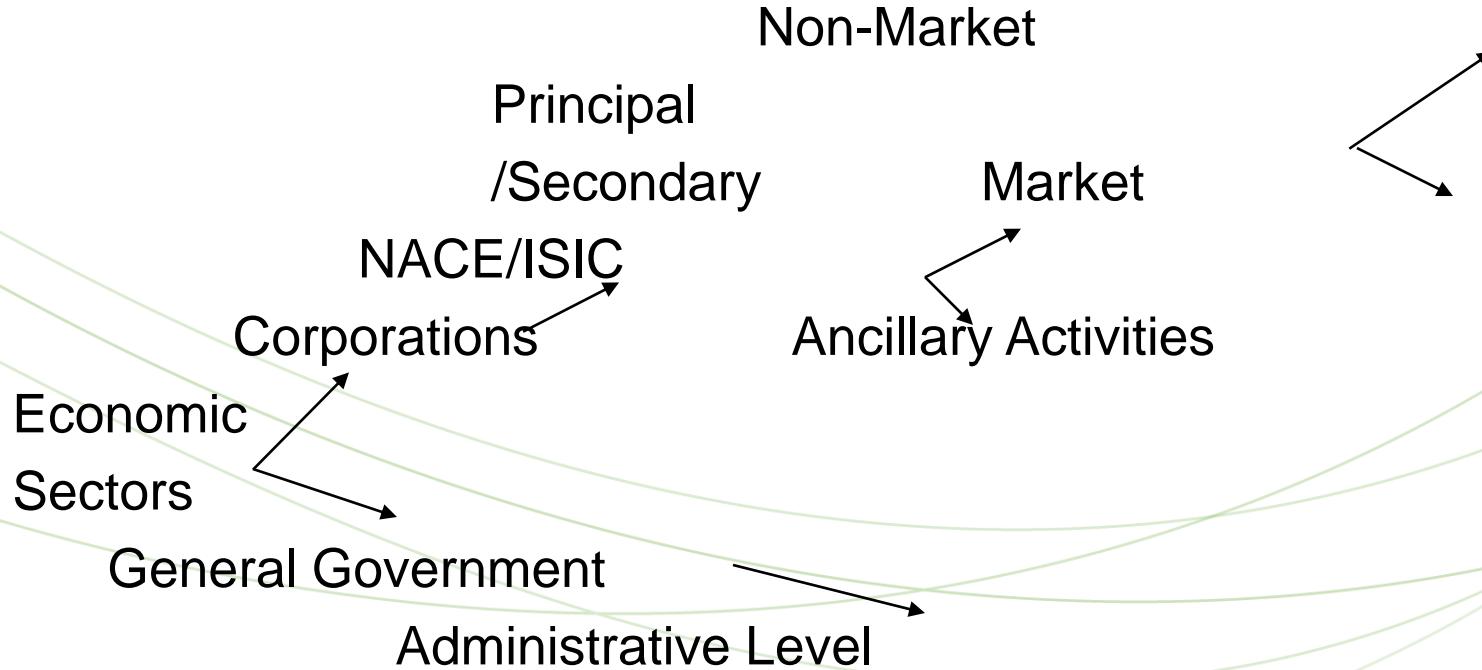
# Theoretical framework EGSS' delimitation(2)

- What types of **environmental technologies, goods and services**?
  - Environmental specific services and connected services
  - Connected products
  - Adapted goods
  - End-of-pipe technologies
  - Integrated technologies



# Theoretical framework EGSS' delimitation(3)

## ■ Which producers?





# Theoretical framework EGSS' classification

## ■ Environmental domains

### – Environmental Protection

- CEPA 2000

### – Resource Management

- CReMA 2008

- Please note that the introduction of CRUMA means that CEPA definition also need to be changed!!





# Practical information for Data Collection

- **Supply side approach**
- Main Sources for data compilation:
  - Existing statistics
  - Surveys
- **Demand side approach as a secondary / complementary source**, for certain activities (e.g. EP environmental specific services, ancillary EP activities)



# The Standard Tables

- The Standard Tables are the main tool to report EGSS statistics to Eurostat
- They have been organised to be as simple and user-friendly as possible – but are exhaustive to cover all possibilities
- They allow for the collection of very detailed data
- They offer the possibility of being filled in at different levels of detail



# Presentation and interpretation of results

- By economic sector: Government / Corporations
  - NACE sectors / Government levels
- By environmental domain: CEPA / CReMA
- By economic variable: VA / turnover / employment / exports
- By environmental output: environmental service / connected goods / adapted goods / end-of-pipe technologies / integrated technologies
- Time series



**We have come along way,**

**but we still have some “issues”...**



## Remaining “issues” (1)

3 categories have been developed but non-exclusive:

- Goods
- Services
- Technologies
  - End-of-pipe
  - Integrated

Problem: not exclusive categories... “technologies” can be goods and services as well. Solved by giving examples of what should go where – but still problem of overlapping categories.



## Remaining issues (2)

### Double counting of adapted goods

– when used in intermediate consumption

- Adapted goods – primary purpose is NOT environmental protection or resource management.
- Adapted goods are not produced for satisfying a primary environmental purpose but the technical characteristics make them less polluting or less resource consuming.
- Since many adapted goods are used in the production of other products (intermediate consumption) when to count to avoid double counting? Recycled paper + books/newspapers printed on recycled paper.



## Remaining “issues” (3)

### Adapted goods – valuation

- Only the “extra cost” of the “environmental share” is to be included – comparison with a 'normal' product.
- Including the value of the entire product would overwhelm the statistics – adapted products would be the major portion in the statistics. Hard to evaluate the 'environmental' portion.



## Remaining “issues” (4)

### Problems with CreMA

- Not always clear what activities should go into each class – especially unclear for categories
  - Management of forest resources
  - Management of wild flora and fauna





## Remaining “issues” (5)

Data on the production of energy from renewable sources and where in the EGSS tables this is reported

- How to record the own production of energy from renewable sources? Ancillary production or secondary production.
- NACE rev.2 implementation guidelines state that this activity should be separated into a separate KAU.
- Practically speaking most enterprises cannot separate out this activity and therefore this activity will be recorded as ancillary production. For EGSS record as ancillary activity.



## Remaining “issues” (6)

### No data collection experience

- No systematic data collection from different countries has been attempted yet. Eurostat plans a data collection exercise with a reporting deadline of Oct/Nov 2009.
- As always... new challenges arise once countries actually start collecting and reporting data.
- NOTE:  
Canada uses a 'compliance criteria' in their definition



**Thank you for your attention**