



Activity accounts in the EU

Arturo de la Fuente

arturo.de-la-fuente@ec.europa.eu

Summary existing accounts in EU

Account	Starting year
Environmental taxes	Legal (mandatory) since 2013
Environmental protection expenditure (EPEA)	Voluntary since 1996 Legal in 2017
Environmental goods and services (EGSS)	Voluntary since 2009 Legal in 2017
Environmental transfers and subsidies	Voluntary since 2015





Recent developments

- 1. Environmental transfers: new guidelines & pilot data collection*
- 2. Updating handbook EGSS*
- 3. New EPEA questionnaire*
- 4. New handbook EPEA*
- 5. Integrated framework monetary accounts*





1. Environmental transfers: new guidelines

Guidelines for environmental subsidies and similar transfers

- Guidelines published [here](#) in May
- After 4 years work in a task force

Topics covered

- Clarification of implementation issues
- Treatment of environmental tax abatements and similar 'off-budget' support
- Payments related to international climate change policy
- Not included are potentially environmentally damaging subsidies and environmentally harmful subsidies





1. Environmental transfers: setting up data collection

Pilot data collection launched in July

Priority 1: current and capital transfers

Priority 2: current transfers broken down in subsidies and other current transfers

Priority 3: tax abatements



2. Updating EGSS handbook

- *Existing handbook dates from 2009 ([here](#))*
- *Reasons for update*
 - **Experience gained after 6 years of collecting data**
 - **Scope of accounts better defined in recent 'indicative compendium'**
 - **Need to integrate with other activity accounts**
- *Updated handbook scheduled for publication in summer 2016*



3. New EPEA questionnaire (1/4)

Joint OECD/Eurostat EPE questionnaire since 1996

New EU legislation to compile EPE accounts from 2017

- **Preparatory work includes Eurostat revising the EPE tables for data reporting (new EPEA questionnaire)**
- **Used in data collection launched in Sept 2015**

A correspondence JQ-EPER and EPEA questionnaire was established



3. New EPEA questionnaire (2/4)

Topics covered:

- *Environmental protection expenditure services, either market, or non-market or ancillary*
- *Variables: output, intermediate consumption, GFCF, imports and exports, final consumption, VAT and other taxes, other variables*
- *By institutional unit (aprox)*
- *By 9 environmental domains (CEPA)*

Questionnaire includes explanatory notes (10 pgs)

3. New EPEA questionnaire (3/4)

List of tables (in brackets the corresponding JQ table number)

- 1 General government and NPISH (JQ: Table 1)
- 2 Corporations as secondary and specialist producers of market environmental protection services (JQ: Table 4)
- 3 Corporations: other (also covering ancillary activities (total) (JQ: Table 2)
+ subtables by industry groups
- 4 Total supply of environmental protection services (JQ: part of several tables)
- 5 Households (JQ: Table 3)
- 6 Environmental protection transfers (JQ: part of several tables)
- 7 Total economy



3. New EPEA questionnaire (4/4)

Main variables
EP output
EP market output
EP non market output
EP ancillary output (ESA-compatible valuation)
Gross fixed capital formation and acquisition less disposals of non-financial, non-produced assets for the production of EP services
End-of-pipe investments
Investments in integrated technologies
Final consumption of EP services
Final consumption of adapted and connected products
Intermediate consumption for EP production
Intermediate consumption of EP services for EP production
Compensation of employees
Internal current expenditure
Labour input
Imports
Exports
VAT and other taxes less subsidies on EP products
Current and capital transfers paid
Current and capital transfers received

4. New EPEA handbook

- *No EPEA handbook exists*
- *Environmental expenditure statistics handbook from 2007 is outdated*
 - **'explanatory notes' in the questionnaire being used instead**
- *Updated handbook scheduled for publication in spring 2016*



5. Integrated framework monetary (1/2)

- *Existing monetary accounts (EGSS, EPEA, taxes, subsidies) use the in part the same classifications, concepts, terms, definitions and data sources*
- *Integrated framework attempts to*
 - **Unify concepts and terminology across accounts**
 - **Have clearer links and build bridges between them**
 - **Ultimately, facilitate joint compilation of accounts**



5. Integrated framework

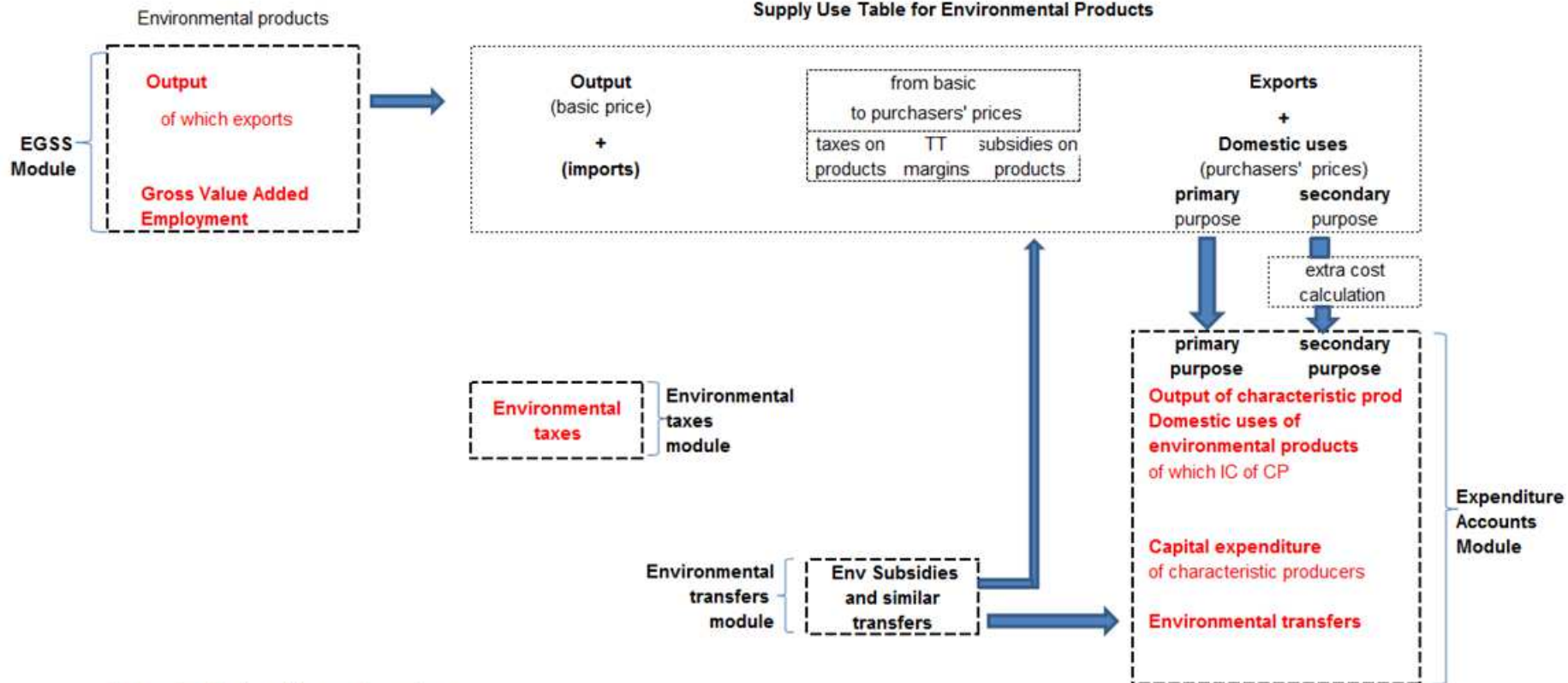
Examples of issues

Differences in coverage	<ul style="list-style-type: none">• EPEA covers the uses of all environmental products but only the supply of a limited sub set• EGSS covers the domestic supply of all environmental products, but only the use for exports
Differences in concepts, definitions, etc.	<ul style="list-style-type: none">• Definition of adapted products differs between EPEA and EGSS• Valuation of adapted products differs between EPEA (extra-cost) and EGSS (total output)
Use of concepts not in national accounts	<ul style="list-style-type: none">• the concept of environmental technologies used within the EGSS does not exist in national accounts



European Commission

Supply Use Table for Environmental Products



TT margins: trade and transport margins
 IC : intermediate consumption
 CP: characteristic producers

In red : data asked for under amended Regulation (EU) No 691/2011
 arrows indicate main transaction common to several modules



5. Integrated framework (2/2)

- *Document discussed in the May 2015 meeting of Eurostat working group*
- *The WG agreed to the document subject to some clarifications and improvements*
- *The framework will be used when revising the EGSS and EPEA handbooks*
- *If there are extensions/changes to the accounts, they will be voluntary for the countries*



Thank you!

