Activity accounts in the EU

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## Summary existing accounts in EU

<table>
<thead>
<tr>
<th>Account</th>
<th>Starting year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental taxes</td>
<td>Legal (mandatory) since 2013</td>
</tr>
<tr>
<td>Environmental protection expenditure (EPEA)</td>
<td>Voluntary since 1996 Legal in 2017</td>
</tr>
<tr>
<td>Environmental goods and services (EGSS)</td>
<td>Voluntary since 2009 Legal in 2017</td>
</tr>
<tr>
<td>Environmental transfers and subsidies</td>
<td>Voluntary since 2015</td>
</tr>
</tbody>
</table>
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
### Main variables

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

<table>
<thead>
<tr>
<th>Differences in coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• EPEA covers the uses of all environmental products but only the supply of a limited sub set</td>
</tr>
<tr>
<td>• EGSS covers the domestic supply of all environmental products, but only the use for exports</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Differences in concepts, definitions, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Definition of adapted products differs between EPEA and EGSS</td>
</tr>
<tr>
<td>• Valuation of adapted products differs between EPEA (extra-cost) and EGSS (total output)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of concepts not in national accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>• the concept of environmental technologies used within the EGSS does not exist in national accounts</td>
</tr>
</tbody>
</table>
Supply Use Table for Environmental Products

EGSS Module

Output
of which exports

Gross Value Added
Employment

Environmental products

Output
(basic price)
+
(imports)

from basic
to purchasers' prices

Exports
+ Domestic uses
(purchasers' prices)

primary purpose

secondary purpose

extra cost calculation

primary purpose

secondary purpose

Output of characteristic prod
Domestic uses of
environmental products

of which IC of CP

Capital expenditure
of characteristic producers

Environmental transfers

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!