



# Environmental Goods and Services Sector

**Arturo de la Fuente**

**Eurostat**

**[arturo.de-la-fuente@ec.europa.eu](mailto:arturo.de-la-fuente@ec.europa.eu)**

## Contents of this presentation:

- 1. Scope of EGSS: implementation of the concept 'environmental activities'*
- 2. Possible implications for related data collections and classifications*
- 3. New Eurostat EGSS handbooks*





## Scope of EGSS? Elusive concept

Green economy

ENVIRONMENTAL ECONOMY

Resource efficiency  
and low carbon economy

Eco-industry



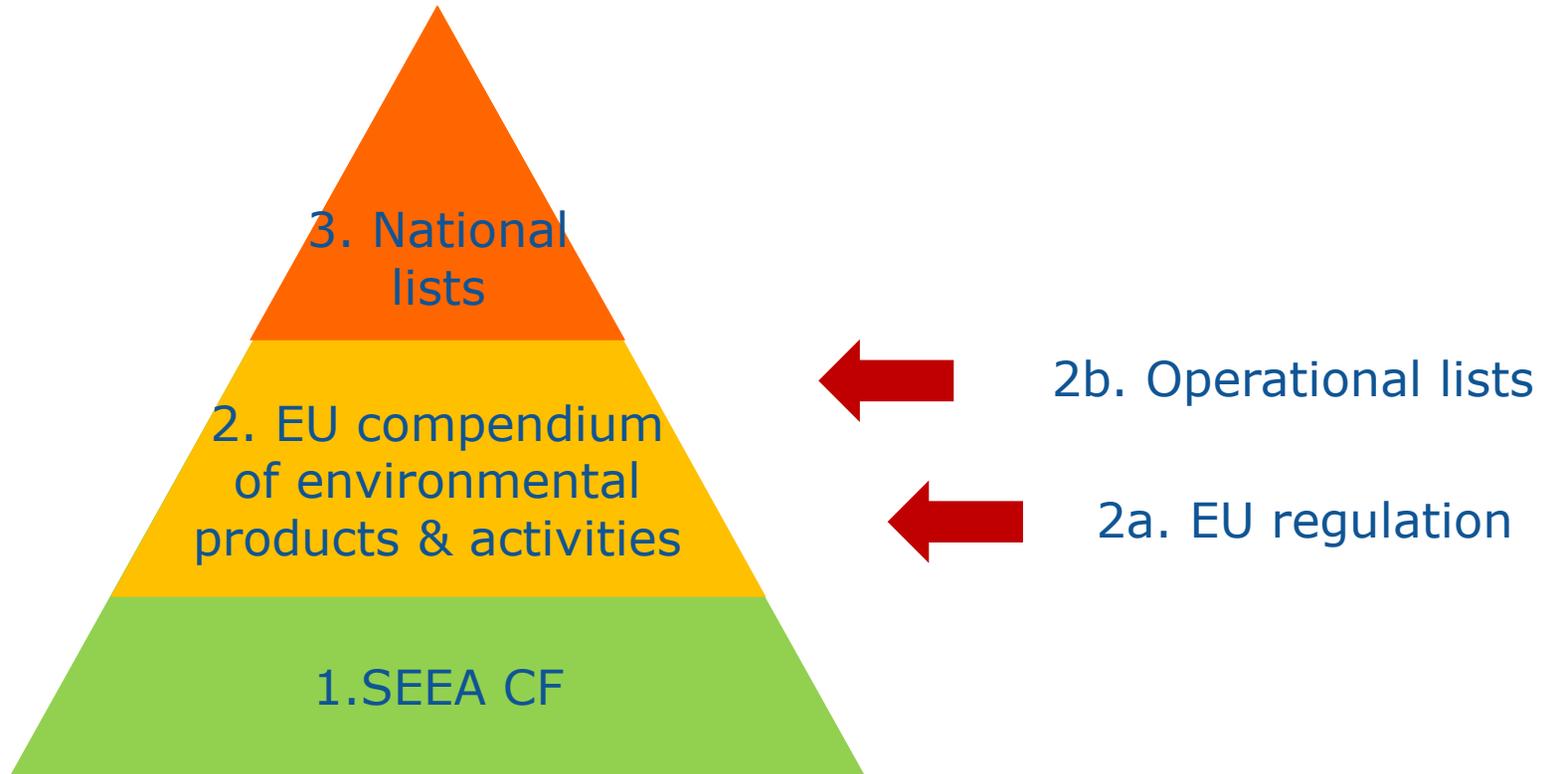
# Scope of EGSS?

## Practical considerations

- *EGSS products and activities not disclosed in commonly used classifications*
- *Moving target*
  - **Resource-efficiency as benchmark for environmental products**
  - **Technologies develop over time, consumption patterns, change...**
- *Link with records of environmental producers*
- *Risk of non-comparability across countries*

# Scope of EGSS: where are we?

## 3-layer approach



# Layer 1: SEEA CF 2012 definitions

## *Definitions in SEEA CF Chapter 4*

*Environmental protection: activities whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation of the environment (para 4.12)*

*Resource management: activities whose primary purpose is preserving and maintaining the stock of natural resources and hence safeguarding against depletion (para 4.13)*

*They are the reference and international standard*

*However they are not sufficient for compilers*

- **Not operational enough ('purpose')**
- **Borderline cases**
- **No direct correspondence with data sources**





## Layer 2a: (EU) indicative compendium

*It's an EU regulation*

- **When mandatory reporting of the EGSS was introduced in the EU, a second legal act defining the scope was required**

*'...indicative compendium to facilitate uniform application of EGSS'*

*Implementing Regulation (EU) 2015/2174 of 24 November 2015*

- **Defines core EU scope**
- **2 lists: products & activities (EU countries to use one or the other depending on their compilation approach)**
- **Detail: 46 products & 46 activities**
- **No correspondence with standard classifications**





European

<b>Environmental goods and services</b>	<b>Environmental activities</b>
<ul style="list-style-type: none"> <li>• Organic agricultural (plant and livestock) and aquaculture products and supporting services</li> </ul>	<ul style="list-style-type: none"> <li>• Organic agricultural (plant and livestock) and aquaculture activities and supporting services</li> </ul>
<ul style="list-style-type: none"> <li>• Fuel wood; other wood when complying with sustainability measures</li> </ul>	<ul style="list-style-type: none"> <li>• Fuel wood; other wood production when complying with sustainability measures</li> </ul>
<ul style="list-style-type: none"> <li>• Rehabilitation of mining sites services</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation of mining sites</li> </ul>
<ul style="list-style-type: none"> <li>• Drainage water capturing services to prevent groundwater contamination</li> </ul>	<ul style="list-style-type: none"> <li>• Capturing drainage water to prevent groundwater contamination</li> </ul>
<ul style="list-style-type: none"> <li>• Electric and more resource efficient transport equipment; exhaust pipes and their parts (also particles filters)</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of electric and more resource efficient transport equipment; exhaust pipes and their parts (also particles filters)</li> </ul>
<ul style="list-style-type: none"> <li>• Instruments, machinery and apparatus for analysis of pollutants, filtering or purifying gases and liquid</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of instruments, machinery and apparatus for analysis of pollutants, filtering or purifying gases and liquid</li> </ul>
<ul style="list-style-type: none"> <li>• Septic tanks, perforated buckets and similar articles used to filter water at the entrance to drains; pumps for use in wastewater treatment, vehicles for wastewater collection and sewer cleaning, activated carbon for water-filtering purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of septic tanks, perforated buckets and similar articles used to filter water at the entrance to drains; pumps for use in wastewater treatment, vehicles for wastewater collection and sewer cleaning, activated carbon for water filtering purposes</li> </ul>
<ul style="list-style-type: none"> <li>• Tubes and pipes for wastewater treatment plants as well as for water management</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of tubes and pipes for wastewater treatment plants as well as for water management</li> </ul>
<ul style="list-style-type: none"> <li>• Sacks and bags for replacing plastic bags; bins, boxes, containers and other receptacles for storing and transporting waste; boards, blocks and similar articles of vegetable fibre, straw or wood waste, agglomerated with mineral binders; incinerators and machinery for waste treatment (e.g. used at landfilling sites)</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of sacks and bags for replacing plastic bags; bins, boxes, containers and other receptacles for storing and transporting waste; boards, blocks and similar articles of vegetable fibre, straw or wood waste, agglomerated with mineral binders; incinerators and machinery for waste treatment (e.g. used at land-filling sites)</li> </ul>
<ul style="list-style-type: none"> <li>• Lead containers for radioactive waste</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of lead containers for radioactive waste</li> </ul>
<ul style="list-style-type: none"> <li>• Maintenance and repair services for reducing water losses</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance and repair services for reducing water losses</li> </ul>
<ul style="list-style-type: none"> <li>• Specific equipment for the production of energy from renewable sources: e.g. storage systems for biogas, wood fired boilers and other appliances, solar panels and photovoltaic cells, hydraulic turbines and water wheels, wind turbines</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of specific equipment for the production of energy from renewable sources: e.g. storage systems for biogas, wood fired boilers and other appliances, solar panels and photovoltaic cells, hydraulic turbines and water wheels, wind turbines</li> </ul>
<ul style="list-style-type: none"> <li>• Biofuels</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of biofuels</li> </ul>
<ul style="list-style-type: none"> <li>• Charcoal when complying with sustainability measures</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacture of charcoal complying with sustainability measures</li> </ul>



## Layer 2b: EU operational lists of activities and products

*More developed, more detailed lists*

- **Correspondence with classifications codes**
- **EGSS shares**
- **No additional breakdowns (yet)**

*Status as working group document (no legal)*

- **Less rigid**
- **More flexible to update & improve**



Environmental activities in indicative compendium	NACE Rev. 2			Class of environmental activity (CEPA/CReMA)					
	CODE	DESCRIPTION	Share of EGSS (h=100%, v=% to be determined)	1	2	...	13A	13B	...
Manufacture of instruments, machinery and apparatus for filtering or purifying gases and liquid	28.25; 28.29	Manufacture of non-domestic cooling and ventilation equipment; Manufacture of other general purpose machinery n.e.c.	v	X	X	X			
Manufacture of tubes and pipes for wastewater treatment plants as well as for water management	22.21; 23.61; 24.51	Manufacture of plastic plates, sheets, tubes and profiles; Manufacture of concrete products for construction purposes; Casting of iron	v		X				
Manufacture of biofuels	20.14	Manufacture of other organic basic chemicals	v				X		
Provision of sewerage services: e.g. collecting, transporting and treating wastewater; operation, maintenance and cleaning of sewer systems	37	Sewerage	h		X				
Construction low energy consumption and passive buildings and energetic refurbishment of existing buildings	16.23; 41; 43	Manufacture of other builder's carpentry and joinery; Construction of buildings; Specialised construction activities	v					X	
Installation of photovoltaic panels	43.21	Electrical installation	v				X		
Environmental consulting services	74.9	Other professional, scientific and technical activities n.e.c.	v	X	X	X	X	X	X

## Layer 3. National lists

*National lists might deviate from EU lists in specific circumstances*

- **To provide flexibility**

*The EU list is the EU core*

- **Standard treatment across the EU**
- **But not all products/acts in the EU lists are relevant in every country**
- **Besides, countries can add other nationally specific products or activities**

*Eurostat will monitor how this is done*

- **Countries to inform in quality reports every 5 years**
- **Procedure ensures transparency and enables comparisons across countries**





# Implications for related data collections and classifications

(because of integrated framework)

## *1. Possible knock-on effects on expenditure accounts*

- **Use sub-sets of the EGSS operational lists for the scope of EPEA, ReMEA?**
- **EGSS lists must be enhanced with extra information: EP / RM; characteristic / non-characteristic products**

## *2. Possible knock-on effects on environmental activities classifications (CEPA/CReMA)*

- **Consistency of scope and classifications**



## Next steps

- 1. Countries to develop/share their national lists*
  - **Ensuring proper quality**
- 2. Improve EU operational lists based on countries' experiences using them*
  - **Also adding breakdowns necessary for expenditure accounts**
- 3. See how national flexibility works in practice*



# New Eurostat handbooks

*2 new EGSS manuals due by end 2016*

<b>Handbook on EGSS</b>	<b>EGSS practical guide</b>
<ol style="list-style-type: none"><li>1. Conceptual framework (definitions, variables, classifications)</li><li>2. Eurostat questionnaire</li><li>3. Data sources</li><li>4. Compilation methods</li><li>5. Presentation results</li></ol>	<ol style="list-style-type: none"><li>1. Conceptual framework (definitions, variables, classifications)</li><li>2. Data sources</li><li>3. Compilation methods</li></ol>

*Co-ordinated with upcoming handbooks on EPEA (2016) and ReMEA (2017)*





Thank you!

