

DEVELOPMENTS IN STATISTICS

One of the key responsibilities of Eesti Pank is to compile Estonia's balance of payments statistics and monetary and financial statistics.

Eesti Pank has applied an up-to-date, flexible and internationally compatible system for collecting, processing and publishing statistical data. This system serves as an input for monetary policy analysis and assessment of risks related to Estonia's financial and external sectors. The comprehensive and regularly updated web site of the central bank contains over 400 tables of data and is available to everyone.

As regards statistics, Eesti Pank proceeds from both the national and international interests. The related responsibilities are fulfilled according to the generally accepted best practices in official statistics, while adhering to the principles of efficiency and optimum use of resources.

Eesti Pank participated in the **working group for drafting the new Official Statistics Act and the government committee for simplification of the reporting framework** in order to bring the system of official statistics in Estonia in line with the abovementioned requirements. Both working groups were established in 2008 to update the system and legal basis of official statistics and facilitate the reuse of available data for statistical purposes. This would help minimise the administrative burden arising from the submission of data and lower the costs related to statistics.

Eesti Pank also participated in several working groups and committees of the European Commission and the European Central Bank and attended seminars on the **revision of international statistical standards**. In 2014, all European countries will implement the new standards for balance of payments and GDP statistics.

Banking and other financial statistics

At the beginning of 2008, several decrees of the

Governor of Eesti Pank entered into force, imposing additional reporting requirements for credit institutions. Amendments were mainly inspired by the need to bring reporting in line with the international financial reporting standards. Since this is integrated reporting (data are collected for both compiling statistics and exercising supervision) the amendments considered the needs of all interested parties, including the requirements arising from the statistics regulations of the European Central Bank.

Credit institutions made arrangements related to the amendments in reporting mostly in the second half of 2007; Eesti Pank performed the majority of related activities in the first quarter of 2008. Amendments comprised almost all statistical outputs, including the submission of statistics to the European Central Bank, the International Monetary Fund, etc. Therefore, changes were made to the forms of outputs as well as to the data compilation query systems.

Several statistical tables and also the release calendar published on the web site of Eesti Pank were improved based on user feedback. Namely, the majority of statistical tables are now published within 2–3 days, which enables statistics users to get a better overview of banking sector developments.

Compared to 2007, there were considerably fewer amendments to reporting regulations in 2008. Amendments to the reporting requirements for the Guarantee Fund should be mentioned here, which was related to the raising the maximum amount of guaranteed deposits from 20,000 to 50,000 euros. Another example is the establishment of a requirement for savings and loan associations to report to Eesti Pank. In the case of the latter, the previous form of cooperation – cooperation agreements – was replaced by a decree of the Governor of Eesti Pank. As of 2009, savings and loan associations are required to submit monthly balance sheets and quarterly income statements to the central bank. Aggregate data are available on the web site of Eesti Pank.

In the second half of the year, preparations were made for establishing an **automated system for the compilation of quarterly financial accounts**. Since this is a very specific system, Eesti Pank analysed national best practices and decided to cooperate with Suomen Pankki (Bank of Finland) in that respect. After several consultations it appeared that the functionality of the software developed by the central bank of Finland would also meet the needs of Eesti Pank. It was agreed by the end of the year that Suomen Pankki would give the necessary module of the software in question to Eesti Pank for free, while not assuming any obligations in connection with that. The software received from Suomen Pankki is just a component of a bigger system. Therefore, Eesti Pank has to develop the missing components itself, proceeding from database structures and other factors. The first tests of this large-scale project are planned at the end of 2009.

In 2008, Eesti Pank continued regular meetings with credit institutions, savings and loan associations, Statistics Estonia and the Financial Supervision Authority. Cooperation with market participants was focused on exchange of information to guarantee that reports were up to date and met the needs and possibilities of all parties. The primary objective of cooperation with Statistics Estonia and the Financial Supervision Authority was to increase the consistency and quality of statistical outputs and minimise the reporting burden on reporting subjects.

Balance of payments statistics

In 2008, the web-based reporting portal was developed further, cooperation with reporting agents was improved to increase the quality of preliminary data and statistical outputs, and amendments were made to the balance of payments methodology.

As at the end of 2008, 1,182 enterprises (34% of the reporting agents) had subscribed to the web-based system for the collection of balance of payments statistics. During the year, 192 more report-

ing agents subscribed. 37 enterprises stopped using the portal, which was mainly due to liquidation or merger.

A preliminary analysis showed that the culture of statistics (timely submission of reports, response rate) of enterprises who had subscribed to the portal was higher than the average of the sample.

During the year, the maintenance of the portal was carried out, the authentication options were improved and future developments mapped.

Eesti Pank also continued **close cooperation with other state agencies that collect and manage statistics**. The common electronic accounting system for the public sector introduced in Estonia enables Eesti Pank to obtain preliminary data on the general government. In 2008, in cooperation with Statistics Estonia, the entries of the above-mentioned accounting system were linked to balance of payments and investment position items. Consequently, Eesti Pank will be able to receive statements from Statistics Estonia that meet the needs of the Balance of Payments and Economic Statistics Department. Based on the statement public accounting system, cash-based approach for calculating foreign aid was replaced by accrual accounting. This considerably improved the quality of general government transfers and assets and liabilities.

For the compilation of the travel services account, a new source of data was introduced – the quarterly border crossings report of Statistics Estonia. In cooperation with Positium OÜ, a company of the University of Tartu, Eesti Pank started to test a mobile positioning method that enables to identify the number of non-residents in Estonia.

In 2008, Eesti Pank started to bring the accounting methods of financial intermediation services indirectly measured (FISIM) into compliance with the new version of the IMF's Balance of Payments Manual. In the current version, FISIM is included under investment income, whereas the revised methodology places it under financial services.

The adoption of the new methodology will eliminate the discrepancy between the balance of payments account and the rest of the world account under the national accounts, which has resulted from different approaches to FISIM. The FISIM accounting methods were coordinated with Statistics Estonia and also the first test calculations were made. All source data for calculating external sector FISIM originate from Eesti Pank; therefore, the calculation of FISIM will be fully taken over from Statistics Estonia during 2009.

In 2008, Eesti Pank decided to start publishing the quarterly balance of payments with the timelines of T + 70 days (previously T + 90 days) starting from the first quarter of 2009. The aim is to bring the publication of the balance of payments and that of gross domestic product in line with each other.

In addition, the central bank had to solve problems related to external trade statistics; develop principles for the implementation of penalty payment; improve the model of balance of payments flash estimates; develop assessment models for trade credit and notional units, etc. Eesti Pank regularly assesses the quality of balance of payments statistics. To this end, two quality reports were produced in 2008. The first was an annual report based on Eurostat's initiative and EU regulations, which assessed the quality of the current account and direct investment data. The report confirmed the high quality of Estonia's balance of payments, as later revisions have always remained within acceptable limits.

In the field of **international cooperation**, central bank representatives continued to participate in the ECB's Centralised Securities Database (CSDB) project. Primarily, this involved the quality control and monthly submission of data on exchange-quoted shares and bond issues registered in the Estonian Central Register of Securities to the European Central Bank. Eesti Pank also continued to prepare for the survey of Community

statistics on the structure and activity of foreign affiliates (FATS). Together with colleagues from Latvian and Lithuanian central banks, the survey sample was specified and the scope and timetable of the necessary activities were described. The survey will be conducted in spring/summer 2009 and the results will be submitted to Eurostat in September 2009.

Representatives of Eesti Pank participated in the revision of the regulation on cross-border payments in euro¹ and submitted amendment proposals regarding the content and form of the regulation. Work with the regulation is to continue in 2009.

In the negotiations between Estonia and the Organisation for Economic Cooperation and Development (OECD), the Balance of Payments and Economic Statistics Department of Eesti Pank is responsible for direct investment statistics. In relation to that, a large-scale Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI) was completed and the time series complying with the OECD requirements were submitted. Eesti Pank also participated in the OECD working group on investment statistics where Estonia's direct investment statistics were examined in connection with the accession negotiations. Furthermore, a questionnaire of methodological proposals on the renewal of OECD's Manual on Statistics of International Trade in Services was submitted to the OECD.

General economic statistics

Regular submission of general economic statistics to the European Central Bank and the Bank for International Settlements continued also in 2008. Another line of cooperation with the European Central Bank was price statistics, with a special focus on regulated prices in the structure of the consumer price index. In addition, the issue of telecommunication services was still on the agenda, and also the matter of electricity and gas prices was raised.

¹ Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro.