



Explanatory meeting on the acquis with Albania and North Macedonia

GNI-based own resource

Brussels, 27 September 2019

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European Commission
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Statistics for administrative purposes

GNI-based Own Resources

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Today's Topics

- I. Role of the GNI-based own resource
- II. Commission's part
- III. Acquis Communautaire
- IV. Member States' part
- V. Questions to the Candidate Countries' authorities

I. Role of the GNI-based own resource

Sources of EU revenue (2017):

- Other (17%)
- TOR (15%)
- VAT-based (12%)
- GNI-based (56%)

GNI = Gross National Income

II. Commission's part

GNI Own Resource - Task:

Ensure that the Member States' GNI is correctly calculated and each Member State's contribution to the EU budget is correctly established.

II. Commission's part

GNI Own Resource - Stakeholders (1)

DG Budget

- verifies each year, together with the Member State concerned, that no errors occurred in compilation of the aggregates provided; for this purpose it takes any measures that it may deem necessary
- where appropriate, notifies the Member State concerned of the Commission's reservations

II. Commission's part

GNI Own Resource - Stakeholders (2)

Eurostat

- verifies the calculation of GNI at market prices
- requests the opinion of the GNI Expert Group
- transmits the figures for GNI, adopted by the GNI Expert Group, to DG Budget

III. Acquis Communautaire

Specific provisions for GNI calculations

- a) GNI Regulation (Council Regulation 2019/516)
- b) GNI Expert Group (Commission Decision 2019/C 174)
- c) ESA 2010 (Regulation 549/2013)
- d) ESA 95 (Council Regulation 2223/96)
- e) Classifications
- f) Legal acts on specific GNI issues and parts of NA
- g) Recommendations of the GNI Committee / GNI Expert Group and of Task Forces
- h) Handbooks and manuals

III. Acquis Communautaire

a) **GNI Regulation** (Regulation 2019/516) (1)

- GNI at market prices
- GNI Questionnaire and Report on the Quality of GNI data
- GNI Inventory
- Verification by the Commission (Eurostat)
- GNI Expert Group

III. Acquis Communautaire

a) **GNI Regulation** (Regulation 2019/516) (2)

Main changes compared to the 2003 GNI Regulation:

- GNI at market prices in accordance with ESA 2010
- Deadline for the GNI QA: 30.09. each year
- Expert Group replaces the GNI Committee
- Comitology power moves to the ESSC
- Implementing measures in the form of
 - Delegated acts (e.g. list of measures ensuring quality of GNI) and
 - Implementing acts (GNI Inventory, details of the quality measures)

III. Acquis Communautaire

b) GNI Expert Group (Commission Decision 2019/C 174)

- Decision of 17 May 2019
- More detail on the work of the EG – see Part IV below

III. Acquis Communautaire

c) European System of Accounts (ESA) 2010 (Regulation 549/13)

- Definitions and concepts to compile national accounts, including:
 - Gross National Income (GNI)
 - Gross Domestic Product (GDP)

III. Acquis Communautaire

d) **ESA 95** (Council Regulation 2223/96)

- Used for data transmission to Eurostat until 31.08.2014
- Continues to be used for the GNI own resource data for the years before 2014

III. Acquis Communautaire

e) Classifications

- NACE Rev.2 (Economic activities)
- COICOP (Household consumption by purpose)
- COFOG (Functions of Government)
- CPA (Classification of Products by Activity)
- Institutional sectors
- Assets
- etc.

III. Acquis Communautaire

f) Legal acts on specific GNI issues

- Exhaustiveness (Commission Decision 94/168)
- Treatment of VAT fraud for national accounts purposes (Commission Decision 98/527)
- Principles for estimating dwelling services (Commission Regulation 1722/2005) ("replaced" CD 95/309 relating to the GNP Directive)
- Definition of economic territory (Commission Regulation 109/2005) ("replaced" CD 91/450 relating to the GNP Directive)

III. Acquis Communautaire

g) Recommendations of the GNI Committee / GNI Expert Group and of Task Forces

- Construction services
- The use of HBS
- Distributive services
- Insurance services
- Imputed social contributions
- FDI and Reinv. earnings on FDI
- CFC on roads, bridges etc.
- Originals
- Software
- Multinationals
- Illegal activities
- Car scrap schemes
- Cooperative dwellings

III. Acquis Communautaire

h) Handbooks and manuals

- Manual on the changes between ESA 95 and ESA 2010, Eurostat 2014
- Manual on measuring research and development in ESA 2010, Eurostat 2014
- Manual on goods sent abroad for processing, Eurostat 2014

IV. Member States' part

a) Bilateral work with Eurostat

GNI Questionnaire and the Report on the Quality

Before 01 October each year:

- GNI and its components for recent years
- explain and clarify data revisions for previous years
- describe any changes to data sources and methods

IV. Member States' part

a) Bilateral work with Eurostat

GNI Inventory

Detailed description of sources and methods used to compile GNI following the Inventory Guide agreed by the GNI Committee that prescribes:

- general principles for writing the Inventory,
- common structure.

IV. Member States' part

a) Bilateral work with Eurostat

Eurostat's validation of GNI data (1)

For the GNI notification:

- Checklist for the annual GNI Questionnaires and Reports on the Quality of GNI data
- Eurostat's comments and recommendation for the GNI Committee

IV. Member States' part

a) Bilateral work with Eurostat

Eurostat's validation of GNI data (2)

Assessment of the calculation methods and data sources:

- Questions on the Inventory
- GNI Inventory Assessment Questionnaire (GIAQ)
- GNI information missions
- Action points
- Reservations
- Direct Verification
- Supervisory and control systems
- Eurostat's "Pre-accession criteria for Candidate Countries"

IV. Member States' part

b) GNI Expert Group (1)

- National Accounts experts from Member States
- 2 meetings per year

IV. Member States' part

b) GNI Expert Group (2)

GNI Questionnaires and Reports on the Quality of GNI data:

- common format of the GNI Questionnaire and structure of the Report on the Quality of GNI data
- examination of the data provided by Member States
- giving opinion on the appropriateness of Member States GNI data for own resource purposes

IV. Member States' part

b) GNI Expert Group (3)

GNI compilations methods and data sources:

- improvement of Member States' GNI compilation practices
- dissemination of best practices
- questions relating to the revision of GNI data
- issues of exhaustiveness of GNI
- suggestions to the Commission of measures to make GNI data more comparable and more reliable, e.g. the installation of Task Forces for special questions

IV. Member States' part

c) Summary of obligations

- compilation of NA data and transmission to Eurostat
- compliance with ESA and other legal acts, recommendations etc.
- measures to ensure exhaustiveness
- GNI Questionnaire and Report on the Quality of GNI data
- GNI Inventory
- written answers to Eurostat's questions, work on action points and reservations
- participation in meetings

V. Questions to the Candidate Countries` authorities

For each provision of the Acquis Communautaire:

Which is your level of compliance?

If full compliance is not yet achieved:

Which are the main obstacles?

Which steps did you take to achieve full compliance?

When will you be able to fully comply?

Thank you for your attention !