

DEVELOPMENTS IN STATISTICS

Eesti Pank is legally responsible for compiling Estonia's balance of payments statistics and monetary and financial statistics. The goal of the statistics work of the central bank is to provide the high-quality, reliable, up-to-date and unbiased statistics that are needed in the Bank's work and also by the general public. The system of collecting, processing, and publishing the statistics is flexible and compatible with international statistics standards and recommendations. The input from this system is essential for monetary policy analysis and for assessment of the risks to Estonia's financial and external sectors. The comprehensive website of the central bank is regularly updated and available to everyone and contains over 400 tables of data. Eesti Pank follows both national and international interests in its statistics and discharges its responsibilities according to the generally accepted best practices in official statistics, while adhering to the principles of efficiency and best use of resources.

In order to bring the system of official statistics in Estonia in line with these requirements, Eesti Pank continued to participate in the working group for drafting the new Official Statistics Act and the government committee for the simplification of the reporting framework. Both working groups were set up in 2008 to update the system and the legal basis of official statistics in Estonia and to facilitate the reuse of data. This is to help decrease the administrative burden from the submission of data and to lower the costs of collecting the statistics.

To make the statistics of Eesti Pank more available and user-friendly, in 2009 Eesti Pank started to develop a new structure and content for the statistics section of the bank's public website and carried out a procurement for a statistics module. Preparation and implementation of the changes will continue in 2010.

The international statistics standards are currently being updated and Eesti Pank has par-

ticipated in this process as part of the various working groups and committees of the European Commission (Eurostat) and the European Central Bank (ECB). Representatives of Eesti Pank also attended several seminars on the revision of international statistical standards. In 2014, all European countries will be implementing the new standards for national accounts and balance of payments statistics.

In 2009, the central bank's experts also participated in Estonia's accession negotiations with the OECD, providing the authors of the accession report with the necessary statistical input. Estonia's statistics passed examinations testing compliance with the OECD statistics requirements in different OECD committees.

In 2009, Eesti Pank hosted two international meetings for statistics working groups: a meeting of the European Central Bank's Working Group on General Economic Statistics and a seminar for NORDSTAT, the statistics network of the Nordic and Baltic central banks.

Banking and other financial statistics

In 2009, Eesti Pank continued its work to make data collection and its outputs compliant with the requirements of the European Central Bank. This mainly involved amending the reports for credit institutions to match the new statistics regulations of the ECB for monetary financial institutions. The decrees of the Governor of Eesti Pank that amended the current reports and introduced a new report entered into force on 1 January 2010.

The amount of statistical information submitted to the European Central Bank about the financial sector remained similar to that of 2008. In addition, preparations were made for the compilation and submission of statistics on investment funds, as required by the new ECB regulation. Until the end of 2009, the statistics of investment

funds were submitted in an aggregated and simplified form, but from 2010, the amount of statistical data on investment funds submitted to the ECB will be the same as that submitted by euro area countries.

In autumn 2009, an audit was conducted in Eesti Pank on the compilation and submission of balance sheet statistics for monetary financial institutions to the ECB. This involved a thorough review of the whole process from data collection and processing methods to the final compilation and submission of outputs. The audit was conducted along ECB guidelines and rated the collection and compilation of these statistics in Eesti Pank highly with no shortfalls in the procedures.

In spring 2009, Eesti Pank began creating an automated system for compiling quarterly financial accounts. The system uses a software created by Suomen Pankki (Bank of Finland), which is being integrated into the Eesti Pank information system. By the end of the year, preparations for the technical environment to host the application had been finished and slightly more than half of the descriptions of data sources had been completed and integrated with the software. The plan is to reach a stage where the new software could be partially used for compiling quarterly financial accounts by the end of 2010.

The statistical outputs of Eesti Pank were developed vigorously in 2009. The establishment of a subsection *Monetary financial institutions statistics* under the statistics section of the public website of Eesti Pank was particularly notable, as this is where the aggregated balance sheet and money and the credit aggregates compiled using the ECB methodology are published. Along with other monetary aggregates, the central bank now also publishes the broad monetary aggregate M3.

Regular statistical outputs were compiled and submitted to consumers in time. Ordinary out-

puts were complemented by several new ones, such as a submission of quarterly financial soundness indicators to the IMF. Plenty of queries were received also from various international organisations (e.g. ECB, IMF, BIS) and additional work load was in due to the IMF's missions to Estonia and due to preparations for joining the OECD.

Balance of payments statistics

In 2009, the priority in the compilation of the balance of payments statistics was the adoption of the 4th edition of the OECD Benchmark Definition of Foreign Direct Investment, which came into force since 2010. The statistics experts of Eesti Pank discussed over methodology issues to find the best solutions, and consulted also external experts on other matters. In order to meet the new standards it was necessary to change the reporting forms and the information system of the balance of payments statistics, BOPFACTS.

For the first time, in 2009 the central bank submitted outward Foreign Affiliated Trade Statistics (FATS; the number of companies, turnover, number of employees) for 2007 to Eurostat. Statistics Estonia is responsible for compiling inward-FATS.

In order to improve the compliance between the balance of payments and the gross domestic product, one input of which is the goods and services account of the balance of payments, in 2009 Eesti Pank started to publish the quarterly balance of payments 20 days earlier so that it came on on the same day as GDP at T + 70 days rather than the previous T + 90.

In 2009, the web-based reporting portal eAruanne was developed further, cooperation with reporting agents was improved in order to increase the quality of preliminary data and statistical outputs, and amendments were made to

the balance of payments methodology. By the end of 2009, 1,438 companies, representing 39% of the reporting agents, had subscribed to the web-based system for collecting balance of payments statistics. During the year, 349 more reporting agents subscribed, which was twice as many as a year ago, while 91 companies ceased to use the portal, mainly due to liquidation or merger. Preliminary analysis showed that the culture of statistics, the timely submission of reports and the response rate, of companies who had subscribed to the portal was higher than the average of the sample. During the year, maintenance was carried out on the portal, minor amendments were made and errors corrected, and a new maintenance contract was drawn up. The introduction of the OECD statistics requirements also entailed preparations for changing reporting forms in the information system.

Eesti Pank also continued its close cooperation with other state agencies that collect and manage statistics. Accounting for the external sector's financial intermediation services indirectly measured (FISIM) was entirely taken over from Statistics Estonia, since all the source data originate from Eesti Pank. Algorithms were created in the information system of the balance of payments statistics, so that outputs could be compiled in accordance with international requirements and the dissemination of data facilitated. In addition to changes in the content of the surveys of Statistics Estonia, the rearrangements made in the investment and pension fund report of the balance of payments (form No. 5) redundant, as in the future the data will be retrieved from the amended reports of the Financial Supervision Authority.

Eesti Pank started to work with Positium OÜ, a company owned by the University of Tartu, to compile the travel services account, as a result of which a mobile phone positioning method that can identify the number of non-residents

in Estonia was employed. The new data source became necessary because Statistics Estonia terminated its border crossing surveys of tourists. Mobile phone positioning can differentiate between visitors from up to 100 countries and can identify the duration of their stay. A new contract was also concluded with Positium OÜ to develop a methodology for assessing the number of travellers leaving Estonia by countries they visit.

Following the adoption of the new EU regulation on international payments, which increased the thresholds for declaring payments, the equivalent Eesti Pank regulation was amended in 2009. The amendments will enter into force in 2010 and will lessen the corporate reporting burden. The model of balance of payments flash estimates for direct and other estimates was also improved and preparations were made to adopt the new classification of economic activities EMTAK2008 (NACE-Rev2).

Better and more timely submission of reports was facilitated in 2009 by the introduction of penalty payment for incorrect submission. During the year around 100 companies were given warnings and penalty proceedings were initiated in eight cases.

The assessment of the quality of balance of payments statistics also continued in 2009. To this end, two quality reports were produced. The first was the annual report required by Eurostat and EU regulations for assessing the quality of the current account and direct investment data. The report confirmed the high quality of Estonia's balance of payments data, as later revisions have all remained within acceptable limits. The second report was compiled under the standards of good practice in national statistics and it contained a flash estimate of the balance of payments, the quarterly balance of payments and the international investment position. The results of the quality analysis will be published

at the beginning of 2010 on the website of Eesti Pank under the statistics section. The introduction of the Sirius software for analysing the time series and for quality control was extremely helpful. Sirius was created and is being developed further by the central bank of the Netherlands, and it makes data analysis easier for statistics experts. Sirius was also developed to check the consistency between balance of payments transactions and international investment positions.

Internationally, central bank representatives continued to participate in the ECB's Centralised Securities Database (CSDB) project. Primarily, this involved quality control and the monthly submission to the European Central Bank of data on listed shares and bond issues registered in the Estonian Central Register of Securities. Eesti Pank also continued preparations for changing over to security by security reporting of portfolio investment statistics from 2011. The ECB reporting regulations require the use of the security by security (ISIN-code based) approach in at least 90% of cases in the compilation of these statistics. This should help reduce the discrepancies between statistics across countries.

General economic statistics

Regular submission of general economic statistics to the European Central Bank and the Bank for International Settlements continued. Data are now also submitted to the Directorate General for Economic and Financial Affairs (ECFIN), which receives monthly information about external financing.