



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.4.2004
COM(2004) 298 final

**MID-TERM REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL
ON THE IMPLEMENTATION OF EDICOM II PROGRAMME**

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1. EXECUTIVE SUMMARY

Background

1. With the creation of the Single Market on 1 January 1993 and the removal of customs formalities between the EU Member States, a new system for collecting statistics on the physical trade in goods was implemented, Intrastat. The recording of trade with EU countries was converted into direct surveys in companies. The statistical system on the trade between Member States of the European Union and the rest of the world, Extrastat, continues to be based on the information available in the SAD (Single Administrative Document), which is collected by the customs authorities.
2. The Edicom Decision 507/2001/EC of 12 March 2001 adopted by the Council and the European Parliament¹ set the goal of encouraging a modern, rational and effective organisation of the transeuropean collection, treatment and distribution network for intra and extra-Community statistics, accompanied by the improvement and harmonisation of statistical methods. The aim is to produce information that is more reliable, less expensive for providers and administrations, and available more quickly as well as being able to satisfy user needs in a more relevant way.
3. Edicom II was planned to be developed over a period of five years, starting in 2001, and targets six main objectives:
 - Objective 1: An information network of better quality, which is less costly and available more quickly, in accordance with the requirements of Community policies;
 - Objective 2: A relevant information network adapted to the changing needs of users within the framework of Economic and Monetary Union and the international economic environment;
 - Objective 3: An information network which is better integrated into the general statistical environment and adapted to the development of the administrative environment;
 - Objective 4: A network improving the statistical services offered to administrations, users and providers of data;
 - Objective 5: A network based on tools for the collection of information in the light of the latest technological advances in order to improve the functions available to information providers;
 - Objective 6 (horizontal): An integrated and interoperable network.
4. As described in the ex-ante evaluation of the programme, these objectives have been broken down into 13 actions.

¹ OJ L 76 of 16.3.2001, p. 1.

5. Each year, the Commission adopts a decision defining the annual Edicom II work programme to be adopted by the Intrastat/Extrastat Committee.

Objective and context of the evaluation

6. The main purpose of the evaluation presented in this report is to “submit to the European Parliament and the Council a mid-term report of activities financed under the new programme so as to enable, if appropriate, a review of the actions implemented under (the) decision to be carried out”, in accordance with Article 5 (2) of the Edicom decision. This report was drawn up by Eurostat Unit F2: International Trade.
7. This evaluation is focused on the work programmes for the years 2001 to 2003. Not all the actions carried out within these work programmes were completed by the end of 2003.

Main findings

8. The objectives of the 2001, 2002 and 2003 work programmes were coherent with those of the overall programme. The design of the programmes made it possible to apportion the activities efficiently between Member States and Eurostat. In most of the projects the expected results were clearly defined, facilitating their attainment and monitoring.
9. The implementation of the work programme has been particularly efficient, mainly thanks to the assistance of specific Working Groups. Progress has been achieved across a wide range of fields, from data collection to dissemination. Most of the projects managed to achieve significant results and many applications have been developed.
10. The main preliminary achievements in accordance with the general objectives of the decision are the following.
 - A. ***Objective 1: Measures relating to the implementation of a higher-quality information network, which is less costly and available more quickly, in line with the requirements of Community policy***
11. One of the essential needs was to shorten the time required to supply data to Eurostat. Many Member States have developed or improved advanced estimator methodologies, which are being implemented in the 2002-2003 work programmes.
12. Improvements have already been achieved in data processing and analysis. The checking and correction of basic data are more automated and comparisons of Intrastat data with other sources are more systematic. Moreover, many Member States worked successfully on the improvement of estimation methods for trade below thresholds, non-responses and statistical values.
13. The centralised actions undertaken within the objective should lead to the development of harmonised methods in various fields such as production of advanced estimators, updating methods, checking of basic and aggregated trade statistics and adjustment for non-declared trade. Some research has been made in order to achieve reconciliation for extra and intra trade. Most of these activities led to

the identification of new methodologies and enabled the development of software implementing the methodologies. Moreover, a database dealing with quality indicators at Member State level has been set up, containing both quantitative and qualitative indicators. The Foreign trade statistics Quality Report is updated yearly using this database, which in turn is updated annually via a questionnaire addressed to Member States. This is a relevant tool for the quantitative evaluation of the Edicom II programme.

B. Objective 2: Measures relating to the implementation of a network of information that is relevant and appropriate to users' changing needs, within the framework of Economic and Monetary Union and the international economic environment

14. Eurostat undertook a project that increased understanding of the methods used by Member States in the field of confidentiality management. Moreover, a set of recommendations has been prepared to encourage good practice and discourage bad practices on confidentiality for external trade. This is going to be useful for present Member States but also for the Acceding Countries in order to improve the data quality by limiting the use of confidentialisation, while preserving individual data from disclosure.
15. In addition, investigations have been made into new statistics to be supplied. Globalisation seems to be an important issue to be dealt with. In this framework, analysis showed that information on intra-firm trade would be useful, but the level of detail and the best techniques to collect it should be identified.

C. Objective 3: Measures relating to the implementation of an information network better integrated into the general statistical system and adapted to developments in the administrative environment

16. Eurostat and Member States have developed projects aimed at improving the quality and interoperability of registers. These activities, closely monitored by the Task Force on Trade Registers and Globalisation, will be useful for making trade and business statistics more consistent.
17. Regarding data collection, the results achieved by the various projects have been in line with their objectives and cover the needs expressed. An important target in this field is the adaptation of Intrastat. The feasibility studies launched in this context concluded that no further substantial modifications are needed. A new Intrastat legislation has been prepared and adopted by the Commission. This basic legislation will have to be complemented by comprehensive implementing rules (Commission Regulation) and guidelines in order to facilitate implementation by Member States.
18. Similarly, as regards adaptation of Extrastat, Eurostat has launched projects analysing the needs for tariff statistics and how far the Customs declaration could be used for statistical purposes. The studies concluded that there was a need to improve tariff statistics in order to satisfy users needs; however, in this context scope for fuller use of the Customs declaration seems limited. New Extrastat legislation could be prepared on this basis.

D. *Objective 4: Measures relating to the implementation of a network improving the statistical service provided to administrations and users and providers of data*

19. The development of an automatic system to classify goods in the relevant nomenclature was not possible. However, new measures were planned in order to give a more rapid and user-friendly access to classifications and related products.
20. It is important to cut the time required to disseminate data. Eurostat has developed various tools to improve the completeness of the data, the level of detail, and to ensure quick dissemination.

E. *Objective 5: Measures relating to the implementation of a network based on tools for the collection of information in the light of the latest technological advances in order to improve functions available to information providers*

21. Concerning data collection tools, Eurostat has ensured the maintenance and distribution of the updated version of IDEP/CN8 (Intrastat electronic form). Work by Member States on IDEP was based on a strategy agreed by the Intrastat Committee to decentralise the maintenance and development of the form from 2004. Eurostat and Member States have launched new projects to develop and implement web-based data collection.
22. In parallel, Eurostat has maintained and further developed the standardised messages (Edifact, XML); message documentation guides have also been created.

F. *Objective 6 (horizontal): Measures relating to the implementation of an integrated and interoperable network*

23. Services to users were improved by the drafting of user guides, the improvement of the COMEXT² system's functionalities, the organisation of courses and the development of a standalone version of COMEXT for browsing data in CD-ROM and other distribution media, and for the study and development of COMEXT Web support and its maintenance.
24. Measures have been launched to develop tools and methods in various domains of the European network: processing and validating data; communication between national administrations and Eurostat; user access to statistical data and metadata, including greater use of the Internet and improvements to the software for disseminating statistics on the trading of goods. This project, named XT-Net, is the main challenge for the end of the Edicom programme.
25. In the light of constant changes and new needs arising in External Trade Statistics, it was also considered necessary to review and update the existing methodological material, as well as to store it in a database giving easy access to the information. The main objectives of this action were achieved.

² COMEXT is Eurostat's database containing all available information on trade statistics.

Risk analysis

26. The following main risks were identified for the continuation of the programme:
- capacity to manage the programme ;
 - risks to the means to be implemented for meeting the programme’s objectives;
 - sustainability of the programme with regard to the availability of budgetary resources;
 - maintenance and coherence of computer tools;
 - extension of the programme following enlargement.

These risks have been taken into account when defining the guidelines for future work.

General guidelines and recommendations for the 2004-2005 programmes

27. Action should be taken to ensure that the new Financial Regulation is strictly applied. The Commission should provide appropriate recommendations to the Member States.
28. Methods and tools which have been developed should be made available to all the Member States and valorised through appropriate means such as seminars, workshops or guidelines in order to identify and promote best practice.
29. The co-ordination and monitoring of the various actions should be reinforced. The partnership with the Member States through “working groups” should be adapted accordingly.
30. The consequences of enlargement should be taken into account in both centralised and decentralised actions. A specific work plan for new Member States must be prepared and the necessary resources made available for its implementation.
31. The priorities for the decentralised actions to be carried out by Member States, should be:
- the implementation of the new Intrastat Quality requirements (coverage, timeliness, confidentiality, reporting);
 - the introduction of the new common methods and tools which have been developed as part of the programme.
32. All proposals for new actions will have to be analysed carefully (needs to be met, viability, capacity to manage the actions, level of priority, long-term consequences) and validated by the Commission.
33. Reflection should start on whether to continue the Edicom programme. A preliminary proposal by the Commission should be examined by the

Intrastat/Extrastat Committee before the end of 2004. The objective should be to ensure the stability of the system and the durability of the tools which have been developed.

2. GENERAL OBJECTIVES OF THE EDICOM II PROGRAMME

34. With the creation of the Single Market on 1 January 1993 and the removal of customs formalities between the EU Member States, a new system for collecting statistics on the physical trade in goods was implemented, Intrastat. The recording of trade with EU countries was converted into direct surveys in companies. The statistical system on the trade between Member States of the European Union and the rest of the world, Extrastat, continues to be based on the information available in the SAD (Single Administrative Document), which is collected by the customs authorities. Following the implementation of Intrastat there was a decline in data quality. In order to restructure the new statistical system, a support programme, Edicom I (Electronic Data Interchange on Commerce) was implemented in the framework of Council Decision 96/715/EC of 9 December 1996.
35. The actions undertaken in the framework of this programme produced satisfactory results. The time needed to supply the data has been considerably reduced. Data providers have accepted the new system, resulting in a fall in the non-transmission rate of Intrastat declarations. In addition, standardisation and development of tools have facilitated electronic information transmission.
36. The external trade statistics system has entered a new phase of development characterised by growing and increasingly demanding user needs for information in an uncertain administrative environment for data collection at both Community and national levels. Moreover, the action plan on EMU³ statistical requirements identified external trade statistics as one of the domains in which the needs of users are less satisfied. The action plan makes clear that, in certain Member States, the time needed to supply these statistics is too long.
37. To cope with this challenge, Eurostat proposed several strategic orientations aiming at improving the accuracy and relevance of the results, speeding up data availability, redirecting statistical offer, and preparing deeper adaptations of the system for the medium to long term. Hence, with the adoption of Decision 507/2001/EC of 12 March 2001 a new programme (Edicom II) with specific objectives was approved for the period 2001 to 2005.
38. The general objectives of the new phase of the programme, were the following:
- To encourage a modern, rational and effective organisation of the trans-European collection, treatment and distribution network for intra and extra-Community statistics, accompanied by the improvement and harmonisation of statistical methods, in order to produce information which is:
 - More reliable, less expensive for providers of statistical information and administrations and available more quickly;

³ Action Plan on EMU Statistical requirements – European Commission (Eurostat in close collaboration with the European Central Bank – 25 September 2000).

- Able to satisfy new users needs in a more relevant way.

Within this framework, the requirements of Economic and Monetary Union will be favoured, as well as a better integration of statistics on the trade in goods in the statistical system, at Community and international levels.

- To develop and promote existing tools for collection, treatment, transmission and distribution of statistical data, taking into account the latest technological developments and seeking the best cost-effectiveness ratio. The explosion in the exchange of electronic data is indeed setting relations between those involved in the economic world, and national and Community statistical administrations, which will have to adapt to this new technological environment.

39. To achieve these two main decision principles, the six specific or operational objectives set out in Para. 3 were defined within the Edicom II programme.
40. With respect to the six objectives, the Edicom II programme has been broken down into 13 actions. The table in Annex 1 presents, the expected results for each action of the global Edicom II programme and some performance indicators linked to them.

3. IMPLEMENTATION OF THE WORK PROGRAMMES

41. Each year, the Commission adopts a Decision which defines the annual Edicom II work programme to be approved by the Intrastat/Extrastat Committee.
42. Member States are to be contacted concerning their proposals for decentralised projects at the same time as Eurostat is defining centralised projects. In addition, an Edicom monitoring committee within Eurostat must approve projects involving different directorates; bilateral contacts also take place with other Eurostat units in an effort to identify any projects falling within the Edicom II field of application.
43. Where necessary, proposals for centralised and decentralised projects are discussed by thematic working groups (Quality, Methods, Trade Registers/Globalisation and Information and Communication Technology ICT). A specific task force was also created in 2003 in order to co-ordinate centralised and decentralised actions as regards the development of tools.
44. Some of the projects (on average 55% of the budget) are undertaken centrally by Eurostat, while others are carried out by Member States by means of regulated subsidies (on average 45% of the budget). Edicom represents about 100 contracts/conventions a year.
45. When subsidies are granted to Member States, they must submit a final report to Eurostat. For this purpose, in 2002 recommendations were provided to Member States on how to present a complete final report that allows all the work carried out to be properly evaluated.
46. Centralised projects have been awarded to private firms in accordance with the call for tender procedure.
47. The Working Groups on Quality, Methods, Trade Registers/Globalisation, and ICT have assisted Eurostat in monitoring and evaluating actions 1 to 8, 12 and 13 of the

Edicom II programme. Eurostat has itself monitored actions 9, 10 and 11, since these were not coordinated by a working party.

The results of all actions are planned to be made available to national administrations in an internal database.

48. As regards monitoring, some indicators have been defined which will be exploited further to assess the implementation of the programme. These indicators include the time needed to supply advanced estimators; the bias of initial estimates with respect to final results; number of Member States that have developed, implemented and promoted Intrastat web forms, etc.

4. RISK ANALYSIS

49. The following main risks were identified for the continuation of the programme.

1. Capacity of managing the programme

50. The financial management rules under the new Financial Regulation (applicable in 2003) are stricter. These rules apply to both centralised actions (provision of services) and decentralised actions (grants to Member States). In order to continue, as in the past, to comply with the rules and procedures in force without affecting the smooth running of the programme, the necessary resources must be available to prepare and monitor the implementation of the programme (each year a Commission decision must be prepared for approval of the work programme and around 100 contracts are signed).
51. Eurostat has already had difficulties in finding on the market the technical expertise required by a programme as specific as the Edicom programme. The limited number of tenderers bears witness to this. The situation could threaten actions where the risk seems high that results might not be achieved by outsourcing work.

52. The number of actions carried out by the Member States is currently high (around 60 agreements per year accounting for approximately 45% of the budget). Most of the Member States appear to have difficulties in implementing the actions they have launched. These difficulties are likely to worsen in the future. The main reasons for this are as follows:
53. Staff of the national administrations are often directly involved in carrying out at least part of the work. However, they do this work in addition to activities for which they are responsible at national level. Paradoxically, some administrations are therefore confronted with a lack of competent internal resources for implementing/managing the actions.
54. The Edicom programme has a snowball effect. Each year new projects are launched, sometimes in addition to actions already underway, thus aggravating the difficulties of the national administrations in managing the programme.
55. The budgetary rules on agreements are stricter than before, in particular for sub-contracting, for which there was already a tight framework. Member States must comply strictly with these new regulations and provide detailed reports on the actions taken. The capacity of the Member States to adapt to these new rules has to be assessed.

2. Risks to the means to be implemented for meeting the programme's objectives

56. The Edicom programme was launched on the basis of an ex ante evaluation identifying the actions to be taken and assessing the necessary means for implementing them.
57. The ex ante evaluation is, of course, only one source of reference and if the set objectives are all relevant and remain valid, the concrete means to be implemented to achieve them have already been adapted. For example, the Commission did submit a proposal for adapting Intrastat legislation, but the studies carried out centrally and in the Member States did not have the scope originally envisaged and did not demonstrate the need for a drastic simplification of the collection system. The simplification objective, which had been present in the ex ante evaluation, was therefore tempered in practice.
58. In view of the preliminary results of the actions, the means and procedures needed for achieving the programme's objectives could be re-examined. In particular, the cost/benefit ratio of certain actions should be reassessed, taking into account a probable redefinition of the work to be carried out inside Eurostat (core business) and outside. If necessary, user needs should also be re-evaluated.
59. There must also be consistency between the various actions. For example, development of a number of tools was started in the first part of the programme. These tools are intended to be applied either centrally or in the Member States. The results obtained or expected should be analysed case by case so that the tools developed under the programme can be implemented; the necessary resources should be allocated accordingly.

3. ***Sustainability of the programme with regard to the availability of budgetary resources***

60. The late adoption of the Commission financing decision in 2003 and the postponement of certain actions of the 2003 Edicom programme in order to comply with the instructions of the Commission to reduce the office's work programme have shown how dependent the programme is on external events or decisions.

61. The Edicom programme can function smoothly only if the resources required to carry out the actions are assessed correctly and those resources are available when the actions are launched. There is a risk that resources will not be available, or will not be fully available, for reasons outside the scope of even the procedures for adopting the annual work programmes.

4. ***Maintenance and coherence of computer tools***

62. The Edicom programme has a strong IT element. Several tools have been developed and existing tools are currently being updated. Some tools have a generic utility (they can for example be used in other areas of statistics or other environments); others are limited to statistics relating to the trading of goods.

63. Since the Edicom programme is of limited duration, it is important to assess the necessary evolutionary maintenance costs of these tools to ensure that the necessary resources are available at the end of the programme – at Community level for centralised tools and in the Member States for tools developed for national purposes.

5. ***Extension of the programme following enlargement***

64. The Edicom programme is currently limited to the 15 current Member States, which are the only ones who can benefit from grants. Work has been started with the acceding countries to assess their own needs in relation to taking part in the programme once they have joined.

65. Account must be taken of the impact of enlargement on the Edicom programme, with regard to both the nature of the actions to be taken and the budget, in the light of any adaptations to be made to the programme following examination of the mid-term report.

5. **MAIN FINDINGS AND GUIDELINES FOR THE FUTURE ACTIONS**

66. The measures or activities undertaken in the 2001-2003 programmes have been classified according to the six main objectives:

Objective 1: An information network of better quality, less costly and available more quickly, in accordance with the requirements of the Community policies.

Action 1: Development of advanced estimators

Results already achieved:

67. Ten Member States (Belgium, Denmark, Germany, Spain, Luxembourg, Netherlands, Portugal, Finland, Sweden, United Kingdom) managed to develop or improve a methodology making it possible to enhance the advanced estimators. In half of the cases the 2001 work programme focused on the development of the methodology while implementation has followed during the 2002 work programme. Some Member States also envisaged continuing the action during the 2003 work programme, whilst Austria and Greece have started in 2003 the enhancement of their national systems for advanced estimation.
68. Concerning Eurostat, a comparison between several nowcasting methods has been successfully made. The next step will be to develop an application, for Eurostat, incorporating the various methods and enabling the production of short-term statistics for Member States who are late in transmitting their results. The development will also be very useful for the Acceding Countries in order to comply with Intrastat deadlines for the transmission of results.
69. On the other hand, the methodologies used by Member States for advanced estimation have been compared by Eurostat and a harmonised methodology has been proposed combining an ARIMA model and a growth rate factor. Based on these results, an application will be developed, to be incorporated with the application of the nowcasting methods.
70. Finally, Eurostat has carried out an analysis of the updating processes used by Member States. The time series have been analysed and models for the update patterns have been proposed and tested. An IT application has been developed enabling the automatic creation of forecasting models and the consequent correction for the biases of the updates.

Guidelines for the 2004-2005 programmes:

71. At centralised level, a new action will be launched to adapt (in particular to EU enlargement) the Eurostat tool to estimate missing data.
72. At decentralised level, actions to produce advanced estimations should be launched in priority by the new Member States. Member States may also launch actions to reduce the effect of updates.

Action 2: Quality

Results already achieved:

73. Nine Member States (Denmark, Greece, Spain, Italy, Luxembourg, Portugal, Finland, Sweden, United Kingdom) managed to improve their current quality controls and correction systems of basic statistics by using more automated processes and carrying out comparisons of Intrastat data with other sources. Furthermore, seven Member States (Denmark, Germany, Greece, Italy, Portugal, Finland, United Kingdom) have improved their current system of imputation for non-declared trade data and for the estimation of the statistical value. Finally, four Member States (Denmark, Italy, Luxembourg, Finland) have worked on outlier detection, using software developed by Eurostat with some modifications to take into account their national systems specificities and different levels of aggregation.
74. Eurostat has undertaken projects to analyse the methods developed in Member States to check the individual data/records coming from companies and the methods developed in Member States and the Commission (Eurostat) to check data at a more aggregated level of product and geographical classifications. The aims were to have a thorough evaluation of the current methods in use and an assessment of the feasibility of the common platform at EU level. These projects led to a global proposition for quality controls of input and output trade statistics. A list of variables and controls as well as methods to implement them has been presented. As regards output statistics at Eurostat level, a list of quality indicators has been proposed to be available monthly, coming from different sources (DPS, Comext, etc.). Moreover, Eurostat's existing outlier detection system has been improved.
75. In the field of quality reporting, various activities have been undertaken aimed at enhancing quality measurement, control and assurance. Hence, propositions have been made to improve Intrastat Regulations on data quality; mirror leaflets have been released and a Database has been created to collect Member States' quantitative and qualitative information on quality indicators. This Database, named QUIET, must be updated annually via a questionnaire sent to Member States and could be a relevant tool for a quantitative evaluation of the Edicom II programme. Moreover, it is the source used to update the Eurostat annual quality report on foreign trade statistics.
76. Regarding the treatment of asymmetries, the aim of the proposed measure was to compare and implement specific models to reconcile the divergent data on the basis of several methods. Eurostat has succeeded in identifying models of reconciliation for Intra and Extra EU trade and software has been developed. The study of asymmetries will be continued and updated, with a particular emphasis on the impact of enlargement and on operational recommendations aimed at limiting the impact of the discrepancies on data quality.
77. Finally, Eurostat has completed a project aimed at investigating the adjustment methods used by Member States in the field of non-declared trade (trade below thresholds and non-responses). For this purpose, a questionnaire was sent to the Member States. The responses made it possible to describe and compare methods used by the Member States. Simulations have been carried out and finally the different methods for adjustment have been implemented in an application, which can be used to compensate for non-declared trade at individual or global level. This

should be very useful to help Acceding countries to choose among the methods already used and tested in the Member States.

Guidelines for the 2004-2005 programmes:

78. *At centralised level*, an action will be launched to define and implement a list of controls suited to each step of data production. The actions dealing with quality assessment and asymmetries will be continued.
79. *At decentralised level*, Member States should in priority launch actions aiming at improving data quality by quality checks appropriate to different levels, better adjustments, and reducing intra-EU asymmetries.

Objective 2: A relevant information network adapted to the changing needs of the users within the framework of Economic and Monetary Union and the international economic environment

Action 3: New short term indicators

Results already achieved:

80. The application NICE for the calculation of indices of the unit value and volume of Member States' external trade has been developed and implemented into Eurostat's production environment enabling unit value indices to be calculated every month.
81. Concerning the production of export and import price indices, most of the Member States consider the availability of the first series feasible after 2005. The introduction of the import price indicator into the Short Term Statistics Council Regulation has been supported by half of the countries but without the Euro zone / non Euro zone distinction. For the "total" indices, a deadline of 45 days seems to be achievable.
82. Six Member States (Finland, France, Germany, Italy, Netherlands, Austria) have undertaken work to improve the national measure of external trade price indices.
83. Seven Member States (Denmark, Finland, Greece, Italy, Netherlands, Austria, Sweden) have undertaken projects in the fields of CIF/FOB adjustments; new projects are expected in the next work programmes.

Guidelines for the 2004-2005 programmes:

84. *At centralised level*, a new action will be launched to define precisely the methodological frame to design specific import/export price surveys. The quality of CIF/FOB adjustment ratio used by Member States will be evaluated and recommendations will be produced.
85. *At decentralised level*, actions to improve the quality of import/export prices as well as the CIF/FOB adjustment will be promoted.

Action 4: Confidentiality

Results already achieved:

86. The project undertaken by Eurostat has increased understanding of the processes used by Member States. All Member States apply passive confidentiality but there are great disparities in the share of confidential data between Member States and a lack of coherence at EU level.
87. One Member State (United Kingdom) has undertaken a thorough examination of the practical process of confidentialisation at national level. It appears that periodic reminders sent to firms allow suppressions to be reviewed and in some cases removed, so that data previously confidential can be released into the public domain. Three other countries (Denmark, France, Italy) are conducting studies to improve the management of confidentiality.
88. A set of recommendations on the management of confidentiality has been provided and will be proposed to Member States. If applied, these measures would improve the quality of data at national level and the coherence of statistics at EU level.
89. A first study of confidential data, at detailed level, shows that there is room for improvement of EU statistics by the use of techniques such as aggregation or addition of random noise.

Guidelines for the 2004-2005 programmes:

90. *At centralised level*, work will begin to limit as far as possible the effect of confidentiality on the EU and eurozone aggregates published by Eurostat.
91. *At decentralised level*, Member States may launch actions to limit the weight of confidential data (including contacts with firms to assess the need of keeping data confidential over time).

Action 5: New statistical products

Results already achieved:

92. The analysis undertaken by Eurostat and by several Member States has led to a clear picture of the main possible sources of information to estimate intra-firm trade. An assessment of user needs within European Institutions showed a limited need at detailed level of products. Furthermore, there was no agreement between Member States on the best collection tool to be implemented. Consequently, it is unlikely that a full collection system of intra-firm statistics will be established at EU level before the end of the Edicom programme.
93. Several analyses launched by Member States have made it possible to produce experimental data sets with a breakdown of external trade by activity sectors.

Guidelines for the 2004-2005 programmes:

94. *At centralised level*, no Edicom action is planned, synthesis of the work being produced with Eurostat internal resources.
95. *At decentralised level*, Member States may launch actions to produce data linked to structural business statistics (including data with a breakdown by activity sector) and to test survey-based methodology to collect data on intra-firm trade.

Objective 3: A network of information which is better integrated into the general statistical system and adapted to the developments of the administrative environment

Action 6: Registers

Results already achieved:

96. Eurostat has undertaken a project that presents methods to improve the links between registers, making trade statistics and business statistics more coherent.
97. Eight Member States (Germany, Finland, Greece, Italy, Austria, Netherlands, Portugal, Sweden) have undertaken work to improve the quality of registers, including possible extensions to Extrastat and links with business registers. In several countries these links have allowed the production of data by activity sector planned under action 5.

Guidelines for the 2004-2005 programmes:

98. While no more action is planned at *centralised level*, actions could be launched by Member States aiming at implementing Extrastat registers, or improving quality or interoperability of existing registers.

Action 7: Adapting and modernising Extrastat

Results already achieved:

99. The inventory of unused but statistically relevant Customs data available at national level showed that only few data considered as statistically interesting data elements, were available in enough Member States so as to be considered relevant. Nevertheless, their feasible statistical use could significantly enhance tariff and mirror statistics.
100. Another study pointed to a clear overall need to improve the quality of already existing tariff statistics and to add tariff measures information. Other sources of information of potential use for negotiations have been analysed and assessed, especially with respect to a further improvement of tariff statistics.
101. The first steps of the modular Taristat project aiming to combine trade and tariff data have resulted in an application that primarily supplies basic tariff information.

Guidelines for the 2004-2005 programmes:

102. *At centralised level*, the main objective will be to finish the Taristat project. Other actions could be launched in the framework of the adaptation of the Extrastat system.
103. *At decentralised level*, Member States may launch actions aimed at improving their collaboration between authorities in charge of Customs and Statistics in order to speed up the availability of Extrastat statistics and improve the quality of the basic information. This target should be reached through ad hoc agreements and the modernisation of the collection/transmission systems.

Action 8: Preparing the adaptation of Intrastat in the long term

Results already achieved:

104. An opinion poll was launched in six Member States (Belgium, Germany, France, Italy, Sweden, United Kingdom) to reassess the burden on providers of statistical information. The burden of the Intrastat system seems to be reasonable and acceptable. Over 70 percent of the traders need less than 4 hours a month to complete the declaration. The commodity code is the information item which causes most difficulties. Even so, the survey results do not indicate any serious need for substantial changes. Nevertheless, following a general trend towards reducing the administrative burden it would be worthwhile offering tools that encourage the traders to fill in declarations automatically. This aspect is tackled in the framework of action 12.
105. The assessment of users' needs confirmed that no substantial change in the existing system was expected. In particular, the need for detailed information on commodities was highlighted (from the survey, nine out of ten respondents use the Combined Nomenclature (CN), 71% use CN codes usually or systematically and one respondent in three uses all chapters of the CN). Other interesting findings were identified and taken into account, in particular the progress to be made on timeliness and reliability of data.
106. On the basis of the projects mentioned above, a new Basic Intrastat legislative act has been prepared which has the main following characteristics:
- The legislation is more understandable and more transparent;
 - It takes fully into account the requirements of users;
 - Quality aspects have been reinforced.
107. This legislation was adopted by the Commission in June 2003 and sent to the European Parliament and the Council for approval.

Guidelines for the 2004-2005 programmes:

108. While no more action is planned at *centralised level*, pilot projects could be launched by Member States to analyse the practical feasibility of alternative collection systems such as the “one flow system”.

Objective 4: A network improving the statistical service offered to administrations, users and data providers

Action 9: Coordination of dissemination

Results achieved:

109. The projects undertaken by Eurostat have permitted the development of modern, flexible dissemination outputs, which allow an improvement of the production of publications such as the monthly bulletin. Similarly, a computer-based support for the routine running of the publications database has been developed.
110. A reconstitution of historical series since 1989 has been obtained by retropolation. Eurostat thus meets the expectations of users, such as the ECB, making available raw value data and seasonally-adjusted data.
111. The relevant analysis of the external trade of the EU and euro zone developed by Eurostat has led to the production of regular short analyses of the latest trade data (SiF). Similarly, a new longer publication (Panorama) offering an annual review of the evolution of the trade of the EU and euro zone, is now published.
112. As a result of the COMEXT support project, 17 training courses have been given in Brussels, Luxembourg, INE-Madrid and ECB-Frankfurt, as well as some interactive courses via the internet. In this context, different items of COMEXT documentation, including course manuals, have been prepared.

Guidelines for the 2004-2005 programmes:

113. *At centralised level*, actions will be launched to adapt Eurostat publications and databases to EU enlargement.

No action is expected at *decentralised level*.

Action 10: Automatic classification system

Results already achieved:

114. Eurostat has launched two projects with a view to ensure the evolutionary maintenance of products related to the CN and to design an automatic classification system.
115. The project on evolutionary maintenance of products related to the CN, was developed with satisfactory results, as those products were made available and disseminated in time, in the 11 official languages of the European Union.
116. Regarding the project to analyse and design an automatic classification system, the results of a feasibility study highlighted the difficulties of integrating such a tool in

the existing system as well as high maintenance costs. The project had then to be cancelled.

117. An alternative project has been launched to develop a specific tool in Eurostat's classification web server for searching and indexing classifications in order to allow rapid and user-friendly access to classifications and related products, and to help users classify their products in the various nomenclatures and classifications.

Guidelines for the 2004-2005 programmes:

118. *At centralised level*, the main action should be completion of the project aimed at modernising and simplifying the Combined Nomenclature.

No action is expected at *decentralised level*.

Action 11: Dissemination of metadata

Results already achieved:

119. Eurostat has launched two projects with this purpose.
120. The first, developed with satisfactory results, covered the need to implement computer tools that ensure the coherent and user-friendly availability of the annual updated Intrastat version of the Combined Nomenclature and its related products.
121. The second project dealt with an analysis of the ways to implement the most advanced technologies to speed up the distribution of metadata and facilitate accessibility to the information. This could consist in a simple and well-structured consultation interface offering a number of tools best suited for electronic dissemination of information via Eurostat's classifications web server.

Guidelines for the 2004-2005 programmes:

122. *At centralised level*, the main objective should be that the tools developed to manage the classifications and derived products are modernised and adapted to the constraints of enlargement.

No action is expected at *decentralised level*.

Objective 5: A network based on information-gathering tools taking into account the latest technological developments in order to improve the function offered to data providers

Action 12: Collection Tools

Results already achieved:

123. A project was successfully launched on the 'IDEP/CN8 Maintenance and Support' to ensure the continuity of the service provided by Eurostat to the Member States regarding the maintenance and update of IDEP/CN8 on an annual basis. The 2004 version of the software was the last to be developed at central level.

124. At decentralised level, actions with all Member States have led to the improvement of the current collections tools, or/and the development and implementation of Web forms as data collection tools. Actions by Member States on IDEP were based on a strategy agreed by the Intrastat Committee to decentralise the development and the maintenance of the tool from 2004.
125. Another project dealt successfully with the maintenance of the EDIFACT messages, the production of Message Implementation Guidelines, the support to CNAs and PSIs, as well as the implementation of EDIFACT messages in IDEP/CN8. Importance was also given in the modernisation of messages with the use of XML for Intrastat data collection (Message INSTAT/XML). Message documentation guides have also been produced.

Guidelines for the 2004-2005 programmes:

126. The following recommendations and priorities should guide the actions:
- autonomy of the tools which are developed, at the end of the programme;
 - availability and promotion of electronic (online and offline) declarations for Intrastat in all countries, in particular new Member States;
 - availability and promotion of standardised messages.
127. In this context, actions at *centralised level* will focus on the co-ordination of actions on the development of web forms and the standardisation of messages.
128. At *decentralised level*, Member States will be recommended to make available as far as possible electronic (on line and off line) declarations for Intrastat.

Objective 6 (horizontal): *Integrated and interoperable network*

Action 13: Integrated system-Interoperability-Network implementation

Results already achieved:

129. Services to users were improved by the drafting of user guides, improvements to the COMEXT system's functionalities, the organisation of courses and the development of the COMEXT stand-alone version for browsing data in CD-ROM and other distribution media. In addition, users were given access to Comext through the web.
130. Additionally, a project was launched to improve the existing methodological reference material and develop tools giving easy access to the information.
131. Measures have been launched to modernise the various elements of the trans-European network within the Community and between the Community and non-member countries (XT net project). Tools and methods should be developed in the following domains: processing and validating data; communication between national administrations and Eurostat; user access to statistical data and metadata, including greater use of the Internet and improvements to the software for disseminating statistics on the trading of goods.

Guidelines for the 2004-2005 programmes:

132. *At centralised level*, the main objective should be the achievement of the XT net project and the improvement of Internet access to statistics and metadata.
133. *At decentralised level*, actions on the implementation of XT net will be initiated by Member States.

ANNEX 1

Table 1: Objectives, expected results and performance indicators for the Edicom II programme (2001-2005) according to the ex ante evaluation

Objective 1: An information network of better quality, less costly and available more quickly, in accordance with the requirements of the Community policies.

	Expected results	Performance indicators
<p><i>Action 1:</i> To speed up the availability of the statistics at aggregated level by improving statistical estimation techniques</p>	<p>Member States aggregated figures for the intra and extra euro area trade have been made available around 40 days after the end of the reference month.</p> <p>Eurozone and EU aggregated figures are published around 46 days after the end of the reference period.</p> <p>New methods or tools enabling Member States and/or Eurostat to decrease the revision bias have been developed.</p>	<p>The time needed to supply data at aggregated level;</p> <p>Number of Member States complying with the deadline for the transmission of data to Eurostat.</p> <p>The average timeliness for Eurostat to publish press releases.</p> <p>The bias of initial estimates with respect to final results at aggregated level;</p> <p>Availability and implementation of tools developed.</p>
<p><i>Action 2:</i> To provide high-quality trade statistics quickly and punctually, by controlling the quality of basic statistics, enhancing quality measurement and assurance, tackling asymmetries, developing imputing and harmonising statistical methods.</p>	<p>A common platform at EU level to control basic statistics has been developed.</p> <p>A common framework for quality assurance has been developed, covering :</p> <p>The regular reporting on quality from Member States and Eurostat including assessment of users satisfaction and ad-hoc methods to control output data;</p> <p>A quality database.</p> <p>Relevant tools that enable Eurostat and Member States to cope with asymmetries have been developed.</p> <p>Methods/tools enabling Member States to estimate or impute the non-declared trade have been developed and implemented.</p> <p>The Member States transmission process of monthly data revisions has been improved.</p>	<p>A list of controls recommended by Eurostat has been released;</p> <p>Number of Member States in agreement with the common platform.</p> <p>Number of Member States regularly sending a quality report to EUROSTAT according to a common layout;</p> <p>EUROSTAT regularly releases a synthesis quality report;</p> <p>A quality database has been developed and updated.</p> <p>Level of asymmetries;</p> <p>Availability of reconciliation tools.</p> <p>Number of Member States using adjustment methods for non-response and trade below the assimilation threshold.</p> <p>A set of Eurostat recommendations has been released;</p> <p>Number of Member States in agreement with Eurostat recommendations.</p>

Objective 2: A relevant information network adapted to the changing needs of the users within the framework of Economic and Monetary Union and the international economic environment

	Expected results	Performance indicators
<i>Action 3:</i> To provide new short-term indicators adapted to the needs of economic analysis at EU and EMU level	<p>A new application for the calculation of unit value indices has been developed.</p> <p>A system for the production of import/export price statistics of the euro zone has been developed.</p> <p>Seasonal adjustment methods used by Eurostat have been improved.</p> <p>A method at the Community and euro zone levels to obtain FOB/FOB trade balance has been developed.</p>	<p><i>Availability of a new application for the calculation of unit value indices.</i></p> <p><i>Number of Member States producing import and export price specific indexes not based on unit values but on real price information.</i></p> <p><i>Availability of quality indicators on seasonally adjusted data.</i></p> <p><i>Availability of CIF/FOB adjustments (Number of Member States making these adjustments).</i></p>
<i>Action 4:</i> To manage and improve the processing of confidentiality of statistics in an integrated approach at national and European level.	<p>A methodology making it possible to publish real value of trade statistics (at a level of aggregation to be determined with Member States) has been developed.</p> <p>Users of COMEXT have more information on the impact of confidential data in trade statistics.</p>	<p>Percentage of confidential data in external trade (in quantity and value).</p> <p>Availability of a recommendation guide and its implementation by Member States.</p>
<i>Action 5:</i> To increase user satisfaction by providing a more complete range of statistics	<p>Statistics on the proportion of the EU's international transactions carried out by related firms belonging to the same enterprise group have been made available.</p> <p>External trade statistics and structural business statistics have been made more comparable.</p>	<p>Intra-firm statistics available at EU level.</p> <p>Trade data by activity sectors are available.</p>

Objective 3: A network of information which is better integrated into the general statistical system and adapted to the developments of the administrative environment

	Expected results	Performance indicators
<i>Action 6:</i> To improve the interoperability of registers	<p>Registers of extra-Community traders have been developed.</p> <p>The quality of registers has been improved.</p> <p>The interoperability of registers has been improved.</p>	<p>Number of Member States producing a register for the extra-Community trade.</p> <p>Quality indicators of trade registers and their links (register coverage, proportion of the trade declarants identified in the General Register, etc.).</p> <p>Existence of links between intra- and extra-trade registers and the General Business Register.</p>
<i>Action 7:</i> To adapt the Extrastat system to new information needs and customs developments	<p>A new Extrastat legislation has been adopted which has the main following characteristics :</p> <p>the legislation is easier to understand and more transparent;</p> <p>it takes into account the requirements of users (aggregates, Tariff data,...);</p> <p>it takes into account the recommendations at international level and developments in customs rules.</p> <p>2. Metadata on Tariff measures have been made accessible to users of community statistics.</p> <p>3. Co-operation between the customs administrations and the authorities responsible for statistics has been improved</p>	<p>Availability of the new legislation.</p> <p>Availability of metadata on Tariff measures.</p> <p>Improvement of the quality and timeliness of Extrastat statistics.</p>
<i>Action 8:</i> To adapt the Intrastat system to the development of its environment	<p>A new Intrastat legislation has been adopted which has the main following characteristics :</p> <p>the legislation is more understandable and more transparent;</p> <p>it takes into account the requirements of users;</p> <p>quality aspects have been reinforced;</p> <p>possibilities for further simplification of the system have been examined.</p>	<p>Availability of the new legislation.</p>

***Objective 4:* A network improving the statistical service offered to administrations, users and data providers**

	Expected results	Performance indicators
<i>Action 9:</i> To disseminate relevant statistics as quickly as possible to all users.	<p>Periodical studies of the information needs to improve dissemination have been undertaken.</p> <p>Dissemination of macro-economic statistics has been improved in particular, through a macro-economic database. Selected data have been made available on the www.</p> <p>Access to detailed statistics has been improved.</p>	<p>Satisfaction of users.</p> <p>Delay in disseminating macro-economic data.</p> <p>Delay in disseminating detailed data.</p>
<i>Action 10:</i> To provide external trade operators with methods/tools for classifying goods in the Combined Nomenclature.	<p>Tools, which facilitate the classification of goods in the Combined nomenclature, have been made available.</p> <p>The Combined nomenclature has been modernised.</p>	<p>Availability of the tools.</p> <p>Availability of a revised version of the Combined nomenclature.</p>
<i>Action 11:</i> To provide users with tools necessary for the integration and dissemination of nomenclatures, classifications and other related products.	<p>Nomenclatures and metadata on nomenclatures are easily managed and accessible by all users.</p>	<p>Satisfaction of users.</p>

Objective 5: A network based on information-gathering tools taking into account the latest technological developments in order to improve the function offered to data providers

	Expected results	Performance indicators
<i>Action 12:</i> To develop and implement appropriate electronic data collection tools in the Member States	<p>On-line and off-line data collection systems have been made available in the Member States.</p> <p>PSIs have better and enhanced access to collection tools and other related information.</p> <p>Standardised Messages have been improved and adapted and implemented by the Member States.</p>	<p>Share of electronic declarations in the different Member States expressed in number of PSIs declarations and trade value.</p> <p>Number of Member States who adapted the standardised messages.</p>

Objective 6 (horizontal): Integrated and interoperable network

	Expected results	Performance indicators
<i>Action 13:</i> To modernise and improve the trans-European network for the collection, production and dissemination of trade statistics	<p>Enhanced controls and appropriate tools have been developed and implemented in the Member States.</p> <p>Data access and transmission of data between Member States and Eurostat have been improved.</p> <p>Electronic dissemination tools have been developed and implemented in Eurostat.</p> <p>An information system on methodology (METODOLOGICA) has been developed.</p>	<p>Number of Member States having implemented common validation procedures.</p> <p>Timeliness of detailed data availability.</p> <p>Users satisfaction; Volume of data accessed; Number of users accessing online information; Availability of appropriate metadata; Number of courses and participants for the use of data access systems.</p> <p>Availability of a database on methodology.</p>

ANNEX 2

Use of Edicom resources in 2001 and 2002

2001	Type	Decision Amount	Commitment	Commitment/Decision amount(1)
Objective 1 (actions 1 + 2)	Total	3 239 680	2 825 301	87%
	Centralised	1 556 200	1 208 107	
	Decentralised	1 683 480	1 617 194	
Objective 2 (actions 3 + 4 + 5)	Total	1 154 250	1 119 657	97%
	Centralised	481 250	446 657	
	Decentralised	673 000	673 000	
Objective 3 (actions 6 + 7 + 8)	Total	849 000	707 670	83%
	Centralised	531 000	389 670	
	Decentralised	318 000	318 000	
Objective 4 (actions 9 + 10 + 11)	Total	1 038 280	1 226 139	118%
	Centralised	1 038 280	1 226 139	
	Decentralised	0	0	
Objective 5 (action 12)	Total	1 784 000	1 850 843	104%
	Centralised	629 000	703 518	
	Decentralised	1 155 000	1 147 325	
<i>Horizontal Action</i> (action 13)	Total	1 220 000	1 222 214	100%
	Centralised	1 220 000	1 222 214	
	Decentralised	0	0	
Total objectives 1-5 + Horizontal Action (heading B5 7211 B)		9 285 210	8 951 824	96%
	Centralised	5 455 730	5 196 305 (58%)	
	Decentralised	3 829 480	3 755 519 (42%)	
Support Measures (heading B5 7211 A)		630 000	100 000 ⁴	16%
Total		9 915 210	9 051 824	91% (2)

- (1) Since the amounts per objective indicated in the decisions are estimates for guidance only, they may differ from the amounts finally committed.
- (2) The amount committed in the Community budget in 2001 was EUR 10 million. The commitments/Community budget ratio is thus 90.5%.

⁴

Part of the amount provided for in the decision was committed in 2002.

2002	Type	Decision Amount	Commitment	Commitment/Decision amount(1)
Objective 1 (actions 1 + 2)	Total	1 766 531	1 846 920	104%
	Centralised	752 000	841 860	
	Decentralised	1 014 531	1 005 060	
Objective 2 (actions 3 + 4 + 5)	Total	1 154 038	1 176 006	101%
	Centralised	450 000	475 150	
	Decentralised	704 038	700 856	
Objective 3 (actions 6 + 7 + 8)	Total	787 000	719 954	91%
	Centralised	410 000	342 955	
	Decentralised	377 000	376 999	
Objective 4 (actions 9 + 10 + 11)	Total	1 309 106	952 251	72%
	Centralised	1 090 000	733 145	
	Decentralised	219 106	219 106	
Objective 5 (action 12)	Total	2 074 101	2 049 353	99%
	Centralised	629 000	614 295	
	Decentralised	1 445 101	1 147 325	
Horizontal Action (action 13)	Total	1 365 000	1 289 071	94%
	Centralised	1 365 000	1 289 071	
	Decentralised	0	0	
Total objectives 1-5 + Horizontal Action (heading B5 7211 B)		8 455 776	8 033 555	95%
	Centralised	4 696 000	4 296 476 (53%)	
	Decentralised	3 759 776	3 737 079 (47%)	
Support Measures (heading B5 7211 A)		630 000	624 900	99%
Total		9 085 776	8 658 185	95% (2)

- (1) Since the amounts per objective indicated in the decisions are estimates for guidance only, they may differ from the amounts finally committed.
- (2) The amount committed in the Community budget in 2001 was EUR 10 million. The commitments/Community budget ratio is thus 86.6%.