

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0077/2007

27.3.2007

*****I** **REPORT**

on the proposal for a regulation of the European Parliament and of the Council establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination (COM(2006)0135 – C6-0100/2006 – 2006/0042(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Sharon Bowles

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	18
OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT	20
PROCEDURE.....	28

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination (COM(2006)0135 – C6-0100/2006 – 2006/0042(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2006)0135)¹,
 - having regard to Article 251(2) and Article 285(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0100/2006),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Regional Development (A6-0077/2007),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Recital 1

(1) In order to obtain a comparison of Gross Domestic Product (GDP) in volume terms between Member States, there is an essential need for the Community to have Purchasing Power Parities (PPPs) which *reflect* the differences in the level of prices between Member States.

(1) In order to obtain a *direct* comparison of Gross Domestic Product (GDP) in volume terms between Member States, there is an essential need for the Community to have Purchasing Power Parities (PPPs) which *eliminate* the differences in the level of prices between Member States.

¹ Not yet published in OJ.

Justification

Eliminate is more accurate

Amendment 2
Recital 3

(3) Article 3(1) of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds¹, – must be read in conjunction with Part 15 of Annex II of the 2003 Act of Accession, entitled “Regional Policy and coordination of structural instruments”. That Article 3(1) states that the regions covered by Objective 1 are to be regions corresponding to level II of NUTS whose per capita GDP, measured in PPPs and calculated on the basis of Community figures, is less than 75% of the Community average. In the absence of regional PPPs, national PPPs should serve to establish the list of regions which could benefit from the Structural Funds; they can also be used to determine the amount of funds to be allocated to each region.

¹ OJ L 161, 26.06.1999, p. 1; Regulation as last amended by the 2003 Act of Accession.

(3) Article 5(1) of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund¹ provides that the regions eligible for funding from the Structural Funds under the convergence objective shall be regions corresponding to level 2 of the common classification of territorial units for statistics (hereinafter NUTS level 2) within the meaning of Regulation (EC) No 1059/2003 of the European Parliament and of the Council, of 26 May 2003² whose gross domestic product (GDP) per capita, measured in purchasing power parities and calculated on the basis of Community figures for the period 2000 to 2002, is less than 75 % of the average GDP of the EU-25 for the same reference period. In the absence of regional PPPs, national PPPs should serve to establish the list of regions which could benefit from the Structural Funds; they can also be used to determine the amount of funds to be allocated to each region.

¹ OJ L 210, 31.7.2006, p. 25. Regulation as amended by Regulation (EC) No 1989/2006 (OJ L 411, 30.12.2006, p. 6).

² OJ L 154, 21.6.2003, p. 1. Regulation as last amended by Commission Regulation (EC) No 105/2007 (OJ L 39, 10.2.2007, p. 1).

Justification

To update the recital in accordance with present legislation.

Amendment 3

Recital 3 a (new)

(3a) Member States are encouraged to produce data for regional PPPs.

Justification

To encourage the most accurate data possible.

Amendment 4
Recital 4

(4) Article 2(1) of Council Regulation (EC) No 1164/94 of 16 May 1994 establishing a Cohesion Fund¹, – must be read in conjunction with Part 15 of Annex II of the 2003 Act of Accession, entitled “Regional Policy and coordination of structural instruments”. That Article 2(1) states that the Fund shall provide financial contributions to projects, which contribute to achieving the objectives laid down in the Treaty on European Union, in the fields of the environment and trans-European transport infrastructure networks in Member States with a per capita gross national product (GNP), measured in purchasing power parities, of less than 90 % of the Community average which have a programme leading to the fulfilment of the conditions of economic convergence referred to in Article 104c of the Treaty.

(4) Article 5(2) of Council Regulation (EC) No 1083/2006 provides that the Member States eligible for funding from the Cohesion Fund shall be those whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Community figures for the period 2001 to 2003, is less than 90 % of the average GNI of the EU-25 and which have a programme for meeting the economic convergence conditions referred to in Article 104 of the Treaty.

¹ OJ L 130, 25.5.1994, p. 1. Regulation as last amended by the 2003 Act of Accession.

Justification

Same as am.2

Amendment 5
Recital 6

(6) The existing methodologies and

(6) The Commission (Eurostat) is already

practices operating within the European Union, at present governed as individual statistical programmes by Council Regulation (EC) No 322/1997 of 17 February 1997 on Community statistics,¹ need in future to be put into a legal framework.

collecting yearly basic information on purchasing power parities from the Member States on a voluntary basis. This action has become a consolidated practice in the Member States. However, a legal framework is necessary to ensure the sustainable development, production and dissemination of purchasing power parities.

¹ OJ L 52, 22.2.1997, p. 1 Regulation as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1)

Justification

This establishes that the Regulation confirms an existing voluntary practice and gives legal certainty for the future.

Amendment 6 Recital 6a (new)

(6a) Provision of preliminary results on a regular basis, as is currently the practice, should be maintained in order to keep the freshest possible figures available.

Justification

To update in accordance with current practice.

Amendment 7 Recital 7

(7) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.

(7) The measures necessary for the implementation of this regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission¹. ***Since those measures are of general scope and designed to amend non-essential elements of this Regulation and/or to supplement this Regulation by the addition of new non-essential elements, those measures should***

be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

¹ *OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).*

Justification

Comitology Council Decision of 17th July 2006 (2006/512/EC) amending Decision 1999/468/EC

Amendment 8
Recital 7 a (new)

(7a) Since the objectives of this Regulation, namely the establishment of common rules for the provision of basic information on purchasing power parities and for their calculation and dissemination, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

Justification

Subsidiarity recital based on the standard formulation presented in point 10.15.4. of the Joint Practical Guide of the European Parliament, the Council and the Commission.

Amendment 9
Article 1

The objective of this Regulation is to establish common rules for the provision of basic information on Purchasing Power Parities (PPPs), and for their calculation and dissemination. ***PPPs shall reflect only***

The objective of this Regulation is to establish common rules for the provision of basic information on Purchasing Power Parities (PPPs), and for their calculation and dissemination.

differences in price levels and expenditure weights.

Justification

For accuracy, they may also have currency converters and the definition is best left as it is in Article 3 (i).

Amendment 10
Article 2, paragraph 1, subparagraph 2 a (new)

Data shall be collected at least with the frequency listed in Annex I. More frequent collection of data shall be planned only in justified circumstances.

Justification

To avoid over burdensome requirements.

Amendment 11
Article 3, point (f)

(f) "Item" means a ***product*** or service precisely defined for use in price observation.

(f) "Item" means a ***good*** or service precisely defined for use in price observation.

Justification

Linguistic correction, services are also referred to as products.

Amendment 12
Article 3, point (l)

(l) "Representativity indicators" means markers or other indicators identifying those items that ***countries*** have selected as representative.

(l) "Representativity indicators" means markers or other indicators identifying those items that ***Member States*** have selected as representative.

Justification

For consistency with Article 3, paragraph (j).

Amendment 13
Article 3, point (m)

(m) “Equi-representativity” means a property required of the composition of the item list for a basic heading, each *country* being able to price that number of representative products which is commensurate with the heterogeneity of the products and price levels covered by the basic heading and its expenditure on the basic heading.

(m) “Equi-representativity” means a property required of the composition of the item list for a basic heading, each *Member State* being able to price that number of representative products which is commensurate with the heterogeneity of the products and price levels covered by the basic heading and its expenditure on the basic heading.

Justification

Same as am.12.

Amendment 14
Article 3, point (p)

(p) “Reference year” means a calendar year to which *the* annual results refer.

(p) “Reference year” means a calendar year to which *specific* annual results refer.

Justification

Linguistic precision

Amendment 15
Article 4, paragraph 1, introductory part

1. The Commission shall be responsible for:

1. The Commission (*Eurostat*) shall be responsible for:

Justification

To ensure consistency across regulations. This is the standard format.

Amendment 16
Article 4, paragraph 1, point (d)

(d) developing methodology, in consultation with Member States;

(d) developing *and communicating methodology*, in consultation with Member States;

Justification

The Commission must also take responsibility for communicating the methodology to the member states.

Amendment 17

Article 4, paragraph 1, point (e a) (new)

(ea) drafting and disseminating the methodological manual referred to in Annex I, paragraph 1.1;

Amendment 18

Article 4, paragraph 1, subparagraph 2

The tasks shall be carried out by Eurostat on behalf of the Commission. ***deleted***

Justification

To ensure consistency across regulations. This should be taken together with amendment 15 (above).

Amendment 19

Article 4, paragraph 2, subparagraph 2

Member States shall provide written approval of the survey results for which they are responsible, once the process of data validation has been completed, as specified in Annex I, point 5.2.

Member States shall provide written approval of the survey results for which they are responsible, once the process of data validation has been completed, as specified in Annex I, point 5.2, ***within a period of no longer than one month.***

Justification

To ensure the availability of data is made as soon as possible.

Amendment 20

Article 6, paragraph 1

1. The basic information listed in Annex I shall be obtained either from statistical

1. The basic information listed in Annex I shall be obtained either from statistical

units as defined in Council Regulation (EC) No 696/1993¹ or from other sources which yield data meeting the quality requirements specified in Annex I, point 5.1.

units as defined in Council Regulation (EC) No 696/1993¹ or from other sources which yield data meeting the quality requirements specified in Annex I, point 5.1. ***The Member State shall notify the type of the statistical unit or source to the Commission at the time of transmitting the data.***

¹ OJ L 76, 30.3.1993, p. 1.

¹ OJ L 76, 30.3.1993, p. 1. ***Regulation as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).***

Justification

For the avoidance of doubt.

Amendment 21

Article 7, paragraph 2, subparagraph 2

Member States shall also provide the Commission (Eurostat) with the details of any subsequent changes in the methods used.

Member States shall also provide the Commission (Eurostat) with the details ***and the reasons for*** any subsequent changes in the methods used ***or any deviation from the methodological manual specified in Annex I.***

Justification

The methodology should be adhered to, but if that is not possible it should be notified.

Amendment 22

Article 9, paragraph 1, subparagraph 3

This paragraph shall not affect the right of the Commission (Eurostat) to publish preliminary results earlier than 36 months after the end of the reference year.

This paragraph shall not affect the right of the Commission (Eurostat) to publish preliminary results earlier than 36 months after the end of the reference year ***and the Commission (Eurostat) shall make these publicly available including on its website.***

Justification

Same as am.21.

Amendment 23
Article 11, paragraph 2, subparagraph 1

Where reference is made to this paragraph, the regulatory procedure laid down in **Articles 5 and 7 of Decision 1999/468/EC** shall apply, having regard to the provisions of Article 8 thereof.

Where reference is made to this paragraph, the regulatory procedure **with scrutiny** laid down in **Article 5a(1) to (4) and Article 7 of Council** of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

Justification

Same as am.6.

Amendment 24
Article 12, paragraph 2, introductory part

Such measures shall **concern in particular:**

Such measures shall **be:**

Justification

Comitology. There should not be scope for any addition, the list must be exhaustive. References to the relevant Annexes adds clarity.

Amendment 25
Article 12, paragraph 2, point (b)

(b) a set of minimum standards in order to achieve the essential comparability and representativity of the data;

(b) a set of minimum standards in order to achieve the essential comparability and representativity of the data **as specified under subheadings 5.1 an 5.2 of Annex I;**

Justification

Same as am.24.

Amendment 26
Article 12, second paragraph, point c

(c) precise requirements as to the

(c) precise requirements as to the

methodology to be used;

methodology to be used *as specified in Annex I*;

Justification

Same as am.24.

Amendment 27
Article 12, paragraph 2, point (d)

(d) adjustment of the list of basic headings and the establishment and adjustment of detailed descriptions of the content of basic headings, provided that these remain compatible with ESA95 or any succeeding system.

(d) adjustment of the list of basic headings *(as specified in Annex II)* and the establishment and adjustment of detailed descriptions of the content of basic headings, provided that these remain compatible with ESA95 or any succeeding system.

Justification

Same as am.24.

Amendment 28
Article 12 a (new)

Article 12a

1. The Member States shall receive from the Commission a financial contribution of a maximum 70 % of the costs eligible under the Commission's grant rules.

2. The amount of such financial contribution shall be fixed as part of the annual budgetary procedures of the European Union .The budget authority shall determine the appropriations available each year. .

Amendment 29
Annex I, paragraph 1.2

1.2 The Commission (Eurostat) shall establish, by ***31 October***, in consultation with Member States, an annual Work Programme for the following calendar year setting out the timetable for the

1.2 The Commission (Eurostat) shall establish, by ***30 November each year***, in consultation with Member States, an annual Work Programme for the following calendar year setting out the timetable for

specification and the provision of the basic information required for that year.

the specification and the provision of the basic information required for that year.

Justification

To bring into line with existing practice.

Amendment 30
Annex I, paragraph 1.4 a (new)

1.4a. In the event that a Member State fails to submit complete basic information, it shall specify why the information is incomplete, when it will submit complete information or, if appropriate, why it cannot be made available.

Justification

Reasons for not submitting data need to be known so that, if needed, rectification can be made.

Amendment 31
Annex I, paragraph 5.3.2

5.3.2 Each Member State shall have its PPP process assessed at least once every six years by the Commission (Eurostat). The assessments, **yearly** planned and included in the annual Work Programme, shall review compliance with this Regulation. A report, based on the assessment, shall be made by the Commission (Eurostat).

5.3.2 Each Member State shall have its PPP process assessed at least once every six years by the Commission (Eurostat). The assessments, planned **annually** and included in the annual Work Programme, shall review compliance with this Regulation. A report, based on the assessment, shall be made by the Commission (Eurostat) **and be made publicly available including on the Commission's website.**

Justification

Linguistic correction and additional transparency.

Amendment 32
Annex I, paragraph 10.5

10.5 Revisions made after **21 months** following the end of the reference year to GDP expenditure values or to population estimates shall not require a correction to be made to PPP results.

10.5 Revisions made after **33 months** following the end of the reference year to GDP expenditure values or to population estimates shall not require a correction to be made to PPP results.

Justification

Same as am.29.

EXPLANATORY STATEMENT

Background

Purchasing power parities (PPPs) are conversion factors that allow prices in different countries to be expressed in directly comparable units. To achieve this, the conversion factors eliminate the effects of price level differences and currencies. PPPs can also be used as a divisor of a national price to calculate a Purchasing Price Standard, which buys the same quantity of goods and services irrespective of the country, and can therefore be used in volume comparisons.

PPPs are used internationally in both public and private spheres for various qualitative and economic assessments, and within the European Union they are used for determining qualification for Structural Funds (when GDP per capita is below 75% of the average of the EU-25) and for Cohesion Funds (when GNI per capita is less than 90% of the average of the EU-25). The Commission also uses PPPs to calculate correction coefficients for remuneration and pensions of officials and other servants of the European Communities, which it is under an obligation to do in accordance with the Staff Regulations.

The purpose of the Regulation is to codify what has already been the practice for several years, during which time Member States have provided information on a voluntarily basis. It is needed because Council Regulations have given the Commission a statutory responsibility to calculate GDP on a purchasing power basis, and this new legal act will clarify the responsibilities of national authorities in compiling these statistics and the procedures for establishing appropriate methodology. It is also timely in the context of new international cooperation on PPPs in which the EU is a leading player.

Price comparisons are also important for monitoring consumer prices in a variety of policy areas such as price convergence in the Single Market and the Euro-zone, the functioning of public procurement and aspects of competition. So they have both economic and political relevance.

Regulation Proposals

The Commission, through Eurostat, is responsible for co-ordinating, calculating and publishing PPPs on the basis of data collected by Member States. Member States are required to provide data relating to a range of basic information in accordance with a methodology and annual work program that has previously been established by the Commission in consultation with Member States. Some data such as GDP expenditure values, rentals and wages will be required every year. Others, in particular prices of consumer goods and services, will be required every three years but in practice will be collected on a cyclic rolling program basis so that each product group will be examined every three years. Adjustment factors that allow corrections for time lapse (temporal adjustment) and regional variations (spatial adjustment) are required, respectively, annually and every six years. The frequencies are given as 'minimum frequencies' so in theory data could be asked for more often.

Amendments

Changes are proposed that update the references to relevant Council Regulations and to clarify that the provision of preliminary results on a regular basis, as is currently the practice, will be maintained in order to keep the freshest possible figures available.

There is no obligation in the Commission proposal for the production of Regional figures or for the calculation of Regional spatial correction coefficients. It is recognised that the regulation should not be burdensome, however there are Member States with significant Regional price variations and it is important for efforts to be made to calculate this information even if that remains voluntary.

A maximum time period of one month for Member States to provide written approval of the survey results once they have been validated is introduced in order to avoid delay.

The minimum frequencies given for collection of data should not be increased without good reason, so as not to cause excessive burden.

The new comitology procedures will apply.

To provide maximum transparency, interim figures and assessment and compliance reports are to be made available on website.

19.12.2006

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination
(COM(2006)0135 – C6-0100/2006 – 2006/0042(COD))

Draftsman: Gerardo Galeote

SHORT JUSTIFICATION

Purchasing Power Parities (PPPs) are currency conversion rates that both convert to a common artificial currency (Purchasing Power Standards, PPS) and equalise the purchasing power of different currencies. In other words, they eliminate the differences in price levels between countries in the process of conversion, and allow meaningful pure volume comparison of GDP and its aggregates between countries. Even after the launch of the euro, it is still necessary to calculate PPPs since the euro has different purchasing power in the individual euro-zone countries, depending on national price levels.

PPPs are economically and politically vital indicators for the EU. For the period 2007-2013 they will be used for the Structural Funds and as compulsory benchmarks for the Cohesion Fund. The Commission has a statutory responsibility for calculating GDP on a purchasing power basis. However, the Member States have at the moment no legal obligation to co-operate. In the proposal for a regulation the Commission through Eurostat is to be responsible for coordinating the basic information, calculating and publishing PPPs and adjusting methodology in consultation with Member States. Member States are to provide basic information, issue written certification of the survey results and ensure the validity of the data provided.

The draftsman stresses the need for an extra effort to increase the efficiency of the EU's statistical apparatus, both technically and in terms of human resources. Co-ordination between Eurostat and national statistic institutions should be strengthened to increase the efficiency and accuracy of statistics collected. The draftsman is concerned that, which is also noted in the

opinion by the European Economic and Social Committee¹, the Commission (Eurostat) calculates PPPs *by countries*, and not by regions. These calculations are, however, used to evaluate the economic performance of regions. Regional differences, within Member States, in prices of goods and services are not rare. It is, therefore, crucial that Member States make economic and technical efforts to ensure that spatial correction coefficients reflect geographical differences in prices, as precisely as possible.

A legal framework for the calculation of PPPs is currently absent, and the proposed Regulation fills this legal vacuum in a satisfying way. Given the need for binding rules that define the competences of the Commission and the Member States and to give the work statutory basis, the Commission Proposal for a Regulation is to be welcomed.

¹ ECO/184 - CESE 1149/2006; Information on Purchasing Power Parities.

AMENDMENTS

The Committee on Regional Development calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1

Recital 1

(1) In order to obtain a comparison of Gross Domestic Product (GDP) in volume terms between Member States, there is an essential need for the Community to have Purchasing Power Parities (PPPs) which reflect the differences in the level of prices between Member States

(1) In order to obtain a comparison of Gross Domestic Product (GDP) in volume terms between Member States, there is an essential need for the Community to have Purchasing Power Parities (PPPs) which reflect the differences in the level of prices between Member States, ***since, in international GDP and price comparisons, any mistakes in the basic data relating to any one country can distort the overall results.***

Justification

Ideally, PPP comparisons provide results that reveal differences in the collection of national accounts and are not influenced by differences in the volume measurement of items. Due to differences in consumption patterns and price levels between countries, in principle, a maximum of prices should be collected for establishing solid PPPs that correctly measure relative price development in countries.

Amendment 2

Recital 1 a (new)

(1a) The Commission has traditionally calculated PPPs by country and, given that there are often regional differences in the prices of goods and services, extra effort is needed to ensure that the PPPs calculated likewise reflect regional price differences, including the regional variations in prices

¹ Not yet published in OJ.

seen in the outermost regions, northern regions and sparsely populated regions.

Justification

Continuing in the same vein as the draftsman's text, the purpose of the addition is to enable the methods used to calculate PPPs to be geared to the ORs, northern regions, and/or sparsely populated regions, which are subject to particularly severe permanent constraints (e.g. remoteness from the European mainland) that directly affect the price of goods

Amendment 3
Recital 2 a (new)

(2a) For the purpose of calculating Community PPPs proper coordination between Eurostat and national statistical institutions should be ensured.

Justification

Co-ordination between Eurostat and national statistic institutions should be strengthened to increase the efficiency and accuracy of statistics collected.

Amendment 4
Recital 7

(7) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.

(7) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission. ***Article 8 of Decision 1999/468/EC should be strictly applied.***

Justification

Legal clarification to enable Parliament to be involved more actively in decision-making and the implementation of the measures needed to enforce the regulation

Amendment 5
Article 2, paragraph 1, subparagraph 2

That basic information shall include prices,

That basic information shall include prices,

GDP expenditure breakdown and other data as listed in Annex I.

allowing for any regional differences, the GDP expenditure breakdown and other data as listed in Annex I.

Justification

The Commission (Eurostat) calculates PPPs by country and not by region. Given that there could be very marked regional variations within the same economic area, calculation on that basis might produce misleading results

Amendment 6

Article 4, paragraph 1, points (d) and (e)

(d) developing methodology, in consultation with Member States;

(e) ensuring that the Member States have the opportunity to comment on PPP results prior to publication and that the Commission (Eurostat) takes due account of any such comment.

(d) developing methodology ***applicable at national and regional level***, in consultation with Member States ***and taking into account the views of the appropriate regional partners, including specific methodology to be applied to the outermost regions, northern regions, and regions with a low population density, in accordance with the relevant provisions of the Treaty***;

(e) ensuring that the Member States ***and the appropriate regional partners*** have the opportunity to comment on PPP results prior to publication and that the Commission (Eurostat) takes due account of any such comment;

Justification

The purpose of the addition is to enable the methodologies used to calculate PPPs to be geared to any regional situations differing from the overall national situation.

Amendment 7

Article 4, paragraph 1, point (e a) (new)

(ea) ensuring transparency and providing the European Parliament with information on the calculation of PPPs.

Justification

PPPs are economically and politically vital indicators for the EU. The Commission proposal states that the setting-up of a legal basis for PPPs should improve the transparency,

timeliness and quality of the entire process of PPP production. It is of vital importance that transparency and appropriate information flow to the European Parliament is ensured.

Amendment 8

Article 4, paragraph 2, subparagraph 1

2. Member States shall follow the procedure set out in Annex I when providing basic information.

2. Member States shall follow the procedure set out in Annex I when providing basic information ***and shall take account of regional differences within the Member States in prices of goods and services so as to prevent distortions in the calculation of PPPs.***

Justification

See justification for amendment 1 and 2.

Amendment 9

Annex 1, part 2, section 2.1, table, entry 5

Prices of consumer goods and services and related representativity indicators: **3 years**

Prices of consumer goods and services and related representativity indicators: **2 years**

Justification

Given that prices vary constantly (that is to say, more than once every three years), the updating of the basic information has to be made more effective. To offset that need, data collection and supply procedures must not be overburdened with red tape.

Amendment 10

Annex 1, part 3, section 3.1

3.1 Notwithstanding the provisions contained in Article 2(2), data collection may be limited to one or more locations within the economic territory. Such data may be used for PPP calculations provided that they are accompanied by appropriate spatial adjustment factors. These shall be used to adjust survey data in these locations to those representative of the national average.

3.1 Notwithstanding the provisions contained in Article 2(2), data collection may be limited to one or more locations within the economic territory. Such data may be used for PPP calculations provided that they are accompanied by appropriate spatial adjustment factors ***and information on prices of consumer goods and services and related representativity indicators.*** These shall be used to adjust survey data in these locations to those representative of the national average.

Justification

This degree of detail is essential, as PPP calculations might otherwise produce misleading results based on information obtained without taking sufficient account of prices of goods and services in the location(s) in the economic territory to which the calculations related.

PROCEDURE

Title	Proposal for a regulation of the European Parliament and of the Council establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination
References	(COM(2006)0135 – C6-0100/2006 – 2006/0042(COD))
Committee responsible	ECON
Opinion by Date announced in plenary	REGI 3.4.2006
Enhanced cooperation – date announced in plenary	
Draftsman Date appointed	Gerardo Galeote 25.4.2006
Previous drafts(wo)man	
Discussed in committee	6.11.2006 23.11.2006
Date adopted	19.12.2006
Result of final vote	+: 29 -: 1 0: 0
Members present for the final vote	Jean Marie Beaupuy, Rolf Berend, Jana Bobošíková, Graham Booth, Gerardo Galeote, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Pedro Guerreiro, Marian Harkin, Konstantinos Hatzidakis, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, Jan Olbrycht, Markus Pieper, Francisca Pleguezuelos Aguilar, Elisabeth Schroedter, Grażyna Staniszevska, Catherine Stihler, Margie Sudre
Substitute(s) present for the final vote	Simon Busuttil, Emanuel Jardim Fernandes, Holger Kraemer, Richard Seeber, László Surján
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	

PROCEDURE

Title	Basic information on purchasing power parities		
References	COM(2006)0135 - C6-0100/2006 - 2006/0042(COD)		
Date submitted to Parliament	22.3.2006		
Committee responsible Date announced in plenary	ECON 3.4.2006		
Committee(s) asked for opinion(s) Date announced in plenary	REGI 3.4.2006		
Rapporteur(s) Date appointed	Sharon Bowles 3.4.2006		
Discussed in committee	6.11.2006	23.1.2007	28.2.2007
Date adopted	21.3.2007		
Result of final vote	+: 38	-: 0	0: 0
Members present for the final vote	Pervenche Berès, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Donata Gottardi, Benoît Hamon, Gunnar Hökmark, Sophia in 't Veld, Othmar Karas, Piia-Noora Kauppi, Wolf Klinz, Guntars Krasts, Kurt Joachim Lauk, Andrea Losco, Astrid Lulling, Gay Mitchell, Cristobal Montoro Romero, Joseph Muscat, Lapo Pistelli, John Purvis, Alexander Radwan, Bernhard Rapkay, Dariusz Rosati, Heide Rühle, Eoin Ryan, Antolín Sánchez Presedo, Lydia Shouleva, Margarita Starkevičiūtė, Ieke van den Burg, Sahra Wagenknecht		
Substitute(s) present for the final vote	Katerina Batzeli, Werner Langen, Janusz Onyszkiewicz, Gianni Pittella, Andreas Schwab, Lars Wohlin		