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ANNEX 2

ANNEX

to the

Commission decision

**on the Financing of the European Statistical Programme 2013-2020 and the adoption of
the work programme for 2019**

ANNEX 2 — STRATEGIC PRIORITIES

1. POLITICAL CONTEXT

The European statistical programme underpins all political priorities of the EU by providing statistics through the partnership of the European Statistical System (ESS) and according to the principles of the European Statistics Code of Practice. The European statistical programme is a highly trusted information source for the Investment Plan for Europe, the EU's reinforced economic governance, the Stability and Growth Pact, the European Semester, the social agenda and the EU's trade, cohesion, environmental and agricultural policies, as well as for monitoring the Sustainable Development Goals in an EU context. An important part of Eurostat's work is to provide the main stakeholders with methodological guidance on the statistical treatment of instruments related to the Investment Plan for Europe.

The 2013-2017 European statistical programme has been extended to cover the years 2018-2020; this is to align it with the current multiannual financial framework and to focus statistical outputs on new user requirements and recent EU initiatives such as the European pillar of social rights, the circular economy action plan, the European agenda on migration and the Energy Union. Moreover, in the light of globalisation and the digital revolution that are continuing to transform businesses models and labour markets in the EU and the markets for information and communication, the extended programme will also strengthen the permanent capacity of the ESS to respond faster to emerging trends and to make use of new data sources and tools.

The 2019 annual work programme will have a higher budget than in previous years, granted under the extension of the ESP for both 2019 and 2020. This increase is a response to the new challenges for statistics and will enable Eurostat in 2019 to: (i) better measure globalisation, drivers for technological change and the commercial real estate market; (ii) improve the timeliness of energy statistics and further enhance the quality of waste statistics; and (iii) promote the use of big data sources for statistical purposes. Further to financing these and other key priorities also listed in Sections 2 and 3 below, the additional resources will support the ESS's continuous efforts to maintain high-quality production across domains and to promote timeliness, relevance and regional coverage of European statistics.

2. PRIORITIES IN KEY POLICY AREAS

The 2019 annual work programme will prioritise achieving the goals set out below, which relate to user needs in key policy areas:

Improving the statistical basis for economic governance and on social performance

The data needs of European economic governance and of administrative and budgetary processes have to be met through the continued provision and enhancement of high-quality statistics in areas such as the excessive deficit procedure, gross national income, the macroeconomic imbalances procedure and measures of inflation. Eurostat has in place a memorandum of understanding with the European Central Bank on enhanced quality assurance of statistics underpinning the macroeconomic imbalances procedure. New statistics and associated methodological guidance will continue to be provided for key European policy initiatives such as those addressing growth, productivity, investment, macro-prudential needs and income inequality, including the development of income flash estimates.

Social indicators should assist in reinforcing the social dimension of the EU and in particular the Economic and Monetary Union in the context of the European Semester, the European

pillar of social rights, the macroeconomic imbalances procedure and the social and territorial impact analysis of macroeconomic policies. This requires more timely social statistics, in particular on inequalities, poverty and social exclusion, social protection expenditure, and on the mobility and data requirements of the European Labour Authority that is to be established under the EU's social fairness package. Work will also continue on forging links and ensuring consistency with the framework of national accounts to support integrated socioeconomic analyses. In particular, work will be pursued towards linking microdata from social statistics to macrodata from national accounts, establishing a quality framework for these data and showing new information on distribution of income and consumption of households in the EU. Work will also continue in the area of education and social protection, focusing on better integrated data with national accounts, on developing satellite accounts for education and training, and on providing information on skills and human capital. On social protection specifically, methodological development will be pursued towards future collection of data on recipients of unemployment benefits.

Addressing the challenges of measuring economic globalisation

The indicators on economic globalisation will be enhanced to support trade negotiations and Commission priorities on jobs, growth and investment and the internal market as well as broader user groups. The challenges of globalisation in key macroeconomic and business statistics will be addressed by: (i) producing new and enhanced statistics such as EU inter-country supply use/input output tables; and (ii) providing more data on international trade in services (e.g. by modes of supply) and goods (e.g. on trade by enterprise characteristics), and on global value chains, based on the relevant methodological rules. Given the importance of digital cross-border trade, producing statistics in this area is something that will have to be developed further.

To better measure the global business economy, further deepening of cross-border cooperation will be essential. This will involve further developing the early warning system for consistent recording and treatment of multinational enterprise group restructuring cases, bearing in mind that in principle the exchange of microdata should be restricted to well justified or legally-based cases. In this context, the creation of national large case units will be further supported and new (big) data sources for multinational enterprise groups (data acquired e.g. through webscraping or better exploitation of administrative data sources) will be further tested. In addition, regular cross-border cooperation is needed in the profiling of multinational enterprise groups, as appropriate. The gross national income pilot on the statistical treatment of multinational enterprise groups will continue to provide a reasonably clear picture of how reliably globalisation issues are recorded in gross national income data in time for the end of the gross national income verification cycle in December 2019. Member States have agreed to exchange microdata as needed; this will be done in full compliance with the data confidentiality principle. The EuroGroups Register and the European System of Interoperable Business Registers will be key contributors. The next version of the EuroGroups Register will be developed taking into account the need to integrate regular profiling of MNEs and to better coordinate with other international MNE databases. The use of the EuroGroups Register in statistical production will also be enhanced. The work on globalisation will continue in close cooperation with the European System of Central Banks and other international partners.

Fostering the integration and modernisation of business statistics

High-quality business statistics will be produced to support the Commission priorities on jobs, growth and investment, the digital single market and the internal market. In particular, statistics will be provided for trade negotiations with EU strategic partners, be it on goods, services or investment policies. The pilot studies on trade in services by mode of supply launched in 2018 will produce results by 2019; these will support the analysis of the deepening of the internal market and will support trade negotiations, while also focusing on the digital part of cross-country trade. Better information on investors and the impact of foreign investments will also be developed. Pilot studies will result in more transparent and more detailed foreign direct investment data in 2020.

Business statistics will continue to be modernised: in particular the forthcoming implementation of the Framework Regulation on European business statistics (FRIBS) will result in more integrated and more harmonised statistics. The availability of regional business statistics will be ensured and the availability of statistics on the services sector will be improved e.g. by providing monthly production indices in services and annual statistics on business performance. In addition, the feasibility of developing additional indicators on the building sector will be investigated. The availability and timeliness of short-term statistics used to analyse business cycles will be improved to better serve economic policy-making in the EU. Implementing FRIBS will make it easier to analyse cross-cutting topics such as globalisation e.g. by providing new indicators on businesses' global value chains and on outsourcing of business functions.

In line with the Commission priority on a digital single market, Eurostat's focus will be on better measuring innovation and especially digitalisation, which are among the drivers of growth and employment, with consequences also for investment patterns and social developments. The innovation survey will be redesigned, the ICT surveys for households and enterprises will be updated to better assess the impact of digitalisation and new initiatives will be launched to assess e.g. the size of the collaborative economy, which is a growing segment of the economy competing with more traditional business models.

Given the importance of research and development for the future growth and competitiveness of the economies in the EU, efforts will be continued to enhance the quality, completeness and international comparability of the data available at European level.

The modernisation triggered by FRIBS, will – once implemented – improve the quality of data and make it easier to reduce the burden on businesses, especially on small and medium-sized enterprises. Eurostat will support Member States' efforts to modernise the production of business statistics, the aim being to ensure cost-effective provision of consistent and more comprehensive business statistics by 2020.

Pursuing the modernisation of social statistics

Eurostat will pursue the modernisation of social statistics in order to support the European social agenda, the European pillar of social rights and the Commission priorities on growth and job creation, the reduction of poverty and social exclusion, skills, mobility and fairness. The priority is to produce high-quality, timelier, more integrated, more detailed and more encompassing social statistics, in a more efficient way. The actions cover notably the development of legal instruments and tools needed to implement the Framework Regulation on integrated European social statistics (IESS) as regards microdata from households and individuals. This will make it possible to address in particular cross-cutting topics like the joint distribution of income, consumption and wealth, inequalities, labour market flows and

the skills needed, and migrants' integration. More timely and detailed data on income and living conditions will continue to be developed, including at regional level, while maintaining high-quality data. Such data will be complemented by flash estimates of income distribution to provide information required for the European Semester and by information on the distribution of income, including social transfers in kind.

The development of innovative tools and sources for household budget surveys and time use surveys will be continued with a view to reducing burden on respondents and national statistical institutes. The work on crime statistics will be pursued, with emphasis on gender-based violence.

Statistics on social protection, education and healthcare expenditure (including specifically long-term care and out-of-pocket expenditure statistics) will be improved. The development of health statistics will be pursued through pilot data collections on morbidity and occupational diseases and through the European Health Interview Survey.

Plans to modernise and promote the quality of population statistics will be further developed in line with the Commission priorities concerning the European agenda on migration and social and territorial cohesion. The objective is to provide better quality and especially more timely population and migration data, as well as better small area data for territorial and social policies. This will be based on: (i) a new strategy for population and housing censuses after the 2021 census round; (ii) work with Member States on geocoded data; and (iii) identification and greater use of appropriate administrative data in national censuses, taking into account the guidance from the memorandum of the 2017 Budapest DGINS conference. In line with the Commission priority for a deeper and fairer Economic and Monetary Union, further work on population projections will be carried out based on strengthened procedures developed in close cooperation with national statistical institutes and taking account of the potential additional burden for them.

Improving and integrating data and indicators for monitoring the circular economy and the Sustainable Development Goals in an EU context

Statistical indicators will be provided for monitoring the Europe 2020 strategy and its headline targets, as well as for monitoring progress towards a more circular economy and progress towards the Sustainable Development Goals in an EU context. Work will focus on further improving the territorial disaggregation, timeliness, consistency and dissemination of these key indicator sets. Production of new indicators will be based on: (i) the data becoming available from environmental accounts and statistics; (ii) existing source data whenever possible, including climate change-related statistics, geospatial data, forest statistics, natural capital; and (iii) further improvement of waste statistics as part of circular economy monitoring.

Further developing key sectoral statistics

The development and production of high-quality statistics on energy consumption, energy efficiency, renewable energy sources, energy dependence and security of supply, including natural gas and electricity prices will be continued. This is in line with the Commission's Energy Union and Climate priority to make energy more secure, affordable and sustainable and will support the needs for data and indicators of the 2030 energy policy framework. Particular focus will be given to enhancing timeliness, completeness and dissemination of statistical information. The implementation of 'early estimates of energy balances' will be supported through compilation of more and timelier supply-side-information. In addition,

more detailed breakdown keys on energy consumption by sector and main energy uses will be provided, while the visibility and dissemination of energy statistics and energy indicators will be enhanced.

High-quality agricultural and fishery statistics will be produced and the modernisation of agricultural and fishery statistics will be pursued in order to support the common agricultural policy, the common fisheries policy and environmental and food-related policies. The actions cover notably: (i) developing the legal instruments and tools needed under the Framework Regulation on Integrated Farm Statistics including the preparations for the 2020 agricultural census; (ii) submitting a legal proposal for statistics describing the input and output of agricultural production; (iii) modernising economic accounts for agriculture; and (iv) producing an impact assessment on the streamlining and simplification of fishery statistics. Particular focus will also be put on producing harmonised risk indicators for pesticides.

High-quality statistics for each mode of transport will be produced to support the current Commission strategies and new policies such as the set of initiatives covered by Europe on the Move, which provides an agenda for a socially fair transition towards clean, competitive and connected mobility for all. In particular, transport-relevant indicators will be further developed to monitor modal shift towards more environmentally friendly transport modes, passenger mobility and road traffic. Cooperation with other international and European organisations will be strengthened in order to harmonise and exchange collected statistics, reduce reporting burden and meet the new requirements of the amended transport statistics Regulations on rail and inland waterways.

3. CROSS-CUTTING PRIORITIES

The following cross-cutting actions will be priorities in the 2019 annual work programme:

Strengthening the user-focused and digital communication of statistics

- Renovate the Eurostat website to ensure user-oriented interactive communication and seamless access to integrated data products and services.
- Continue the full redesign of Eurostat's communication and dissemination products fully endorsing digital technologies and multi-channel platforms.
- Building on the results of the ESS Vision 2020 project on digital communication, user analytics and innovative products, develop innovative open data dissemination services taking advantage of the web of data technologies and smart algorithms to support proactive myth-busting and fact-checking.
- Design and provide generic services for flexible and safe dissemination based on unit level data.
- Enhance the discoverability and integration of European statistics by providing richer and machine readable metadata.
- Continue to develop tailor-made and shareable dissemination packages for specific user groups (media, academia, young people, etc.).
- Enlarge the audience for European statistics by offering potential users, particularly in the education field, a range of innovative dissemination products adapted to their needs.

- Pursue further integration of Eurostat data into the EU Open Data Portal.

Supporting multi-source statistical production across domains

- Develop generic statistical methods and IT solutions to harness multiple sources for the production of more timely and disaggregated statistics across domains.
- Advance the geocoding of statistics and the integration of statistical and geospatial information.
- Implement new and improved statistical products based on administrative sources and big data and explore the use of machine-generated data for smart statistics in key policy domains.
- Continue to address the challenges of the data revolution and of accessing privately held data by coordinated actions and consistent data strategies at national, European and global levels.
- Set up, promote and implement a more flexible data architecture allowing for data integration with built-in security provisions and based upon a harmonised approach to disclosure control.
- Launch Eurostat activities to develop and provide on-demand statistics, capabilities and data dissemination services for Commission DGs.
- Foster the deployment of ESS standards across statistical domains with a view to enhancing efficiency and data quality.
- Continue innovation in information systems for statistical production based on automated, modular, interoperable and metadata-driven solutions.

Supporting skills development for current and future statisticians

- Provide training for ESS staff through the European statistical training programme, aiming to enhance the skills required, in particular for facing challenges in statistical production beyond 2020.
- Further develop collaboration between academia and statistics producers through the European Master in Official Statistics. The programme will make available a pool of highly educated graduates for recruitment within the ESS in 2019 and contribute to enhancing the skills of existing staff members of statistical producers by deepening their academic studies or updating their skills through topical webinars.

Enhancing quality and related frameworks

- Finalise the development of and agree on an enhanced common quality framework for statistics to be applied throughout the ESS.
- Finalise the ESS handbook on quality and metadata reporting as an overall standard to be applied throughout the ESS.
- Develop the methodology to implement a new round of peer reviews in the ESS.

- Report on how improvement actions coming out of the 2014-2015 peer review round have been implemented.
- Develop an improved and public inventory and a reference quality framework for the other statistics produced by Commission departments.