



## EUROSTAT QUALITY PROFILE

<b>Indicator (definition)</b>	<b>State aid–Total state aid as a percentage of GDP Sectoral and ad hoc state aid as a percentage of GDP</b>
<b>Eurostat Unit</b>	C-3: Public Finance
<b>Other Commission DGs</b>	DG COMP
<b>European Statistical System Working Group (WG)</b>	None
<b>Date</b>	2 May 2007

**1. Overall assessment of accuracy and comparability** (Description of quality grades under the following link: [http://circa.europa.eu/Members/irc/dsis/structind/library?l=/general\\_information/quality\\_profiles/annex\\_enpdf/EN\\_1.0\\_&a=d](http://circa.europa.eu/Members/irc/dsis/structind/library?l=/general_information/quality_profiles/annex_enpdf/EN_1.0_&a=d))

A     
  B     
  C     
  Indicator to be developed

Data is collected from reliable sources applying high standards with regard to the methodology and ensuring a high degree of comparability.

### 2. Objective and relevance of the indicator:

The indicator covers State aid as defined under Article 87(1) EC Treaty that is granted by a Member State and has been examined by the Commission. The total State aid covers all State aid granted to specific sectors (agriculture, fisheries, manufacturing, coal, transport except railways and other services), State aid given on an ad-hoc basis to individual companies e.g., for rescue and restructuring, and State aid for horizontal objectives such as research and development, safeguarding the environment, energy saving, support to small and medium-sized enterprises, employment creation, the promotion of training and aid for regional development. The sectoral and ad hoc State aid covers all State aid granted to specific sectors (agriculture, fisheries, manufacturing, coal, transport except railways and other services), State aid given on an ad-hoc basis to individual companies e.g., for rescue and restructuring.

The Barcelona European Council (March, 2002) renewed its call to Member States to reduce the overall level of State aid as a percentage of GDP by 2003, and onwards, and to redirect such aid towards horizontal objectives of common interest, including economic and social cohesion, and target it to identified market failures. Less and better-targeted State aid is a key part of effective competition.

### Restriction of the indicator's relevance and other characteristics which may lead to restrictions in using it in monitoring and reporting

### 3. Data availability: details

( $t_1$ : earliest reference year available;  $t_2$ : latest reference year available in May 2007)

	Member States	Candidate and Acceding Countries	US and Japan	EEA-EFTA <sup>1</sup>
$t_1$	1991 – EU-12 (no data for AT, FI, SE and the new MSs) 1995 – AT, FI, SE 2000 – 10 new MS, BG, RO	–	-	-
$t_2$	2004 –BG, RO 2005 - EU-25	–	-	-

Comments (including information on time series): Data for the period 1995-2000 have been revised to incorporate all new developments in the methodology and to harmonise some aspects that were not fully harmonised.

<sup>1</sup> While being a member of the EEA, Liechtenstein has complete or partial exemptions from several statistical requirements due to its size. Thus, Liechtenstein is excluded from this overview as most of the data for structural indicators are missing.

#### 4. Overall accuracy

High



**Data on State aid** is provided by Member States on the basis of Articles 36 (agriculture), 73 (transport) and 88 of the Treaty on European Union. Data is sent by Member States on a yearly basis normally not later than 6 months after the end of the reference period. Since 2005, the Commission collects expenditure figures from Member States on the basis of Commission Regulation (EC) No 794/2004 (Chapter III and Annex IIIA, IIIB and IIIC on annual reporting). Annex IIIA covers all sectors except agriculture and fisheries; Annex IIIB covers agriculture and Annex IIIC fisheries.

For coal, the figures are those submitted by the Member States in accordance with Commission Decisions 528/76/ECSC and 3632/93ECSC. The accuracy of data is ensured by the legal acts mentioned above.

**GDP data** are regularly transmitted in the framework of the transmission programme associated to Annex B of ESA 95 (European System of Accounts). Countries compile GDP according to standard international rules (ESA 95/SNA 93 – with some exceptions). At the European level, accuracy of GDP is regularly monitored in the framework of the GNI (Gross National Income) Committee and technical aspects are regularly analysed in several working groups and technical committees.

Restricted



(sources, errors, methodology, etc.)

#### 5. Comparability across countries

High



Since data on **state aid** is collected on the basis of various regulations and treaties mentioned above, data is comparable across countries.

Comparability is however hampered as expenditure data for the new Member States does not include State aid for transport and aid for agriculture is included only as from 2004.

**Concerning the GDP data** comparability across countries is ensured by the application of the legal framework represented by the European System of Accounts (ESA 95) and the System of National Accounts (SNA 93).

Comparability of GDP for EU countries is regularly monitored in the context of the work of the Gross National Income (GNI) Committee. In addition, international harmonisation of techniques and, to some extent, compilation tools is ensured by the work of the national accounts working groups (Eurostat, OECD, UN).

At present, some EU Member States are still in the implementation phase of ESA 95 and full comparability is not yet achieved but this leads only to minor discrepancies.

Restricted



Not applicable



#### 6. Comparability over time

High



Comparability over time of the **State aid** data is ensured by the application of the same definitions over time. However, comparability is hampered as for Austria, Finland and Sweden data is available as from 1995. As a consequence the aggregates EU-25 and euro-zone before 1995 do not include these countries. Data for the ten new Member States (joined 1<sup>st</sup> May 2004) are available as from 2000. Besides the state aid expenditure data for the new Member States does not include State aid for transport and aid for agriculture is included only as from 2004.

ESA 95 requires coherent long time series for **GDP** which are produced by most of the EU Member States. In some countries, methodological breaks can affect time series (normally on a temporary basis). Backward calculations of time series are provided to ensure full time coherence in a case of methodological changes.

Restricted



**7. Development perspective for improving the quality of this indicator (including as far as possible an indication of the burden on Member States and respondents.)**

**8. Contribution to the coherence of the set/potential to qualify for an integrated policy analysis**

**Relevant European legislation:** Treaty on European Union (articles 36, 73, 88)

Commission Regulation 794/2004 of 21 April 2004 (Chapter III and Annex IIIA, IIIB and IIIC on annual reporting). Annex IIIA covers all sectors except agriculture and fisheries, Annex IIIB covers agriculture and Annex IIIC fisheries

Commission Decisions 528/76/ECSC and 3632/93ECSC

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