

Screening Report Iceland

Chapter 18 -Statistics

Date of screening meetings:

Explanatory meeting: 2 May 2011

Bilateral meeting: 14 and 15 June 2011

I. CHAPTER CONTENT

The *acquis* in statistics consists almost exclusively of legislation which is directly applicable in the Member States such as European Parliament and Council Regulations and Commission Decisions or Regulations. The statistical *acquis* contains also a wide range of methodological handbooks and manuals in the various statistical domains such as agriculture, economic and monetary policy, demographic and social statistics and research. International agreements provide a further base for the production of statistics.

Some parts of the statistical chapter are covered by the EEA Agreement and some are not. The parts outside the agreement relate to statistical infrastructure, transport statistics, statistics on the economic and monetary policy, statistics on the common agriculture and fishery policy, environmental and regional statistics.

The EEA provides as well for specific exemptions, as listed in Annex XXI to the EEA Agreement.

II. COUNTRY ALIGNMENT AND IMPLEMENTATION CAPACITY

This part of the report summarises the information provided by Iceland and the discussions at the screening meeting. Iceland indicated that it accepts the *acquis* regarding statistics. Overall, it does not expect difficulties in implementing the statistical *acquis* upon accession.

However, Iceland wishes to maintain the exemptions of the EEA Agreement on the delivery of data on the transport of goods by road (page 13, 7f point b of the statistical annex XXI to the EEA Agreement) and railway transport (page 11, 7 point a of the statistical annex XXI to the EEA Agreement) and the exemption on the Continuing Vocational Training Survey CVTS (page 29 point 18q of the statistical annex XXI to the EEA Agreement). In addition, Iceland indicated its wish to be exempted from the delivery of several backward data according to Regulation (EC) No 1392/2007, Regulation (EC) No 1161/2005 and Regulation (EC) No 295/2008.

II.a Statistical infrastructure

Statistics Iceland, the Central Bank of Iceland, the Environmental Agency, the Directorate of Health and the National Energy Authority are the main producers of official statistics in Iceland. Statistics Iceland (SI) is the overall coordinator of the national statistical system.

The framework for statistical production is set out in the Act on Statistics Iceland and official statistics Act No. 163/2007. Furthermore, there are Acts No. 12/1995 on consumer price index, Act No. 42/1989 on Building Cost Index and Act No. 89/1989 on wage index.

According to the Act on Statistics, Icelandic statistics are based on the principle of independence and statistical confidentiality. In addition, Statistics Iceland applies the UN Fundamental Principles of Official statistics and the European Statistics code of practice.

Statistics Iceland currently has 78 full time equivalent staff.

II.b Classifications and registers

Iceland currently has no business register according to Regulation 177/2008/EC of the European parliament and the Council establishing a common framework for business registers. Iceland stated that the establishment of a business register according to the *acquis* is a top-priority and noted that its achievement is planned for 2014. Without it the statistical office will not be in a position to produce business statistics and agro-monetary statistics as required by the *acquis*. Currently, it is possible to deduce limited information from the already available Pay-as-you-earn register-PAYE, Economic Account - EAR registers and the tax authority's administrative business register.

Statistics Iceland stated that it has fully implemented the NACE 2 Commission Regulation 1893/2006/EC (General Industrial Classification of European Activities in the European Communities). It partially uses the Classifications of products by activity (Regulation (EC) No 451/2008 of the European Parliament and of the Council of 23 April 2008) and plans to extend its implementation. The Combined Nomenclature (CN) according to Council Regulation (EEC) No 2658/87, which belongs both to the statistical and customs *acquis*, is not used for statistical purposes in Iceland.

The Harmonized System (HS) is used for classifying goods in external trade statistics through an Icelandic version of the Combined Nomenclature containing more detail. The 1988 version of the international classification of occupations (ISCO88) is in use and the implementation of the latest version (ISCO08) is under preparation.

II.c Sector Statistics

In the area of **demographic and social statistics**, Iceland stated that the **population statistics** are fully in line with the *acquis*. Preparations for the 2011 register-based Census is currently ongoing. The first validated data will be available in 2012. The final deadline for the submission of data according to the *acquis* is 2014. Iceland noted that its statistics on migration and asylum are partially in line with the *acquis*, and that further methodological work is required. Submission of data on residence permits by the Icelandic Directorate of Immigration has not yet begun.

The **Survey on income and living conditions** (SILC European Parliament and Council Regulation 1177/2003 and subsequent specifications) is fully implemented according to Iceland. The social protection (ESSPROS European Parliament and the Council Regulation 458/2007) statistics are equally fully implemented. It stated that the **Household Budget Survey** (based on a gentlemen's agreement between Eurostat and the Member States) is largely in line with the *acquis*.

As regards statistics on the labour market, **Iceland stated that the Labour Force Survey is almost entirely** in line with the *acquis*. Primary data from the *ad hoc* module of LFS 2008 is still to be sent to Eurostat for quality assessment. Methodological refinement is ongoing. The **Job Vacancy Survey (JVS)** is not implemented due to the lack of resources. Iceland stated that the **earnings-and labour cost survey**, the **structure of earnings survey**, the **labour cost index** and the **gender pay gap** survey are only partially in line with the *acquis* but that the **minimal wages survey** is already fully in line.

Iceland stated that it produces the **education statistics** according to Regulation 452/2008 of the European Parliament and Council. The **Adult Education Survey (AES)** is not taking place due to the lack of resources. The **Continuing Vocational Training Survey (CVTS)** according to Regulation 1552/2005 is not introduced in Iceland either. However, Iceland has an exemption according to the EEA Agreement. They wish to maintain the exemption upon accession.

The compilation of **culture statistics** has a longstanding tradition in Iceland and it noted that these are produced in compliance with the *acquis*.

Iceland stated that its Public Health statistics are in partial compliance with the *acquis* (Regulation 1338/2008 of the European Parliament and Council). Iceland informed that the joint questionnaire on non-monetary health care statistics needs further revision in order to make it fully compliant. This is equally the case for the system of **health accounts** and the **accidents at work statistics**. **Occupational diseases statistics** are not yet collected. The *acquis* in this area is in development (new regulation expected for 2012). According to Iceland the causes-of-death statistics are fully aligned with the *acquis*

In the sector of **economic and monetary policy** the Icelandic **National Accounts** are compiled on the basis of the European System of Accounts ESA 95 (Council Regulation No 2223/96/EC). The **annual economic accounts** do not yet comprise the required supply and use and input-output tables, nor a full set of sector accounts. Statistics Iceland is aware of this gap and noted that it is addressing the issue. The current plan is to fully implement the Regulation by 2014.

Quarterly national accounts are only available according to the expenditure-approach and do not have the complete breakdown as required by the *acquis*. Iceland noted that it intends to completely align with the *acquis*, including the provision of comprehensive data, by 2014.

Iceland reported that the **Gross National Income (GNI)** estimates are already produced on the basis of the *acquis*. A detailed GNI Inventory was submitted to Eurostat according to Council Regulation 1287/2003/EC. Some methodological deficiencies identified in the course of Eurostat's GNI information visits are planned to be addressed by September 2014. With regard to the **VAT** own resource, the compilation of the weighted average rate (WAR) that is based on the national accounts data will be required. Statistics Iceland expressed interest in participating in a training session devoted to the preparation of the VAT statements and calculation of the WAR to be organised by DG Budget later in 2011.

Financial accounts are compiled in cooperation between the Central Bank of Iceland (CBI) and Statistics Iceland, albeit not with the necessary breakdown of data. Methodological work is ongoing and Iceland stated its intention to produce comprehensive data by 2014. Regarding **statistics for monetary and financial indicators**, Iceland observed that it needs to improve these significantly in order to comply with the *acquis*.

Iceland informed that the **Government Finance Statistics** are broadly in line with the *acquis*. Fine-tuning is necessary in terms of comprehensiveness of statistical data. Iceland stated that the statistics on **public deficit and debt** are partially in line with the *acquis* and need to be made fully compliant. Co-operation between Statistics Iceland, the Central Bank

of Iceland and the Ministry of Finance in this area is good and an inter-service agreement between Statistics Iceland and the CBI is in place.

The **Balance of Payments** statistics are compiled by the CBI. The Bank has started to disseminate Quarterly Balance of Payments statistics, although Iceland stated that it does not have the necessary geographical breakdown and methodological set-up. Statistics on **Foreign Direct Investment** are produced on the basis of the *acquis*, but not yet in full geographical breakdown. The responsibility for **FATS** (Foreign Affiliates Statistics) statistics is shared between the CBI and the Statistical Office. Iceland indicated that both inward and outward **FATS** need further revision. The target date set for full alignment with the *acquis* is 2014.

Iceland reports that it has calculated the **Harmonised Index of Consumer Prices** (HICP) for more than a decade. It stated that it is fully in line with Council Regulation 2494/95/EC. **Purchasing Power Parities** (PPP) statistics are published as well. However, the inventory for PPP was not yet submitted to the Commission (Eurostat).

As regards **Structural Business Statistics** and **Short Term Business Statistics** Iceland states that its statistics are partially in line with the *acquis*. Methodological work is ongoing. Iceland informed that the quality of the data still has to be significantly improved by establishing a proper statistical business register. Full alignment with the *acquis* is envisaged in the period 2013-2015. As regards **PRODCOM** (production of goods) statistics Iceland underlined that it is fully in line with the *acquis*.

Iceland stated that its **Tourism statistics** are partially in line with the *acquis* and that the tourism supply statistics are already in broad compliance with Council Directive 57/1995/EC. However, the tourism demand statistics are not yet collected and the relevant survey was not implemented.

In the area of **customs union and free movement of goods** Iceland informed that the **Extrastat** Regulation is partially aligned. The single administrative document is not fully implemented by customs so Statistics Iceland is not in the position to produce the full breakdown of required data. As regards **Intrastat**, Statistics Iceland is in the conception phase and undertook two study visits to Member States in order to examine different Intrastat models. Statistics Iceland indicated it was drafting a plan for an operational set-up by accession. Close co-operation between the customs authorities, tax authorities and Statistics Iceland is required to realise this objective. Iceland noted that a service agreement is in preparation with the customs authorities. As regards **Trade in Services** statistics, Iceland stated that they are almost entirely in line with the *acquis*.

Iceland recognized the need to further develop **agricultural statistics** in general. According to Iceland, the **Farm Structure Survey** according to Regulation 1166/2008/EC is in line with the *acquis*. Work on the **agricultural census** started in January 2011. Iceland intends to send the validated data to Eurostat in March 2012 as required by the *acquis*. The **LUCAS** (Land Use/Cover Area Frame Statistical Survey) is not conducted in Iceland.

Statistics Iceland reported that it is currently setting up the structures to produce **crop statistics** according to the *acquis*, which would allow SI to be operational in 2012. The currently available crop data is collected by the Farmers Association of Iceland and is not exhaustive. Some data on livestock, meat and egg statistics and on milk and dairy products is produced.

Agromonetary statistics are not available in Iceland. Iceland intends to start producing the economic accounts for agriculture by 2012 and agricultural price statistics by 2013.

According to Iceland **fishery statistics** are fully in line with the *acquis*. Catches by fishing area, annual landings and aquaculture are available or will shortly become available. Co-operation between the Directorate of Fisheries which produces aquaculture statistics and Statistics Iceland is good. Iceland stated it will still submit to Eurostat the methodological report on fishery statistics.

The National Energy Authority of Iceland produces **energy statistics**. Iceland informed that the *acquis* on structural energy statistics is partially implemented. Iceland benefits from an exemption from Directive 2004/8/EC of the European Parliament and Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market. The other Directives in this area are partially implemented. Iceland stated that methodological changes are required before it will be fully in line with the *acquis*.

The Commission stressed that Iceland needs to send the available data not only to the International Energy Agency (IEA) but also - in the required format - to Eurostat.

Environmental accounting in accordance with Regulation 691/2011 will need to be developed.

As far as **transport statistics** are concerned, Iceland stated that air transport statistics are fully in line with the *acquis*. There are no inland waterways and practically no railways in Iceland. The country has an EEA derogation for the provision of railway statistics. Maritime transport statistics are reported to be partially in line with the *acquis*, and it noted there are problems with data transmission. Concerning passenger mobility, road traffic data and road freight transport statistics, Iceland informed that it needs to install the institutional set-up between Statistics Iceland and the Road Traffic Directorate in order to start collecting the required statistical data. The transport safety statistics are stated to be already fully in line with the *acquis*. Under the EEA Agreement Iceland is exempted from providing statistics for the transport of goods on roads and stated that it wishes to maintain this exemption as well as the derogation on railway statistics.

Iceland stated that - in respect of environment statistics - the Icelandic Environment Agency collects **waste statistics** according to the European Parliament and Council Regulation 2150/2002/EC. Exhaustiveness, reporting mechanisms and the data transmission would need to be further revised. **Water statistics** according to the joint Eurostat/OECD questionnaire would also need to be further developed.

As regards **regional statistics** Iceland stated that it is in partial alignment with the NUTS (Nomenclature of Territorial Units for Statistics) Regulation 1059/2003/EC and its derived regional statistics. Iceland has currently two statistical regions on NUTS 3 level. Iceland is considering revising this set-up at a later stage, in which case it will come up with specific proposals on this matter.

Statistics on technology and innovation are collected by the Icelandic Centre for Research (RANNÍS). According to Iceland, the provided statistics are broadly in line with the Commission Decision 1608/2003/EC and Parliament and Council Regulation 1450/2004/EC on implementing Decision 1608/2003/EC.

Iceland stated that its Statistics on Information Society are broadly in line with the European Parliament and Council Regulation 808/2004/EC concerning statistics on the information society. Iceland informed that data collection under annex 1 of the Regulation is not yet implemented on an annual basis. Iceland stated that postal statistics are already fully aligned with the *acquis*.

Concerning the **statistics for remuneration and pensions** of EU-staff, Iceland did not participate in the data collection so far because the module has no EEA relevance. Iceland undertakes to participate in the working groups and to implement the respective surveys for transmission to the European Commission.

III. ASSESSMENT OF THE DEGREE OF ALIGNMENT AND IMPLEMENTATION CAPACITY

Overall Iceland has a satisfactory level of alignment with the *acquis*. Through the EEA and the Nordic co-operation, Iceland has adopted a considerable part of the *acquis*. However, since the statistical *acquis* is larger than the adopted part and evolving further, additional and sustainable efforts plus additional resources are needed to implement it fully. The EU pre-accession assistance has started only recently and will need more time to produce results.

III.a Statistical Infrastructure

In the area of statistical infrastructure the level of alignment with the *acquis* is high. Statistics Iceland conducts its work independently and according to the UN Fundamental Principles of Official Statistics. Apart from Statistics Iceland, the country has a number of other producers of official statistics and the oversight and coordination of the whole national statistical system needs to be strengthened.

The allocation of sufficient staff resources in order to meet the requirements of the *acquis* remains a concern. The statistical chapter has considerable impact on other parts of the *acquis* including regional policy, environmental, agricultural as well as economic and monetary policy.

III.b Classifications and registers

Iceland has currently no business register as required by Regulation 177/2008 of the European Parliament and Council. The establishment of a business register in line with the *acquis* is a priority for the office. The other main classifications are in place (with exception of the Combined Nomenclature).

Provided sufficient resources are made available, no major problems are expected in this area.

III.c Sector statistics

Demographic statistics are in broad compliance with the *acquis*. Statistics on migration and asylum need further revision. The provision of the necessary raw data to Statistics Iceland is essential in this respect.

The **Survey on Income and Living Conditions** and the **Household Budget Survey** are fully or almost fully in line with the *acquis*. This is equally the case for the Labour Force Survey (LFS). Other labour statistics (earnings and labour cost survey, structure of earnings survey, labour cost index and gender pay gap) are partially aligned with the *acquis* and the situation needs to be improved through the implementation of methodological modifications. The *acquis* on **job vacancy statistics** needs to be implemented.

The **education statistics** are largely in line with the *acquis*. However, substantial efforts are still necessary for the introduction of the **Adult Education Survey** (AES) and the **Continuing Vocational Training Survey** (CVTS). For the latter, Iceland has an EEA exemption according to page 29 point 18q of the statistical annex XXI of the EEA Agreement. Iceland underlined its wish to maintain the exemption upon accession.

Culture statistics are produced in compliance with the *acquis*.

Public health statistics are partly aligned with the *acquis* but further efforts are needed.

The sector of **National Accounts** is partly aligned and needs further adjustment. Statistics Iceland needs to introduce the supply and use, as well as the input/output tables according to the European System of Accounts (ESA 95). Regarding the *acquis* on **Financial Accounts, Government Finance Statistics, Statistics on Own Resources**, the Commission notes Iceland's plans to fully comply with the *acquis* by 2014.

Balance of Payments, Foreign Direct Investment and **FATS** (Foreign Affiliates Statistics) need methodological revising which Iceland plans to accomplish by 2014.

Harmonised Index of Consumer Prices and **Purchasing Power Parities** are partially compliant.

Short Term Business Statistics and **Structural Business Statistics** are only partially available. This is mainly due to the lack of a business register. Full harmonisation can only be achieved after establishing the register. PRODCOM statistics are largely in line with the *acquis*.

Tourism statistics are largely aligned with the *acquis* (tourism supply) but are partially not available (tourism demand). The sector needs to be fully aligned regarding tourism demand.

Extrastat statistics can be fully aligned in the short term if Statistics Iceland gets the necessary data from the Customs administration. **Intrastat** (statistics on external trade within the European Union) can become operational only upon accession. **Trade in services** statistics are close to full alignment.

The whole area of **agricultural statistics** and **agromonetary statistics** needs to be further developed. The Commission takes note of Iceland's plans to become fully compliant by 2014.

Fishery statistics are already fully aligned with the *acquis* but data and methodological background documentation needs to be made available to the Commission (Eurostat).

As regards energy statistics, Iceland is partially aligned and needs to ensure enhanced data transmission, methodological development and good communication between stakeholders (National Energy Authority and Eurostat) to be compliant with the *acquis*.

Transport statistics are largely compliant. In view of the particularities of the Icelandic infrastructure (e.g. the lack of railways and inland waterways) the Commission notes Iceland's wish to maintain the EEA exemptions on road freight transport and railway statistics.

Environmental statistics are partially compliant. **Environmental accounting** needs to be developed

Regional statistics are currently partially aligned and need considerable further development. Iceland is currently considering revising the regional statistical breakdown (NUTS-regions) in this context. The Commission recommends liaising with Eurostat in this respect.

Statistics on technology and innovation and **information society** are broadly in line with the *acquis*. Iceland needs to ensure full implementation and data transmission.

Statistics for remunerations and pensions of EU staff are not collected. Iceland needs to provide this data to the European Commission.