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COUNCIL DIRECTIVE

of 13 February 1989

on the harmonization of the compilation of gross national product at market prices

(89/130/EEC, Euratom)

(OJ L 49, 21.2.1989, p. 26)

Amended by:

<u>₿</u>

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►<u>M1</u> Regulation (EC) No 1882/2003 of the European Parliament and of the L 284 1 31.10.2003 Council of 29 September 2003

COUNCIL DIRECTIVE

of 13 February 1989

on the harmonization of the compilation of gross national product at market prices

(89/130/EEC, Euratom)

THE COUNCIL OF THE EUROPEAN COMMUNITIES.

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Council Decision No 88/376/EEC/Euratom of 24 June 1988 on the system of the Communities' own resources (1), and in particular Article 8 (2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (2),

Whereas the creation of an additional own resource for the Communities, based on the gross national product at market prices (hereinafter referred to as GNPmp) of the Member States, makes it necessary to reinforce the comparability and reliability of this aggregate;

Whereas the completion of the internal market will increase the need for internationally comparable data on aggregate GNPmp and its components; whereas these data are also an important analytical tool for the coordination of economic policies;

Whereas GNPmp data must be comparable in concept and in practice and representation of the Member States' economies;

Whereas GNPmp can be comparable in concept only if the relevant definitions and accounting rules of the European System of Integrated Economic Accounts (ESA) are complied with;

Whereas comparability of GNPmp in practice depends on the assessment procedures used and the basic data available; whereas improved GNPmp coverage presupposes the development of statistical bases and assessment procedures;

Whereas a procedure should be set up to verify and assess the comparability and representativity of GNPmp; whereas, to this end, a Committee should be set up within which Member States and the Commission shall cooperate closely,

HAS ADOPTED THIS DIRECTIVE:

TITLE 1

Definition of gross national product at market prices

Article 1

GNPmp shall be defined in a manner consistent with the European System of Integrated Economic Accounts (ESA) in force.

GNPmp shall be calculated by adding to gross domestic product at market prices (GDPmp, ESA code: N 1) the compensation of employees (R 10) and the property and entrepreneurial income (R 40) received from the rest of the world less the corresponding flows paid to the rest of the world.

⁽¹⁾ OJ No L 185, 15. 7. 1988, p. 24.

⁽²⁾ OJ No C 187, 18. 7. 1988, p. 142.

Article 2

GDPmp represents the final result of productive activity by resident production units. GDPmp may be presented by reference to the ESA from three points of view.

1. The output side

GDPmp (N 1) is the difference between output of goods and services (P 10) and intermediate consumption (P 20) plus VAT on products (R 21) and net taxes linked to imports (excluding value added tax (VAT)) (R 29).

2. The expenditure side

GDPmp (N 1) is the sum of final consumption (P 30) on the economic territory by households and private non-profit institutions and general government, gross fixed capital formation (P 41), change in stocks (P 42), and the difference between exports (P 50) and imports (P 60).

3. The income side

GDPmp (N 1) is the sum of compensation of employees (R 10), gross operating surplus of the economy (N 2), and taxes linked to production and imports (R 20) less subsidies (R 30).

TITLE II

Provisions on the method of calculating GNPmp and the forwarding of GNPmp data

Article 3

- 1. Member States shall establish GNPmp in accordance with Article 1 in the context of national accounting procedures.
- 2. Before 1 October each year, Member States shall provide the Commission (Statistical Office of the European Communities, SOEC), in the context of national accounting procedures, with figures for aggregate GNPmp and its components according to the ESA definitions referred to in Articles 1 and 2. Member States shall also supply the information necessary to show how the aggregate was reached. The figures provided shall cover the preceding year and any changes made to the figures for previous financial years.

Article 4

Member States shall provide the Commission (SOEC), in accordance with the arrangements laid down by the latter after consulting the committee referred to in Article 6, progressively and at the latest within 18 months of notification of this Directive, with an inventory of the procedures and basic statistics used to calculate GNPmp and its components.

Article 5

When they communicate the data provided for in Article 3, Member States shall inform the Commission (SOEC) of any changes in the procedures and basic statistics used.

TITLE III

Provisions concerning checks on the calculation of GNPmp

▼M1

Article 6

1. The Commission shall be assisted by a committee.

▼M1

2. Where reference is made to this Article, Articles 4 and 7 of Decision 1999/468/EC (¹) shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its rules of procedure.

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Article 7

The Committee referred to in Article 6 shall examine questions raised by its Chairman, either on his own initiative or at the request of the representative of a Member State, relating to the implementation of this Directive, in particular with regard to:

- (a) compliance each year with the definitions referred to in Article 1 and 2;
- (b) the examination each year of the data forwarded under the terms of Article 3 and the information forwarded under the terms of Articles 4 and 5 concerning the statistical sources and the procedures for calculating GNPmp and its components.

It shall also deal with questions relating to the revision of data on GNPmp and the problem of the exhaustiveness of GNPmp.

It shall, if necessary, suggest to the Commission measures to make data on GNPmp more comparable and representative.

TITLE IV

Financial provisions

Article 8

For the first few years of implementation of this Directive, Member States shall receive a financial contribution from the Community in respect of the work to improve the comparability and representativity of the GNPmp data. The amount considered necessary for such a contribution shall be ECU 6 million.

TITLE V

Final provisions

Article 9

The Member States shall bring into force the measures necessary to comply with this Directive within 12 months of its notification at the latest (2).

Article 10

Before the end of 1991, the Commission shall, when Decision 88/376/EEC/Euratom is reviewed, submit a report on application of this Directive.

Article 11

This Directive is addressed to the Member States.

⁽¹⁾ Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (OJ L 184, 17.7.1999, p. 23).

⁽²⁾ This Directive was notified to Member States on 16 February 1989.