

Bart Meganck is one of the components of Belgium's statistical duo: he is in charge of national accounts at the Institute of National Accounts (INA). He is a somewhat rare species in European statistics: a central banker amid pure statisticians.

"I am the only central banker in this situation," he admits. "At the start, I was looked upon as an oddity and people had no idea what was going on in Belgium. But as chairman of the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) from 1992 to 1994, I was automatically entitled to a seat on the Statistical Programme Committee (SPC). So, I already had close contacts with statisticians before becoming a full member of the SPC in 1995."

Before taking a closer look at the different tasks assigned to the Belgian National Bank (BNB) in the national accounts, I ask Meganck to explain how the ICN came into being.

"Statistics in Belgium were in a state of upheaval at the end of the 1980s. The country wanted to become part of economic and monetary union, and so it had to satisfy the convergence criteria. But when it came to providing some vital data – including the budget deficit and debt ratio in relation to GDP, and even GDP itself – there were problems with regard to quality and availability. Prompted by the need to have these data ready by the end of 1997 at the latest, the Belgian Government decided in mid-1994 to move national

This is a landmark – the last of the 15 EU national statistical systems to be profiled. **FRANÇOIS VERMEULEN** takes a look at the role assigned to the Belgian National Bank with the help of **BART MEGANCK**, head of the general statistics department. Official statistics in Belgium are in fact the shared responsibility of the National Statistical Institute (see article on page 34) and the central bank.

A central banker AT THE HELM OF national accounts

A brief history...

Belgian statistics date back to 1831 with the birth of the Belgian state. That's when the Office of General Statistics was born as part of the Home Office. In 1932 it was renamed the Central Office of Statistics and in 1940 transferred to the Economic Affairs Office. In 1946 it became the National Statistical Office.

At the same time the Central Commission of Statistics was formed, to become the Superior Council of Statistics. Nowadays the Council gives scientific and methodological advice to INS.

The last big reform of the Belgian statistical system was in 1994. The Federal Government created the Institute of National Accounts. This is not an additional statistical office but where representatives of INS, the National Bank and the Planning Office assume joint responsibility for the national accounts and external trade, previously looked after solely by INS.

accounts from the National Statistical Institute (NSI) to another body, the INA. It was the best option."

Just a front?

With the NSI, the INA and the BNB, there are many bodies involved in statistics in Belgium. And the situation is not helped when a fourth body, the Federal Planning Office, gets into the act, especially as the INA, in spite of the importance and scope of its job, is really only a front, without any employees and without any physical existence.

"You have to realise that we are not another producer of statistics. The INA is a body without staff that delegates the production of statistics to related institutes. There are three such institutes: the BNB, the NSI and the Federal Planning Office.

"It is the job of the NSI to collect the basic data from households and firms, some of

which are used in connection with the national accounts. The Federal Planning Office prepares short-term economic forecasts related to the national accounts – these forecasts are used for the government's macroeconomic and budget forecasts – and the input-output tables. The BNB is in charge of the national accounts and foreign trade, including Intrastat data."

The INA may be a front, but only in the actual physical sense. When it comes to operations, the work done for the INA occupies about 120 people at the BNB alone.

"The fact is that the INA's job is to control the production of statistics by its fellow bodies through the management committee, which is chaired by the Secretary-General of the Ministry of Economic Affairs and consists of two members from each of the associate institutes. I am in fact the secretary of the management committee, but I have no official post within the INA."

Role of the ministry

The Ministry of Economic Affairs regularly appears in the new structure of Belgian statistics, introduced by the Law of 21 December 1994. The NSI is currently a directorate-general of the ministry. The Federal Planning Office is a public body under the joint control of the Prime Minister and the Ministry of Economic Affairs. As for the INA, whose chairman happens to be the Secretary-General of the Ministry of Economic Affairs, it comes under the same authority. The BNB alone escapes the ministry's embrace, because of its role as the central bank.

So are the data published on behalf of the INA objective and unbiased?

"In order to ensure that the INA's statistics are objective and unbiased, it was decided to set up a technical committee comprising six members from the associate institutes – two from each – and six people representing the universities, divided equally between the French- and Dutch-speaking communities. The committee has a role to play in the case of the national accounts, since it has to approve the data. This approval is subject to very strict rules, and a simple majority is not enough for

the data to be endorsed. There has to be a two-thirds majority in each group, the universities and the institutes.

"In addition, if the INA decides to go ahead and publish national accounts data without the committee's approval, the latter has the right to have the reasons for its opposition published in the introduction. This has never happened, since as a rule of thumb we inform the university members of our methods before collecting data. If they are happy, it is unlikely that they are going to question the figures produced by such a methodological approach. In

the case of foreign trade data, I just have to give the go-ahead for them to be published."

Odd relations

The relationship between the BNB and the INA seems odd, to say the least. **Bart Meganck** has no official post within the INA, even though he is chairman of the technical committee that oversees the national accounts. Outside his office there is no mention of the INA. Publications simply mention "INA" or "BNB on behalf of the INA." And if you raise the possibility of statistical work



Despite 30 years spent at the central bank, a time divided equally between the research and statistical departments, **Bart Meganck** had already been involved in official statistics. Between 1972 and 1973 he helped to set up the national accounts for the Bank of Zaire under bilateral assistance agreements. When the Belgian statisti-

cal scene shifted with the 1994 reform, it was 'back to the future' for this economist by training.

With Meganck, Belgian statistics certainly had the key person to get the national accounts in order and to meet the deadlines for economic and monetary union. Since the start of the 1990s, he has been on every

European statistical committee imaginable: he represented the INA as member of the Belgian delegation to the Statistical Programme Committee, he was chairman of the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB); and, as a central banker, he is involved in the work of the Statistical Committee of the European Central Bank.

being transferred to the BNB in the future, Meganck retorts: "We have enough on our plate as it is." In any case, the chief statistician at the BNB has come a long way.

"When we started, we were among the worst, if not the very worst, in Europe. We now lead the field.

"At the end of 1996 and beginning of 1997 we eliminated the backlog in connection with foreign trade. The INA had been in charge of these statistics since 1 January 1995. The first figures came out at the end of 1995, with a time lag of seven to eight months. We caught up by publishing two months of statistics every calendar month. We have really made the most of computers, and we have also been able to draw on the

experience of other Member States that had set up their Intrastat systems at the beginning of the 1990s. The same goes for the national accounts, which are now generally computerised. For the national accounts figures we now make greater use – and this is a major innovation – of administrative records and of data from the BNB's business accounts registry."

A wealth of statistics?

"It is often said that Belgium has only a limited amount of statistics. This is both true and false. Like the Scandinavian countries, we have a lot of administrative data that are available and that can be used for processing. We have exploited this underused

THE NEW STATISTICAL LANDSCAPE IN BELGIUM

Official statistics in Belgium can be divided into pre-1994 and post-1994. Before December of that year, the National Statistical Institute (NSI) was responsible for all official statistics, from collection to production. The 1994 law changed the situation completely, especially with regard to 'production', since the NSI is still the main supplier of basic data. In connection with the Institute of National Accounts (INA), two new partners emerged: the Belgian National Bank (BNB) and the Federal Planning Office. They have been assigned the following tasks:

► The BNB compiles on its own the statistical tables for the actual national accounts, the financial accounts, the quarterly national accounts, gross regional products and foreign trade statistics.

► The Federal Planning Office compiles on its own the statistical tables for the economic forecasts needed to draw up the federal budget ('economic budget') and the input-output tables, including some sectoral satellite accounts.

► The BNB, in close collaboration with the Federal Planning Office, compiles the statistical tables for the annual and quarterly accounts of general government.

In order to ensure that the data are objective and technically valid, two technical committees have been set up by law: a committee for the national accounts, which must be consulted for the actual national accounts, gross regional products and the input-output tables, and a committee for the 'economic budget', which must be consulted for economic forecasts.



The well-known 'Grand-Place' in Brussels

source. The result is that we now meet all the deadlines for macroeconomic statistics, with only one or two minor exceptions. I should point out that in April 1999 Belgium was one of the four Member States ready for the first stage of the ESA 95 European System of Accounts."

It is no secret that Belgium has experienced major institutional changes in recent decades. It would be surprising if statistics had avoided the general trend in the country. We asked **Meganck** to explain how official statistics had adjusted to these changes.

"First of all, there are two facts that have to be borne in mind about the regionalisation of the country. While it is true that the regions – Flanders, Wallonia and Brussels-Capital – need more

and more statistics, they basically use them rather than produce them. The real question we have to deal with as a national producer is whether we can provide the regions with top-quality statistics on time. If the answer is yes, the regions have no incentive to become producers in their own right. After all, official statistics remains a national responsibility and task¹.

"When the INA was set up, we anticipated these needs and already two years ago we regionalised foreign trade statistics. Each region now knows how much it contributes to the country's exports. There are problems with regard to identifying where exports come from. Our seaports are all in Flanders, which means that Wallonie's share of export trade tends to be underesti-

mated. But the important thing is that the regions understand the pattern and performance of their exports. The national accounts have also been regionalised, mainly because of European Union requirements. I am thinking here about the allocation of the Structural Funds."

Belgium's regional authorities do not all show the same interest in regional statistics. The Flemish Government's website (<http://fred.vlaanderen.be>) reveals a keen interest in all kinds of data about the region, but the other regional entities seem to be less interested.

Future challenges

"Anyway, in the future we shall have to comply with the rest of the ESA 95 timetable. I also expect some effort to go into explaining the new system. Users need to be told how it all works through meetings, workshops or other means. So far, we have been unable to devote

any effort to this, since the production of figures came first. When it comes to staff training, we still have a lot to do."

Can you clarify that last point a bit more?

"Well, it is not only a problem at the INA. We need to let people move with the basic trend. We are in the process of shifting from an accounts approach to a much more statistical approach, and taking over work from the INS has speeded up the process.

"The fact is that the accounts approach, traditionally used for banking statistics, requires comprehensive and accurate data. Time was less of a factor. The tendency was to put off publishing data until all the information was in. Nowadays, this is no longer possible. The European Central Bank wants data on money

stocks to be supplied 15 working days after the end of the month. If any items of data are missing, statistical techniques have to be used to fill the gap.

"In the case of quality control, it is no longer possible to check every single record and file; the aggregates have to be checked, using techniques such as disaggregation and correlation or regression analyses.

"To achieve this, we are going to train everyone at the BNB so that they have at least a basic grasp of the new methods. It is less of a problem for those involved in INA work, because we brought in about ten people from the INS, recruited others from the universities and trained the existing staff in the new approach. With staff whose average age is between 30 and 35, it is easier to adjust

to computers and to statistical techniques."

European approach

"Belgium is a small country. With globalisation and European integration, the national significance of statistics is declining. Also, it makes no sense unless they are harmonised and comparable. Purely Belgian statistics are pointless. At the INA all our statistics are harmonised and standardised. We have deliberately opted for the European approach."

Even if it is sometimes hard to explain things abroad, the new statistical situation in Belgium reveals the local institutions' genuine ability to adapt to internal and external requirements, in spite of limited resources. ■

¹ In the case of some powers that have been transferred to the regions – e.g. the environment, education, transport – the regions have sometimes been tempted to produce their own statistics.

THE HOUSE OF BELGIAN STATISTICS

INSTITUTE OF NATIONAL ACCOUNTS (INA)

Institution under the joint responsibility of the NSI, the BNB and the Federal Planning Office for national accounts and external trade

| NATIONAL STATISTICAL INSTITUTE (NSI) | BELGIAN NATIONAL BANK (BNB) | FEDERAL PLANNING OFFICE |
|---|--|---|
| Collection and compilation of official statistics, including most of the basic data for the national accounts | Preparation of national accounts and gross regional products for the INA | Short-term economic forecasts relating to the national accounts |
| | Foreign trade statistics | Input-output tables |