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Annex 2

Annex 2 – Quarterly non-financial and financial government statistics

Introduction

European Parliament and the Council Regulation (EC) no 1221/2002 and Commission Regulation (EC) no 264/2000 form the legal basis for the collection and transmission of quarterly non-financial accounts for the general government.

Regulation (EC) no 1221/2002, which covers all ESA 95 transactions except taxes and social payments (which are covered by the Commission Regulation 264/2000 requesting data on taxes and social payments be based 90% on direct information), specifies that quarterly data shall be based as far as possible on direct information from basic sources, with the objective of minimising, for each quarter, differences between the initial estimate and the final figures, when relevant. Commission Regulation 264/2000 requests that data on taxes and social payments is based 90% on direct information.

Transmission of quarterly general government non-financial data in September 2009

Government data for the second quarter of the year are transmitted to Eurostat by the end of September. Greece transmitted the data on the quarterly non-financial accounts for general government (QNFAGG) on 5 October 2009. These data covered the period up to the second quarter 2009 (2009Q2). For the years 2005-2008 the data were fully consistent with EDP net lending/net borrowing.

Further to the revision of the EDP notifications data of Greece made on 21 October 2009, a new QNFAGG dataset was sent by Greece to Eurostat on 27 October 2009. Again, for the years 2005-2008 the data was fully consistent with the revised EDP net lending/net borrowing. This new dataset contained large revisions in the data previously received on 5 October 2009, including the data covering the first two quarters of 2009. As a consequence, Eurostat sent a message to the National Statistical Service of Greece, requesting an explanation for the revisions observed in the data, particularly in the data of the first two quarters of 2009.

On 4 November 2009, the Greek National Statistical Service sent a reply to Eurostat, explaining that the large revisions observed in the data in the first two quarters of 2009 were due to the fact that the annual deficit of general government for the year 2009 was forecast to 12.48% of GDP and, that the revised QNFAGG data for the first two quarters of 2009 transmitted on 27 October 2009 had been estimated from the forecasts of annual accounts, instead of being based on direct data sources. The net lending/net borrowing figures for general government reported by the NSSG for the first quarter of 2009 were revised from – 2680 mn euro to -7460 mn euro and for the second quarter from -3480 mn

euro to -12400 mn euro. On 27 October 2009 the deficit ratio for the first quarter of 2009 was 13.2% of GDP and for the second quarter of 2009 was 20.2% of GDP.

From the explanations provided by the Greek statistical authorities, it appears that the NSSG - instead of using information from basic sources (as provided for by the Regulation (EC) no 1221/2002 and Commission Regulation 264/2000) - had resorted to simply allocating the new annual forecast for the 2009 general government deficit of the Ministry of Finance to the first two quarters of 2009.

Transmission of quarterly general government financial data in October 2009

The responsibility for the quarterly financial data is with the Bank of Greece. The figures of financial accounts transmitted on 3 October and 29 October 2009 for the years 2005-2008 were in line with the corresponding quarterly and annual non-financial accounts provided by the NSSG transmissions of quarterly figures for financial accounts. Only a few inconsistencies were observed in both transmissions.