

Brussels, 2 November 2011

Orgalime position on the proposal of a Commission Regulation amending short-term statistics (Council Regulation (EC) No 1165/98)

Orgalime, the European Engineering Industries Association, speaks for 34 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 22 European countries. Our industries' activities are mainly in chapters 25 to 28 of the NACE rev. 2 nomenclature including the repair and installation services provided by our industries (chapter 33). The industry employs some 9.7 million people in the EU and in 2010 accounted for some €1,510 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.

Orgalime has always been in favour of simplified and consistent European legislation to avoid unnecessary administrative burden for companies. Orgalime however strongly objects to the recent Eurostat proposal to amend short-term statistics by totally removing the data collection of the industrial new orders. We also question the justification put forward by Eurostat:

- Within the list of proposals for “negative priorities” Orgalime rejects the proposal concerning short-term statistics/variable “industrial new orders” (Council Regulation (EC) No 1165/98 of 19 May 1998, Annex A).
- Orgalime and its member associations believe that “industrial orders received” is one of the most important early indicators. Although some EU member states have announced they would continue data collection of industrial new orders nationally, Orgalime is convinced that it is important to maintain this indicator at the European level. Therefore the efforts should be concentrated on improving the quality of the indicators of member states, as well as publishing them, rather than repealing the Annex A of the Council Regulation. Eurostat and national statistical offices should explore tools to construct smart and small samples thus reducing administrative burden.
- Orgalime does not share the Commission analysis that the industrial new orders variables have failed to “demonstrate stable leading properties across all EU countries”. In many sectors of our industry, such as plant and infrastructure projects, orders lead activity and production by 6 to 12 months in advance. On the other hand, in some sectors, orders may go hand in hand with production during the same reference month. It is obvious that it takes industry knowledge to analyse the cyclical industry that we represent and any statistical analysis, not taking into account the framework in which the investment goods industry operates, will fail. Orgalime is convinced that order statistics are key statistics to predict future activity and production in our industries and should therefore be maintained at the European level.

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- Furthermore the “industrial new orders variable” is of key importance as it is included in the “leading indicator” compiled by OECD and other institutions. From the point of view of Orgalime industries this “leading indicator” has shown very reliable in predicting activity in the industry and the economy as a whole.

Conclusions

Orgalime therefore hopes that the Commission will see fit not to proceed with this proposal in the context of prioritisation in the development and production of statistics, which we believe will neither be to the benefit of our industry, nor help the Commission or national authorities in their task of monitoring and implementing an industrial policy at a time when economic projections are extremely important.

Orgalime believes that statistical agencies have the tools to construct smart and small samples from a population thus reducing administrative burdens for public authorities and companies in particular SME.

Instead of abolishing data collection of industrial new orders, the European Commission should lower the statistical burden on SMEs by introducing a threshold so that all companies with less than 50 employees could be exempt. Such a measure would lower the administrative burden without jeopardising statistical inference.



The European Engineering Industries Association

ORGALIME aisbl | Diamant Building | Boulevard A Reyers 80 | B1030 | Brussels | Belgium
Tel: +32 2 706 82 35 | Fax: +32 2 706 82 50 | e-mail: secretariat@orgalime.org
Ass. Intern. A.R. 12.7.74 | VAT BE 414341438