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**REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN
PARLIAMENT**

**on the implementation of Regulation (EC) No 48/2004 of the European Parliament and
of the Council of 5 December 2003 on the production of annual Community statistics on
the steel industry for the reference years 2003-2009**

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1. INTRODUCTION

During the existence of the European Coal and Steel Community (ECSC), the Commission (Eurostat) collected the necessary statistics on the steel industry directly from the enterprises active in the steel industry on the basis of the provisions of the Treaty establishing the European Coal and Steel Community (ECSC Treaty). Regulation (EC) No 1840/2002 of the European Parliament and of the Council of 30 September 2002 on the prolongation of the ECSC steel statistics system after the expiry of the ECSC Treaty¹ was adopted to ensure the prolongation until 31 December 2002 of the ECSC steel statistics system after the expiry of the ECSC Treaty on 23 July 2002.

In order to implement the Community policies on the steel industry, it was deemed necessary to continue collecting statistics on the steel industry after 31 December 2002. As no other existing statistical system at a European level was able to satisfy the need for such statistics, a new Regulation based on the Treaty establishing the European Community, i.e. Regulation (EC) No 48/2004 of the European Parliament and of the Council of 5 December 2003 on the production of annual Community statistics on the steel industry for the reference years 2003-2009², was adopted. Regulation (EC) No 48/2004 provides for a transitional phase running from 2003 to 2009 in order to determine whether steel statistics can be integrated into other statistical systems.

This report reflects the implementation of Regulation (EC) No 48/2004. According to Article 9 of Regulation (EC) No 48/2004, within five years of the entry into force of Regulation (EC) No 48/2004 the Commission shall submit a report to the European Parliament and the Council on its implementation. In particular, the report shall:

- (a) assess the benefits accruing to the Community, the Member States and the providers and users of statistical information of the statistics produced in relation to their costs;
- (b) assess the quality of the statistics produced;
- (c) verify synergy with other Community activities;
- (d) propose any changes considered necessary to improve the operation of Regulation (EC) No 48/2004.

2. BENEFITS OF STEEL STATISTICS PRODUCED IN RELATION TO THEIR COSTS

2.1. Data sets produced

Steel statistics cover data on the manufacture of basic iron and steel and of ferro-alloys (group 27.1 of the statistical classification of economic activities in the European Community, NACE

¹ OJ L 279, 17.10.2002, p. 1.

² OJ L 7, 13.1.2004, p. 1.

Rev. 1.1, established by Council Regulation (EEC) No 3037/90 of 9 October 1990 on the statistical classification of economic activities in the European Community³).

The following statistical information is collected on the basis of Regulation (EC) No 48/2004:

- (1) Yearly statistics on the steel and cast iron scrap balance sheet (hereinafter referred to as: “S10”);
- (2) Annual statistics on the fuel and energy consumption broken down by type of plant (hereinafter referred to as: “S2A”);
- (3) Annual statistics on the balance sheet for electrical energy in the steel industry (hereinafter referred to as: “S2B”);
- (4) Enquiry on investments in the iron and steel industry, Annual statistics on expenditure (hereinafter referred to as: “S3A”);
- (5) Enquiry on investments in the iron and steel industry, Annual statistics on capacity (hereinafter referred to as: “S3B”).

The information referred to above is, in general, collected by the respective statistical authorities of the Member States through the respective statistical surveys, which are sometimes organised in co-operation with national federations of the industry concerned. In certain cases, the data are provided directly to Eurostat by the national federations of the industries concerned.

At Eurostat level, statistical data are validated before being published. A number of logical checks between different variables, as well as checks on the consistency of data over time, are performed.

2.2. Benefits

Steel statistics are mainly collected for their use as a policy-making tool and as an instrument for facilitating economic analysis by the players in the relevant sector (e.g. public authorities, enterprises, federations), as well as a source of information for citizens and enterprises⁴. Statistics on the number of downloads of Eurostat data tables are available and can be used to gauge the interest attributed to the statistics by their users. In the course of 2008 users have downloaded data from the steel statistics tables 1 725 times. Users are relatively more interested in the Annual statistics on capacity and the Yearly statistics on the steel and cast iron scrap balance sheet.

The overview of the uses of steel statistics below is based on the results of a survey among the main users of the information, including the Commission’s services and the European Confederation of Iron and Steel Industries (EUROFER).

³ OJ L 293, 24.10.1990, p. 1.

⁴ It needs to be recalled that it is difficult to precisely identify users of steel statistics, in particular, users that extract the data available on the steel industry from the Eurostat database. The only information available on the use of the Eurostat database is the number of relevant downloads from the Eurostat database.

2.2.1. Steel and cast iron scrap balance sheet

Statistics on steel and cast iron scrap are needed, inter alia, in order to monitor the use of these materials for steel production in view of the supply and price trends in the worldwide market for these basic materials.

That information helps, in particular, to assess the recommendations in this area as specified in the Commission's Communication "The raw materials initiative — meeting our critical needs for growth and jobs in Europe"⁵ and is used, more particularly, to establish a framework that enables a sustainable supply of raw materials from European sources and a reinforcement of the efficiency of the exploitation of resources used for recycling.

Furthermore, the more detailed information on the consumption of steel and cast iron scrap in electric furnaces is useful, e.g. for the purposes of following the trends between the electric arc furnace (EAF) processing route and the input of scrap in conventional (oxygen) steelworks.

2.2.2. Fuel and energy consumption and balance sheet for electrical energy

Statistics on fuel and energy consumption and balance sheet for electrical energy in a high energy consuming industry such as the steel industry yield information on energy use and production within that industry. In addition, statistics on energy consumption also provide information on the emission of pollutants by the steel industry. These statistics are therefore useful in the context of the fight against global warming in which the Commission is engaged.

Annual statistics on fuel and energy consumption broken down by plant type can also serve as a useful framework for benchmarking purposes.

The information on the balance sheet for electrical energy in the steel industry makes it possible to follow up the need for a tightening up of energy efficiency.

2.2.3. Statistics on investment in the iron and steel industry

Data on investment expenditure and maximum possible production (capacity) in the iron and steel industry are of interest to the Commission. In particular, statistics on investment and capacity contribute to a global network of information on world steel capacity organised under the auspices of the OECD Steel Committee.

Enterprises in the steel industry need worldwide information on investment and capacity in order to assess possible future undercapacity or overcapacity for particular classes of steel products. Furthermore, the statistical data on investment in the iron and steel industry make it possible to monitor the different stages of the production process.

2.3. Costs of collecting steel statistics

Information was collected on the costs associated with collecting, processing and compiling steel statistics. Eleven countries responded to the specific survey on the burden of Regulation (EC) No 48/2004; for a further three countries, information on the burden on enterprises and

⁵ COM(2008) 699 final.

NSI was available from a more general survey on the burden caused by the collection of business statistics.

Table 2. Results from survey on burden on enterprises and reporting institutions

	Sample size, number of statistical units (1)	Total number of statistical units	Total time spent by all units in the sample (burden), hours per year	Time spent by reporting authority, hours per year
BE	14	14	N/A	7
CZ	37	37	150	276
DE	500	500	31.5	9903(2)
FR	53	53	150	150
IT	80	80	560	280
LU	3	3	N/A	24
NL	1	1	15	10
AT	13	13	40	250
PL	32	32	500	750
RO	19	19	N/A	845
SK	25	25	47	70
SE	28	83	224	160
FI	4	4	N/A	50
UK	31	31	N/A	825

N/A= not available

(1) Units can be either enterprises or kind-of-activity units (KAU)

(2) The German figures on the time spent by the reporting authorities include also the time needed to compile data on the steel industry that are not covered by Regulation (EC) No 48/2004 and that are only collected for national purposes. It is not possible to single out the time spent on the data required at EU level only.

Not all countries were able to provide information on the time that the units spent completing the questionnaires, as this is not monitored. Nine countries did provide information on this subject. Calculated on the basis of the available information, it takes a surveyed unit on average around 2 hours to complete the questionnaire. However, the time needed to fill in the questionnaires in the different countries varies considerably: from 3.78 minutes in Germany⁶ to over 15 hours in Poland. In the majority of countries for which Eurostat has data, a census was organised so that all the units in the sector received a questionnaire. On the basis of the information supplied by the data providers, plus information on the number of enterprises of NACE Rev.1.1.-group 27.1 with more than 50 persons employed available from structural business statistics for those countries that have not provided the data, it is possible to calculate the total number of units concerned. Overall, about 1000 units are concerned by the survey on the collection of steel statistics.

Taking into account the average time needed for filling in the questionnaire, an estimate can be made of the total time spent by all enterprises of the EU steel industry to complete the surveys for collecting steel statistics. All enterprises of the steel industry taken together spent an estimated 2000 hours on the survey, amounting to an estimated cost of between EUR 80.000 and 100.000. On that basis, the impact of Regulation (EC) No 48/2004 on the overall

⁶ Estimate as the data required by Regulation (EC) No 48/2004 is included in a monthly survey organised for national purposes.

statistical burden on enterprises may, therefore, be deemed rather low. It should be noted, however, that this only concerns enterprises with 50 or more employees. Almost all of these enterprises are required to reply to several other statistical surveys, which means that the total statistical burden for these individual enterprises is relatively high.

The survey on costs also revealed that, in the majority of cases, the costs of reporting authorities (the National Statistical Institutes and, for some Member States, the respective industry federations) were higher than those of the enterprises of the sector. The overall cost at EU level for the reporting authorities is estimated to be between EUR 400.000 and EUR 500.000, corresponding to approximately 10.000 working hours on processing and compiling steel statistics. The total cost for the provision of steel statistics for the entire EU economy can therefore be estimated at between EUR 480.000 and EUR 600.000.

3. QUALITY OF STEEL STATISTICS

3.1. Timeliness, punctuality and completeness of data sets available to users

According to Article 6(3) of Regulation (EC) No 48/2004, Member States shall transmit data and metadata not later than 6 months from the end of the reference year. However, Article 3 of Regulation (EC) No 48/2004 provides that where the value-added at factor cost of the enterprises in this Member State's steel industry represents less than 1% of the Community total, data on the characteristics do not need to be collected. This exemption from the transmission of data is applicable to Bulgaria, Denmark, Estonia, Ireland, Greece, Cyprus, Lithuania, Latvia, Hungary, Malta, Portugal and Slovenia. Some of these countries have nevertheless transmitted the data on the iron and steel industry to Eurostat in a timely manner.

Table 3. Transmission delays (in days) for steel statistics, reference year 2007 (compared to 30 June 2008, i.e. transmission deadline set out in Regulation (EC) No 48/2004)

As on 01/02/2009

Country	S10	S2A	S2B	S3A	S3B
BE	-5	-5	-5	-5	-5
BG	-7	-7	-7	-7	-7
CZ	-5	-5	-5	-5	-5
DK					
DE	-5	-5	-5	-5	-5
EE	-3	-3	-3	-3	-3
IE					
GR					
ES			16		
FR	-3	-3	-3	-3	-3
IT	0	0	0	0	0
CY					
LT					
LV					
	Not received before 01/02/2009				
	Lower than 1% of the EU27 value added				

Country	S10	S2A	S2B	S3A	S3B
LU	4	4	4	4	4
HU					
MT					
NL	-91	-91	-91	-14	-14
AT	-17	-17	-17	-17	-17
PL	-25	-25	-25	-25	-25
PT					
RO	-42	-42	-42	-42	-42
SI					
SK	-19	-19	-19	-19	-19
FI	0	0	0	0	0
SE	0	0	0	0	0
UK	-6	-6	-6	-6	-6
NO					

As illustrated by Table 3, most of the Member States that are required by Regulation (EC) No 48/2004 to transmit steel statistics transmitted the data before the deadline laid down in the Regulation.

As far as the dissemination of statistical data by Eurostat is concerned, all data for the reference year 2007 were duly published before 1 December 2008.

Table 4. Steel statistics 2007, Percentage available cells in total of required cells by country and series (data published on 01/09/2008) (1)

	S10	S2A	S2B	S3A	S3B	Total
EU	94	89	100	94	94	92
BE	100	100	100	100	100	100
BG	100	100	100	100	100	100
CZ	100	100	100	100	100	100
DE	100	100	100	100	100	100
ES	0	0	100	0	0	13
EE	100	100	100	100	100	100
FR	100	100	100	100	100	100
IT	100	100	100	100	100	100
LU	100	100	100	100	100	100
NL	100	100	100	100	100	100
AT	100	100	100	100	100	100
PL	100	100	100	100	100	100
RO	100	16	100	100	100	56
SK	100	100	100	100	100	100
FI	100	100	100	100	100	100
SE	100	100	100	100	100	100
UK	100	100	100	100	100	100

(1) Countries representing less than 1% of the Community total for the value added for NACE Rev.1.1 group 27.1 have not been included in this table, unless those countries provided data.

According to Table 4, only two of the countries that transmitted data provided incomplete data. Data availability at EU level is influenced by the fact that the 2007 data are missing for Spain for several series. As Spain's steel industry represents a significant part of the EU steel industry, this has a negative impact on the quality of the EU aggregates, for which the missing data need to be estimated.

3.2. Confidentiality rules

According to Article 13(1) of Council Regulation (EC) No 322/97 of 17 February 1997 on Community Statistics⁷, data used by the national authorities and by the Community authority for the production of Community statistics shall be regarded as confidential when they allow statistical units to be identified, either directly or indirectly, thereby disclosing individual information. As the number of enterprises active in the iron and steel industry is relatively limited, many of the data transmitted to Eurostat cannot be published for confidentiality reasons. Table 5 below illustrates the extent to which confidentiality rules reduce data availability.⁸

⁷ OJ L 52, 22.2.1997, p. 1-7.

⁸ The data on confidentiality provided for in the Table 5 varies considerably from country to country. The reasons for that are, *inter alia*, different national rules on confidentiality and non-disclosure of certain data due to "dominance rule" applicable in several Member States whereby data are not disseminated if one or two respondents dominate the figures by more than certain percentage points.

Table 5. Confidential cells in percentage of provided data

	S10	S2A	S2B	S3A	S3B	Total
EU aggregate (1)	0	22	0	0	0	11
All reporting countries together	29	41	50	51	55	44
BE	0	39	43	14	0	28
BG	42	18	43	86	75	39
CZ	25	64	57	64	92	62
DE	17	64	21	0	0	38
ES (2)	0	14	43	:	42	20
EE	0	0	0	0	0	0
FR	17	54	36	21	67	44
IT	8	63	21	21	33	43
LV	100	100	100	100	100	100
LU	83	55	100	100	83	73
HU	0	43	29	43	42	36
NL	42	71	71	64	75	68
AT	25	78	57	64	83	61
PL	33	7	93	86	100	42
RO	100	21	100	100	100	59
SK	8	2	36	50	50	19
FI	0	0	0	0	0	0
SE	0	100	21	57	25	28
UK	0	0	0	0	0	0

(1) The percentage of confidential cells of the EU aggregate concerns the reference year 2006.

(2) For Spain the percentage of confidential cells was calculated on the basis of 2006 data, except for the S2B series, for which 2007 data were used.

Finland and the United Kingdom are the only countries for which all the data provided are disseminated. Estonia does not have a steel industry; all statistics for Estonia are given the value "0". The number of confidential cells in other countries ranges between 19% and 100%. Overall, 44% of the transmitted national data cannot be published for confidentiality reasons. The large number of confidential cells at country level seriously hampers the use of the data for analytical purposes.

Most of the EU aggregates calculated for the steel statistics on the basis of the country data are not confidential. It is only in the series on fuel and energy consumption broken down by type of plant that EU aggregates for some of the statistics calculated on the basis of the national data cannot be published, for confidentiality reasons.

4. SYNERGIES WITH OTHER COMMUNITY STATISTICAL ACTIVITIES

This Section analyses the extent to which other statistical data sets collected and disseminated by Eurostat covering the iron and steel industry can be used to replace the statistical information currently being collected and disseminated under Regulation (EC) No 48/2004.

4.1. Structural Business Statistics

The Structural Business Statistics (SBS) currently collected on NACE Rev.1.1. group 27.1 (Manufacture of basic iron and steel and of ferro-alloys) on the basis of Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 concerning structural business statistics⁹ can be used together with the steel statistics, taking into account certain limits as to the comparability of the data.¹⁰ Article 4 of Regulation (EC) No 48/2004 lays down that the data supplied shall relate to kind-of-activity unit characteristics as defined in Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community¹¹ and to enterprises having 50 or more employees.

All SBS data published by Eurostat relate to the enterprise as a statistical unit. In addition, size classes of enterprises are defined on the basis of the number of persons employed for SBS and not on the basis of the number of employees. It is therefore difficult to compare SBS data and steel statistics. The only overlapping information is investment data, but as the breakdown of this variable by size classes of employment is provided on an optional basis only, it is difficult to check whether the coverage of the data is the same. However, the SBS-Regulation does not require the kind of detailed breakdown by tangible goods that would be available from the steel statistics.

Information on investments in more environment-friendly technologies is collected in this framework, including investment in equipment and plant for pollution control and special anti-pollution accessories (mainly end-of-pipe equipment) and investment in equipment and plant linked to cleaner technology ("integrated technology"). Lastly, the SBS data do not include data expressed in volume terms.

4.2. Statistics on industrial production

Under Council Regulation (EEC) No 3924/91 of 19 December 1991 on the establishment of a Community survey of industrial production¹², information is collected on the volume of different steel products produced during the reference period, which is primarily of use to the steel industry. As there are a relatively limited number of enterprises active in the steel industry sector, many of the data at national level are confidential. This hampers the use of these statistics for economic analysis.

4.3. External trade statistics

Information on imported and exported volumes and values of steel and cast iron scrap is available from the external trade statistics collected on the basis of Council Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States¹³ and Council Regulation (EC) No 1172/95 of 22 May 1995 on the statistics relating to the trading of goods by the Community and its Member States with non-member

⁹ OJ L 14, 17.1.1997, p. 1-24.

¹⁰ It shall be noted that Regulation (EC, Euratom) No 58/97 was repealed by Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (OJ L 97, 9.4.2008, p. 13). The manufacture of basic iron and steel and of ferro-alloys will be covered in NACE Rev.2 group 24.1.

¹¹ OJ L 76, 30.3.1993, p. 1.

¹² OJ L 374, 31.12.1991, p. 1.

¹³ OJ L 316, 16.11.1991, p. 1.

countries¹⁴. This information partially duplicates the information collected as part of the yearly statistics on the steel and cast iron scrap balance sheet, but the information on domestic sourcing, stock movements and consumption that is available in the data sets of Regulation (EC) No 48/2004 is not available in the external trade statistics. Due to the application of passive confidentiality principles – whereby data are always published even if they refer to only one enterprise, unless the enterprise explicitly asks not to disclose its data - there are no confidential data for these products.

4.4. Statistics on energy consumption

The energy statistics provide information on the consumption of different energy products for the iron and steel industry. However, these data are not broken down by type of plant as required by Regulation (EC) No 48/2004. The information available from the statistics on energy consumption is therefore too aggregated at this stage to replace the detailed information available from the data collection based on Regulation (EC) No 48/2004.

4.5. Statistics on air emissions

The statistics from the European Environment Agency concerning air emissions provide information on the emission of greenhouse gases from the iron and steel industry. This information is useful to measure the environmental impact of the iron and steel industry.

5. FUTURE OF STEEL STATISTICS

As Regulation (EC) No 48/2004 covers the collection of data for the reference years 2003-2009 only, the expiry of the transitional period is likely to mean that none of the steel statistics covered by this Regulation will be collected after the transitional period comes to an end.

The Commission Communication “Better Regulation for Growth and Jobs in the European Union” of 16 March 2005¹⁵ identified simplification as a priority action for the EU. In the Commission Communication on the reduction of the response burden, simplification and priority setting in the field of Community statistics¹⁶, this commitment was directed more specifically at statistics. Better setting of statistical priorities is identified as a fundamental element of the simplification process. Assessing the relevance and usefulness of statistics for EU policies is a critical step in selecting priority areas for simplification, together with an evaluation of the costs incurred by Member States, respondents and the European Commission for the production of Community statistics. Although supporting the production of (national and) Community statistics accounts for only a small share of the overall administrative burden that falls upon enterprises, the burden is perceived as being much heavier. At Community level, therefore, the Commission has to continue to explore ways of contributing to the overall effort to lighten that burden. Consequently, the Commission constantly has to establish priorities between new statistical activities (globalisation, climate change) and existing requirements for statistics, thereby gradually making the statistical programme more balanced.

¹⁴ OJ L 118, 25.5.1995, p. 10.

¹⁵ COM(2005) 97 final.

¹⁶ COM(2006) 693 final

The decision on a possible future collection of all or part of the statistics as defined in Regulation No 48/2004 after the transitional period should therefore be dictated by considerations of priority-setting, the burden caused to the enterprises of the sector and the Commission's efforts to reduce it. As the number of enterprises in the sector concerned is small, the total cost for the European Union of organising the data collection and compilation is limited. However, it concerns mainly large companies that are subjected to many other surveys, and the steel statistics questionnaire adds to their statistical burden. Furthermore, data from company accounts are not readily available.

The steel industry is the only sector in the non-agricultural business economy that is subject to the collection of detailed data on the use of raw materials, energy consumption by type of plant, investments and capacities. There is no justification for producing such detailed statistics on a regular basis for one specific sector. Therefore, in order to keep the burden on businesses as low as possible, the data needs could be met by special ad-hoc studies rather than by the regular production of official statistics.

Based on the need for clear priority-setting in the field of statistics, an analysis of the cost of data collection, the use of the steel statistics and the availability of data relating to sectors of similar interest in the European Union, it is not intended to propose a Regulation for the continuation of the collection of the steel statistics. As a result, steel statistics - as defined in Regulation (EC) No 48/2004 - will not be available for reference years beyond 2009.