

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 497 final

Brussels, 28 September 1976

DRAFT
COUNCIL DIRECTIVE

concerning coordinated statistics on the business
cycle in building and civil engineering

(submitted to the Council by the Commission)

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EXPLANATORY MEMORANDUM

1. For its current work, particularly in the field of business cycle policy, the Commission requires quantitative statistical data enabling it to follow short-term economic trends in each of the Member States and in the Community as a whole.
2. In order to eliminate at least the most serious deficiencies in the field of short-term economic data and obtain information which is comparable as between Community countries, the Council of the European Communities adopted on 30 May 1972 Directive No. 72/211/EEC. This Directive calls for co-ordinated statistical inquiries to be conducted on the business cycle in all branches of industry and handicraft, though not in building and civil engineering.
3. As a matter of fact, when the draft of this Directive was examined by the competent Council authorities, several experts considered that the list of variables selected to obtain the short-term economic information required, though perfectly suitable for the mining and manufacturing industries, needed amplification or minor amendments for building and civil engineering in order to take into account certain features peculiar to this industry. Building and civil engineering was thus provisionally excluded from the scope of the inquiries, but an additional Directive was envisaged to solve the problem of the business cycle statistics to be established for this industry, as stated in Article 4 of Directive No. 72/211/EEC, which reads as follows:

Article 4

"A subsequent Council Directive shall, on the basis of co-ordinated definitions and methods, lay down the measures required for the drawing up of statistics necessary for the study of economic and business-cycle trends in the construction industry - making use, if necessary, of variables other than those referred to in Article 3; the Directive shall also specify the frequency with which these statistics must be produced."

4. It is by virtue of this brief that the Commission, in co-operation with the Working Party on Building and Civil Engineering Statistics attached to the Statistical Office of the European Communities and consisting of experts from national statistical offices, the responsible ministries from the Member States and the employers' organisations, has drawn up the enclosed draft directive.

The statistics to be drawn up under the terms of this draft would complement those already obtained for all the other industries, providing henceforth the Commission as well as the interested bodies in the Member States with a wider and more accurate statistical base for their studies of the business cycle in industry.

5. As building and civil engineering are an industry of great importance and cannot therefore be overlooked in analyses concerning the short-term trends in industrial activity, the Commission considers it appropriate to propose to the Council the adoption of a Directive conforming to the enclosed draft.

3

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 213 thereof,

Having regard to the draft submitted by the Commission in pursuance of
Article 4 of Council Directive 72/211/EEC⁽¹⁾ of 30 May 1972 concerning
coordinated statistics on the business cycle in industry and small craft
industries,

Whereas the Commission, in order to carry out the tasks entrusted to it
under the Treaty, must have at its disposal coherent statistical docu-
mentation, comparable as between States, on the short-term economic
development of industry and small craft industries in Member States;

Whereas the statistics to be drawn up pursuant to Council Directive
72/221/EEC cover only the energy sector, mining and quarrying and the
manufacturing industries, but not building and civil engineering;

Whereas building and civil engineering constitute a very substantial
sector of industry holding a key position within the economic structure;

Whereas, in view of the increasing international interpenetration and
interdependence of business cycle and economic policies, it is necessary
that there be available a body of statistical data by means of which the
short-term development in all sectors of the economy may be followed and
appropriate and coordinated measures may be taken within the framework of
the short and medium-term economic objectives;

⁽¹⁾ OJ No L 128, 3.6.1972, p. 28

Whereas the data on building and civil engineering ought to be such as to make possible also the analysis of disturbances or discrepancies and of intensities of growth or regression in partial markets, and this requires a breakdown of certain statistics by building on the one hand and civil engineering on the other;

Whereas the statistics available in the different Member States on short-term economic trends in building and civil engineering are insufficient or not sufficiently comparable to be able to serve as a valid basis for the work of the Commission,

HAS ADOPTED THIS DIRECTIVE:

Article 1

The Member States, in technical cooperation with the Commission, shall take all necessary steps for collecting, on the basis of coordinated definitions and methods, the quantitative statistical data required for the study of the business cycle and economic trends in building and civil engineering.

Article 2

The statistics shall cover building and civil engineering activities as listed in Division 5 of the General Industrial Classification of Economic Activities within the European Communities (NACE), 1970 edition.

They shall be obtained either from statistical surveys covering at least undertakings employing twenty or more persons, or from administrative records, for example building permits. In order that results may be promptly available, those data to be supplied by the undertakings may be collected on a representative basis. The statistical unit for these statistics shall be the unit of economic activity as defined in part I of NACE.

For the purposes of the Communities the presentation of the data shall be based on NACE.

Article 3

The statistics shall relate to the following variables or indicators:

- monthly:

1. building permits:

1.1 Number of permits granted for residential buildings with an indication of the number of dwellings and the corresponding habitable floor area and/or cubic capacity;

1.2 Number of permits granted for non-residential buildings with an indication of the number of buildings and the usable floor area and/or the corresponding cubic capacity;

The data on building permits may be replaced by the corresponding data on building starts.

2. index-numbers of industrial production:

2.1 Index of production for building and civil engineering;

2.11 Index of production for building;

2.12 Index of production for civil engineering;

3. orders received:

3.1 Index-number of orders received for building and civil engineering;

3.11 Orders received for building, in value, and/or number of building starts, residential and non-residential, with an indication of the habitable/usable floor area or the cubic capacity;

3.12 Orders received in civil engineering, in value;

- initially at least quarterly, this frequency being subject to modification by the Commission in agreement with the Member States:

4. number of employees, specifying the number of manual workers;

5. gross wages and salaries;

6. turnover or value of work done:

6.1 Turnover or value of work done in building;

6.2 Turnover or value of work done in civil engineering;

7. volume of work done:

7.1 Number of hours worked in building;

7.2 Number of hours worked in civil engineering.

Article 4

The data shall be collected for the first time not later than in the course of the fourth quarter after the notification of this Directive and shall be in respect of the preceding month or quarter.

However, Member States not yet having statistics on building permits or on building starts shall be allowed a period of two years from the date of the notification of the Directive to introduce one or other of these types of statistics.

Member States shall be allowed the same period for the breakdown of the total index of production (variable 2.1) into an index of production for building (variable 2.11) and an index of production for civil engineering (variable 2.12).

Data on the number of building starts may be used as substitute data for one variable only, either for the number of building permits granted (variables 1.1 and 1.2) or for the number of orders for building received (variable 3.11).

Article 5

Member States shall take all appropriate steps to reduce to a minimum the time needed for carrying out surveys and for processing and calculating data, in order that the results of the surveys may be made available to the Commission as soon as possible.

Article 6

The cost of compiling these statistics in the Member States shall be borne by the various national budgets.

Article 7

This Directive is addressed to the Member States.

Done at

For the Council

The President

FINANCIAL IMPLICATIONS

for the Community Budget
of the Council's approval of a Directive on
the compilation of coordinated short-term
statistics with respect to construction and
civil engineering

Article 6 of the draft Directive provides that expenses incurred in the Member States' assembly and processing of the statistics in question shall be chargeable to the national Budgets.

Nor is the Commission required to part-finance similar surveys on the extractive and manufacturing industries carried out by Member States pursuant to Directive No 72/211/EEC of 30 May 1972.

