

Assessment of the Balance of Payments, International Trade in Services and Foreign Direct Investment Quality Report 2018

NETHERLANDS

1. Relevance

Complete datasets as required by the Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 and amended by the Commission Regulation (EU) No 555/2012 of 22 June 2012¹ have been provided to Eurostat by the Netherlands for monthly and quarterly BOP data, quarterly IIP and revaluations, as well as annual ITSS data and FDI stocks (t+9) and (t+21) and only few minor items were missing for FDI flows and income at t+21 months (dataset including activity breakdown). As far as confidentiality is concerned, whole monthly BOP dataset has been flagged with N flags, while quarterly BOP, quarterly IIP with revaluations and annual FDI flows and income have been made fully available to the users. FDI stocks and ITSS have been also made available to the users to a great extent with minor use of confidentiality flagging.

2. Accuracy

Upward revisions bias for quarterly current account was due to bias in goods and investment income. Directional reliability of quarterly BOP/IIP was around the EU median, reaching for many items 100%. Quarterly BOP revisions measured by MAPE and SMAPE indicators were above the EU median, with significant values for services, direct investment income, other investment income, secondary income and capital account. For IIP highest revisions took place for direct investment. The relatively large SFI sector plays a significant role in the size and volatility of these revisions. The Netherlands provided detailed clarifications about reasons for revisions, which were due to various reasons, such as the annual reports sent by the reporting entities, FISIM compilation corrections and improvements to BOP-ROW consistency.

For annual ITSS and FDI stocks revisions for reference years 2013, 2014 and 2015 were relatively minor, with higher revisions for FDI flows and income largely due to late receipt of data from large number of SFIs with only a yearly reporting obligation.

3. Timeliness and Punctuality

The Netherlands delivered on time data for all analysed domains.

4. Accessibility and Clarity

Quarterly BOP, quarterly IIP as well as annual ITS and FDI data are disseminated at national level, with no differences compared to what is published by Eurostat. Monthly BOP and other flows are not disseminated. Corresponding metadata are also nationally published. There is a comprehensive length of QBOP and QIIP time series available to users, starting from 2nd quarter 2003.

5. Comparability

Major asymmetries in services were measured with the United Kingdom, Belgium, Germany, France, Ireland and Switzerland. They were the most significant for charges for the use of intellectual property and other business services. Statistics Netherlands, like many other countries does not have further detailed information on the geographical differentiation for the small and medium-sized enterprises (SME) from its ITSS survey. So the geographical differentiation for SME has been made in the former years by applying the geographical level of

¹ OJ L 35, 8.2.2005, p. 23–55 and OJ L 166, 27.6.2012, p. 22–66.

large enterprises on the aggregate figures. This has now been improved by using other sources such as the VAT Information Exchange System combined for detailing geography for SME. The Netherlands participated in bilateral meetings organised by OECD in March 2018 with the UK, Sweden, the US and Canada, as well as at workshop on asymmetries after ITSS WG in July 2017.

There is number of countries having large asymmetries for FDI positions with the Netherlands, because of the large share of SPE's or SPE-like entities (Belgium, Germany, Ireland, Spain, Italy, Luxembourg). The Netherlands is among the most active participants in FDI Network. There are some methodological causes of asymmetries that are structural and difficult to solve. Valuation differences and the use of the extended directional principle are two of these.

6. Coherence

6.1. Internal consistency

The consistency with the integrity rules and between quarterly/monthly data is excellent. Quarterly and annual FDI data are also fully consistent. Inconsistencies between quarterly and annual ITSS are related to the alignment of the services figures in BOP with the corresponding figures of the National Accounts. BOP and IIP are fully reconciled.

Errors and omissions generally have been kept at low levels being below the EU median in relation to the current account and among smallest in the EU in relation to IIP. There has been no persistency in the sign of errors and omissions, which resulted in the cumulative sum approaching to zero.

6.2. External consistency

Directional reliability between BOP Goods and ITGS Goods have been 100% vis-à-vis both Extra-EU and Rest of the World.

There was full consistency between BOP and NA for goods, services and compensation of employees. Discrepancies occur for investment/property income, secondary income and capital account. Full consistency between BOP/IIP and rest-of-world account remain top priority for Statistics Netherlands and DNB and already publication in June 2018 is expected to bring further improvements.

7. Overall assessment

This report focuses primarily on the factual requirements of Member States to compile and transmit BOP data and their compliance with the legal obligations. In addition, it provides information relevant for assessing the quality of the BOP data, with particular emphasis on total aggregates and major components needed to compile the aggregates.

The overall quality of the BOP, IIP, ITSS and FDI data transmitted to Eurostat is in line with the EU requirements. Eurostat also appreciates the various improvements in all domains, the enhancement of consistency across domains and the measures taken by the Netherlands on detected challenges. Eurostat encourages the Netherlands to maintain and intensify their efforts, mainly for the full alignment of BOP and NA data and to remain an active member of the FDI network.