

ANNUAL REPORT 2006



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Dear reader,

This is the fourth edition of the Federal Statistical Office's Annual Report.

It documents major aspects in the state and the advancement of our services provided in 2006. Two interviews with external experts provide background knowledge on topics covered by recent political discussions. A special chapter on the modernisation of administration informs the reader about the overall conditions in which our office's functions and services were provided.

Experts of our office examined the challenges official statistics will have to face in the future: globalisation and the demographic change which is increasingly felt, economic-environmental accounting showing the interdependency of economic performance and environmental consumption and the transition to a knowledge-based society, which will require improving the scope of available statistical information.

A major project of official statistics in the years to come will be the first register-driven population census planned for 2010/2011. The change in methods will make the census, which will be supplemented by sample surveys, much less burdensome and more cost-efficient than a conventional census. Another project to be completed in a few years is the reform of enterprise statistics. A register-driven statistical survey will pave the way to higher product quality, simultaneously reducing the response burden to a minimum.

In April 2006 the Federal Government decided that the standard cost model already established in several European countries should also be introduced in Germany. This model is to replace subjective assessments on



bureaucratic burdens by objective measurements. The practical implementation was entrusted to the Federal Statistical Office, which was able to make it fully operational at its locations in Wiesbaden and Bonn by the end of 2006.

The Federal Statistical Office has contributed a large variety of relevant information to current topics of the political reform discussion: new model calculations on population change, stocktaking in education, poverty indicators from EU community statistics, a price monitor for the VAT increase, data on the use of climate-effective matters and forest resource accounting, labour cost and earnings results tailored to today's information needs, an enlarged supply of data on day-care institutions for children and new producer price indices for the services sector.

Whoever wants to join discussion and take the right decisions must know the facts. The Statistical Advisory Council has put it in a nutshell: Be informed, use statistics!

Walks Dashmals

Walter Radermacher
President of the Federal Statistical Office







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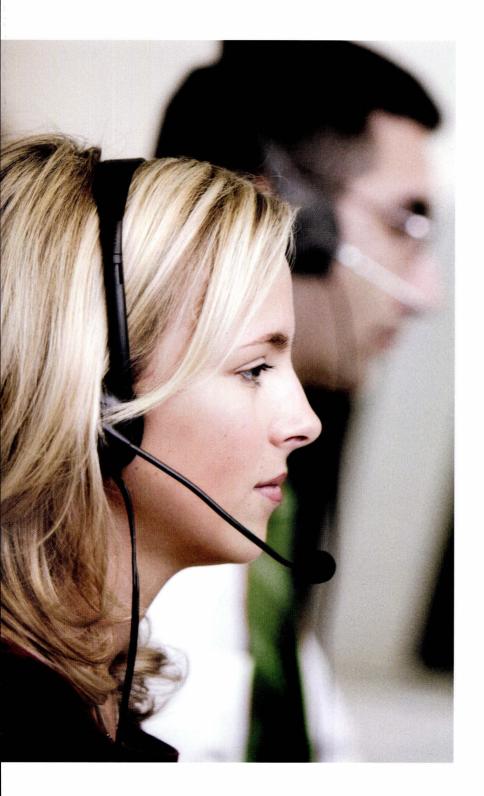
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Information serving the customers



A daily routine – the press relations of the Federal Statistical Office

Press releases are the most important medium for press relations. Almost 600 press releases were sent by the Federal Statistical Office in 2006 to news agencies, the media and the interested public. An average of two messages per weekday provide objective, neutral and independent information on the latest statistical results – via satellite, the internet or using the e-mail newsletter.

The messages of particular interest to the public in 2006 referred to topics of education such as the OECD education indicators for Germany broken down by federal state, which were presented for the first time. Other messages quoted equally often by newspapers, radio and TV stations related to figures on the public health system and the social systems, on forms of living and families, on costs of children or on the numbers of Germans who emigrated.

The evergreens of 2006 were again messages on economic growth, external trade and, of course, consumer prices. The results presented helped to objectify public debates or contributed new aspects. For example, in the last six years the increase in airfares has mainly been caused by additional fees such as the kerosene allowance that were charged on the ticket price. The response from the media was similarly large when the Federal Statistical Office presented the price monitor, which enabled consumers to inform themselves on price changes of certain products prior to the increase in the value added tax: For example, the ZDF morning magazine reported on the price monitor in monthly intervals.

Did you know that most drunk driving accidents happen on father's day? Memorable results of that kind are always published on Tuesdays as "Figure of the Week", often related to a current occasion. Also the press releases on the Football World Cup, containing country-specific facts on the opponents of the German team, met with considerable response.



Nearly 600 press releases of the Federal Statistical Office were sent to news agencies in 2006

In the spotlight – press conferences to present central results

The showcase field of public relations is the press conference. It is used by the Federal Statistical Office to present central new results – at the Federal Press Conference in Berlin or at the Press Club in Frankfort-on-Main. 16 press conferences and briefings took place in 2006, which is more than in previous years (2005: 13; 2004: 12). The press conference on the microcensus in June was particularly well attended. The figures on the population's migration background, which were published for the first time apart from the results on households and public health, met with broad response from the media.

How much does labour cost in Germany? This question was answered by a press conference in August. In industry and construction and in the services sector one hour worked cost an average of 28.18 euro in 2004. The other press conferences presented interesting statistical results as well: For instance, in November, when the new 11th coordinated population projection was presented. Or in December, when the Federal Statistical Office furnished information on a new statistical survey on poverty and living conditions in Germany, the results of which would be comparable across the EU.

However, the Federal Statistical Office was in the limelight not only at its own press conferences in 2006. Experts from the Federal Statistical Office were also invited to press conferences of other institutions, in particular, to a press conference of the German Institute for Economic Research. The central result of the study that was presented there on the importance of the burden on the economy caused by official statistics: In contrast to a commonly accepted opinion, an enterprise needs on average just one hour per month to fulfil its obligations in terms of official statistics.





Awaited with great anticipation: President Walter Radermacher informs journalists about the gross domestic product for 2006



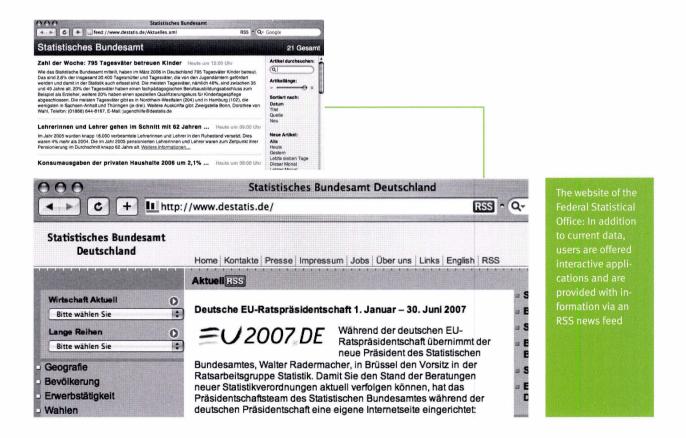
Statistics customers' most important source of information – the website

More than two million page views per month show that the information provided by the Federal Statistical Office via the internet enjoys great popularity. Texts, tables and charts provide information at a glance. Conventional display formats are supplemented by interactive graphics, which incite users to make experiments: For example, a small interactive programme enables users to find out to what extent a person's rate of price increase due to individual buying habits differs from the officially determined average rate.

With a view to the VAT increase in January 2007 a so-called "price monitor" was established in mid-2006, which since then has provided monthly information on price changes for selected goods and services, frequently bought by German households.

The results of the 11th coordinated population projection were used to update the interactive population pyramid in line with a new technical standard and equip it with extended functionalities, which brought about a new marked increase in the utility of this popular application.

Since October 2006 it has been possible for our customers to be informed quickly and comfortably on breaking news by an RSS news feed newly installed on the website www.destatis.de.



New internet presence in summer 2007

The quickly growing volume of data and the pursuit of the goal to apply uniform editorial standards at the Federal Statistical Office have made it necessary to introduce a content management system which will also be used for the future maintenance of the office's internet presence.

We will use this change to introduce a new thematic navigation structure and bring the various theme overview pages in better accordance with user needs. The new system will also make it easier to implement the legal stipulation of unimpeded access to the information provided on the internet. The activation of the new system will take place in summer 2007.

Comprehensive information available for download

Downloads from the Statistics Shop, the online sales platform for print publication orders and downloads, have been free of charge since early 2006. In addition to the subject-matter series, made available free of charge since the Statistics Shop was reorganised in 2004, this also refers to cross-sectional publications such as e.g. the "In Focus" volumes and, since very recently, to the Statistical Yearbook. A small number of publications are exempted from this rule, for instance publications jointly issued by the Federation and the federal states.

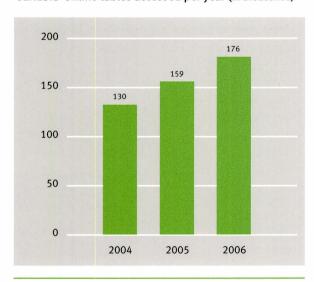
The goal pursued by the new sales concept to boost the dissemination of our data significantly by providing downloads free of charge was achieved. New target groups were reached due to the increased timeliness and free availability of online data. As no registration is required to execute a free download, an important inhibition threshold has ceased to exist, which prevented users

from accessing the information offered by the shop. This widens the circle of those who use our publications and results, in particular by occasional users such as pupils and students or small businesses. When subject-matter divisions in their contacts with clients increasingly and explicitly point out that the data are offered by the Statistics Shop, they ease the corresponding burden on subject-matter information units.

GENESIS-Online provides a large volume of meta data

The target group of GENESIS-Online, the information database of the Federal Statistical Office, consists of professional, rather than occasional, users of statistics. Here users can download customised tabulations of statistical results in different data formats according to their needs. Approximately 60 million data items from 140 statistical surveys are available. The range of data that can be accessed online is permanently extended and updated. This

GENESIS-Online tables accessed per year (in thousands)



also relates to the large volume of meta data, which in 2006 was supplemented by the so-called "Quality Reports", i.e. comprehensive data on the quality and methodology of statistical surveys.

Extended coverage of subjects and contents, on the one hand, is accompanied by an increased use of the database, on the other hand. At the end of 2006 a total of 2 900 registered clients used the entire volume of GENESIS-Online data for an annual fee of 50 euro. For a higher fee GENESIS-Online makes an extended proposition to professional users, including, first of all, commercial data processors, banks, associations and research institutions, which, for instance, provides a standard procedure to incorporate statistical data in the data stocks of the users' own databases. Since 2006 these business clients have been able to use so-called web services to automate their data requests using their own software systems.

The GENESIS web services enable users to obtain the most recent data they need for their individual purposes via the internet at any time.

Guest users have free access to the tables, offered free of charge, and are allowed to retrieve data for investigations. 161 000 guest user hits in 2006 show that the offered possibility to retrieve online data has been well accepted by customers.

In order to further develop GENESIS-Online in accordance with user needs, the Federal Statistical Office regularly organises user conferences, enabling us to make provision for customer requirements in our plans.



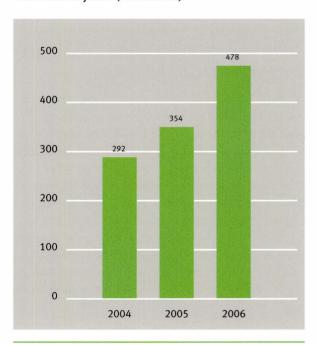
Health information easily accessible on the internet

Since the end of March 2006 the health monitoring information system of the Federation (GBE) has been present on the internet with a new user interface (www.gbebund.de). It is expected to enable the manifold data available on the internet to be accessed online by all people, including those who are visually and motorically impaired. For that purpose charts and tables, in particular, were supplemented by explanatory texts that can automatically be read out by so-called screen readers. All language shifts, above all between English and German, are highlighted and navigation works equally well with keyboard and mouse.

For many years now the health monitoring information system has provided figures and background information from approximately 120 health-related statistical sources, giving users a comprehensive overview of the public health system in Germany.

The modern and easy-to-use interface has certainly been one of the contributing factors. Since the new version of the health monitoring information system was activated, about 500,000 page hits have been recorded on average per month, which is some 100,000 page hits more than before that time.

Average page hits per month in the health monitoring information system (in thousands):



Print publications: classics and innovations

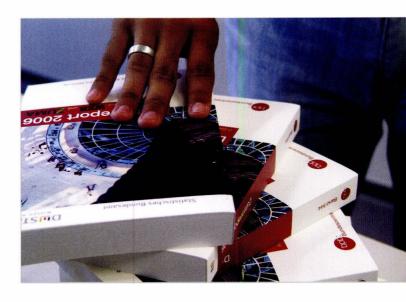
The Statistical Yearbook is one of the "classics" among the publications of the Federal Statistical Office. For many years it has been the standard reference book for all people relying on objective, annual information about conditions and developments in our society, economy and environment. With the 2006 issue, the Federal Statistical Office has for the first time made the complete contents of the Statistical Yearbook available for free as a download on the internet. "The Federal States: Structures and Developments" was a major innovation in the Federal Statistical Office's publications programme in 2006. With texts that are easy to understand, a large number of charts and short tables, this modern publication draws a multifaceted picture of Germany's federal landscape. It has become the runaway success of the year's downloads.

The variety of subjects publicised in the "In Focus" series in 2006 was also unique: Apart from a wide scope of statistical results on women in Germany, magazines dealing with agriculture, transport and prices, which were issued in this series, provided a deep insight into themes of a technical nature. Another volume entitled "Germany in the European Union" was completed in late 2006 on the occasion of the German EU Council Presidency in the first half of 2007.

Data Report 2006: Social reporting of the Federal Statistical Office

The Data Report, issued every two years for more than twenty years now, has developed into one of the most frequently used manuals on the economic and social situation in Germany, in particular in the education sector. This publication issued jointly with the Federal Centre for Political Education (BpB), the Centre for Surveys, Methods and Analyses (ZUMA) and the Berlin Science Centre (WZB), provides information about many fields of life: the evolution of social safeguard systems, an international comparison of the employment situation, the income situation of German households or the state of the environment in Germany. In a second part the mentioned partner institutes describe, among other things, the various population groups' subjective views of living conditions and circumstances.

The Data Report is available both as a printed book and as a download on the internet. With more than 100,000 downloads and a total run of 30,000 printed copies the Data Report has the largest reach of all publications of the Federal Statistical Office.



New joint publications of the Federation and the Federal States

The number and thematic range of the publications issued iointly by the Federation and the Federal States has further increased in 2006. Publications in such fields as "Social affairs" and "Education" were supplemented by a new brochure "A comparison of international education indicators on federal state level", which was available just one day after the publication of an OECD brochure with international education indicators. This new joint publication consists of 98 pages, presenting a choice of OECD education indicators such as e.g. educational attainment by age, the number of graduates by subject group or the studentteacher relationship in numerical terms on federal state level. With its reader-friendly layout consisting of tables, graphic illustrations and detailed commentaries this publication offers a good insight into how Germany's federal states are ranked according to international criteria.

The runaway success among the brochures: The "Football World Cup 2006" and "Universities at a glance"

The international statistics unit of the Federal Statistical Office issued a folder providing information about all the 32 states participating in the World Cup 2006. The folder contained major key data on the participating countries: area, life expectancy and economic power, including football-specific data on World Cup participations, achievements or record goal scorers. Half of the print run of almost 30,000 copies was acquired for pay by firms and the press. This folder in English and German was also the season's runaway success among downloads.

The brochure "Universities at a glance", which provides information in a compact form about the situation at German universities, met with positive response. For a number of years one has attached particular importance to educational attainments at university level under the aspect of economic and educational politics. In this publication education statisticians make essential structures transparent by comparing the federal states. The rate of newly enrolled students, the age of graduates, the duration of study and tutoring relationships at universities are, among other things, described for the various federal states with indicators being understandably explained. These are popular themes which the Federal Statistical Office will again publish in this form in 2007, too.

New price monitor shows price changes of frequently bought products

As early as in mid-2006 the Federal Statistical Office published an internet price monitor with a view to the forthcoming VAT increase in January 2007. It enables consumers visiting the website www.destatis.de/pricemonitor to inform themselves by way of charts about price changes of selected goods and services, which are frequently bought by German households.

On the one hand, the price monitor aims to objectify the discussion about the price effects of the VAT increase. On the other hand, the price monitor is to better communicate price statistics results in general. The price monitor compares current price changes with the evolution of prices over the last six and a half years. This enables consumers to view a currently observed price increase in relation to former price oscillations.



The choice of goods has been made, considering the fact that public discussions often focus on frequently bought goods and services, even though these goods sometimes account for just a minor part of household consumer spending. The debates after the introduction of the euro as money in cash have shown that the publication of aggregated figures on price changes alone may lead to misunderstandings. That is why the price monitor uses graphics to show the concrete price changes of exemplary, individually selected goods. They enable consumers to better understand that there are goods with stronger price increases and others with weaker price increases, whilst the total inflation rate is an average value composed of all of these price changes.

Customer management system CONSO+ Web – experience from continued practical operation

More than 35 000 data requests of customers from politics, administration, business, science and the media and of private users have been answered by the customer management system CONSO+ WEB or transferred to a replying unit, since the pilot operation phase started.

For that goal there is a contact form which customers can use to provide the information required for processing their requests (www.destatis.de/kontakt). This ensures that media breaks are avoided and processing is done effectively.

The pilot operation phase of CONSO+ Web in the Statistical Information Service and the microcensus was a period of practical testing with the aim to adapt and improve the software in compliance with the office's requirements. Since early 2006 the consumer price statistics staff members have also used CONSO+ Web as a standard tool for processing requests and contributed experience to the improvement of CONSO+ Web. We pursue the goal to introduce the customer management system in all technical information units of the statistical office.

The units working with CONSO+ Web already now are no longer faced with problems such as diverging directories or even paper files; all staff members use a standard communication system. This provides an optimal basis for the information requested to be supplied on schedule.

"Topic of the month" an additional service provided by the EDS European Data Service

The EDS European Data Service is the Federal Statistical Office's information service for all questions concerning official statistics of the European Union (EU). Since the end of 2004 this service has been offered free of charge on a Europe-wide scale by 20 national statistical offices, which cooperate in a network coordinated by Eurostat, the Statistical Office of the European Communities. In 2006 the EDS team replied to more than 9 000 requests for EU statistics, which was more than one third of all requests registered on the network. A major part of these requests stemmed from enterprises (53.2%) and educational institutions (25.1%). Approximately every ninth question referred to methodological aspects of statistics.

Apart from processing user requests, a core function of the EDS is to make the latest information available in a European internet portal of its own. All of Eurostat's data, publications and press releases are accessible under www.eds-destatis.de. Figures on tourism in Tuscany or sulphur dioxide emissions in Sweden – the bilingual website allows users to rapidly access more than 300 million figures on the EU. In 2006 a new heading was introduced: the "topic of the month" presenting statistics and publications on topics of current interest such as e.g. the climate change or minimum wages.

The EDS also makes a major contribution to the development of new dissemination concepts at European level. At present, attention is centred on improving the user interface of Eurostat's database. Eurostat is presently developing innovative database applications, which will enable users to present data also in the form of maps and graphics in future.

Present at political institutions in the capital – the Berlin Information Point

Since 1999 the Federal Statistical Office has maintained the Berlin Information Point providing information services in the German capital. It makes data and official statistics available to the government and parliament, federal authorities and foreign representations, businessmen and associations, scientists and researchers and to the public at large. The Berlin Information Point has installed a service bureau referred to as "Competence Centre for Statistics", which is directly located at the German Parliament Building and deals with requests from offices of members of parliament, factions and scientific services and attends to the work of the German Parliament with statistical means. The service bureau annually answers more than 1 000 questions. In addition, since 2006 it has contributed data and facts to the dossiers the scientific services elaborate on topics under discussion during the session weeks and which are made available to all members and employees of the Federal Parliament. The Berlin Information Point organised a new round of information meetings on official German and European statistics for the factions of the 16th German Parliament newly constituted after the parliamentary elections in 2005. Approximately 140 people employed by the five factions participated in these meetings. A large number of communications on new statistical publications concluded the activities of the Berlin Information Point in 2006.

A particular highlight in the Berlin Information Point's public relations activities was its involvement in the 6th ambassadors' conference of the Foreign Office in early September 2006 attended by 226 chiefs of German representations abroad. At this conference the Berlin Information Point introduced itself with an information desk of its own and had a large number of counselling interviews and contacts with high-ranking politicians and business representatives. On the "Open Day of the Federal Government" the Federal Statistical Office is traditionally represented by the Berlin Information Point as well.



Improving the availability of data for scientific analysis

The Federal Statistical Office grants scientists privileged access on a legal basis to official microdata, i.e. to factually anonymised data. These records referred to as "Scientific Use Files" stem from different surveys and are an extremely interesting source of data with a high analytical potential for scientists.

In 2006 the availability of scientific use files was improved, in particular, by data of the 1999 retail trade statistics survey, of inheritance and gift tax statistics for survey year 2002 and of the 2004 microcensus. Other data stocks, which are available as scientific use files, include the German data of the 2000 European Continuing Vocational Training Survey in Enterprises (CVTS2) and the results of the ILO pilot survey 2003/2004. The data of the 2005 microcensus are now also accessible for use at the guest researcher's workplace or via controlled remote data processing in addition to the microcensus data for 1985 - 2004.

A special offer to students is a campus file of 1998 wage and income tax statistics which the research data centres of the statistical offices of the Federation and the federal states have made available free of charge for download under www.forschungsdatenzentrum.de. With the campus file the research data centres provide, for the first time, freely accessible microdata from income tax statistics, which enable users to reproduce the taxation procedure and to make simulations.

The research data centres of the statistical offices of the Federation and the federal states will also publish an absolutely anonymised microdata file (public use file) of the 1962/63 income and consumption sample survey (EVS) shortly. The backward development of the 1962/63 sample survey (EVS) will improve the availability of historical microdata in official statistics. The data file contains 166 variables, providing information, in particular, about the structure of households, the economic activity of the head of household, the generation of income and the possession of selected consumer durables.

Conferences and workshop meet with positive response

In 2006 the Federal Statistical Office continued to hold a number of meetings in order to intensify the exchange of experience between data consumers and data producers and to discuss the results of research activities.

On 11 and 12 May 2006 the Council for Social and Economic Data (RatSWD) together with the statistical offices of the Federation and the federal states held a 3rd Conference for Social and Economic Data. The core themes of the conference attended by some 250 scientists included improvements in the data infrastructure, empirical research and policy counselling as well as possibilities to improve the accessibility and quality of data.

Since 2006 the RatSWD has used the Conference for Social and Economic Data to give one outstanding representative of empirical social and economic research an opportunity to make the broad public familiar with the results of his or her research in a field which is important to the development of society. The first one of the so-called "Von Schmoller lectures", named after one of the founders of the association

for social policy, which is today's society of Germanspeaking economists, was held by Prof. Dr. Reinhard Hujer from the chair for statistics and econometrics of the Johann Goethe University in Frankfort-on Main on the subject "Evaluation of the active labour market policy in Germany: the state of empirical research".

A workshop jointly organised by the Robert Koch Institute, the Federal Statistical Office and the research data centres of the Federation and the federal states on "Basic data for health research in Germany" was held in Berlin on 12 and 13 October 2006. The discussions of more than 100 participants from politics, science and public health focussed on subjects such as health and old age, health and poverty and health data by regions, including international comparisons. The Robert Koch Institute, the Health Monitoring System of the Federation and the research data centres of the statistical offices of the Federation and the federal states presented their respective data supplies at a joint stand in the foyer of the meeting place.

On 19 and 20 October 2006 the Federal Statistical Office held another user conference jointly with the Centre for Surveys, Methods and Analyses (ZUMA). For the first time this conference discussed possibilities of research using microdata from the income and consumption sample survey (EVS). It was mainly aimed to impart information about the analytical potential and the future perspective use of EVS microdata for scientific purposes.

In view of the positive response it is planned to hold more user conferences in regular intervals.







Fairs – important cornerstones of the Federal Statistical Office's public relations

Trade fairs, public fairs, and congresses – these possibilities were used by the Federal Statistical Office in 2006 to establish contacts to interested public figures directly on the spot. Far more than a million visitors came to see these events.

Trade fairs and congresses are mainly used to present statistics in line with the event's main subject, whereas at public fairs we seek to establish direct contact to as many citizens as possible. The goal is to show what happens with the information that enterprises and households hand over to official statistics.

This year we broadly used our smart board, an interactive projection wall, at fairs for the first time. It makes it easier for us to advice people on how to access data and how to find the information which is available online, especially when talking to a larger public. First of all our interactive charts such as the animated population pyramids have turned into real "eye-catchers", bringing new interested people to our exhibition stand.

At the book fairs in Frankfort and Leipzig, two fairs which are really public, we offer a very broad range of statistical information. Here the Data Report is in high demand every year. As India was the guest country of the Frankfort Book Fair in 2006, we explicitly updated the online publication containing India's country profile.

The annual education fair – this year in Hanover – is a selfrunner, because now as before schools and universities need very much statistical information.

A fair with an exceptional position is Modern State in Berlin, an important forum for experts from the Federation, the federal states and municipalities to exchange information. Here the main concern is to present the Federal Statis-

tical Office as a modern service provider that uses innovative instruments for the production and dissemination of statistics.

In 2006 the Federal Statistical Office was represented at 14 events of that kind, at some fairs together with statistical offices of one or several federal states:

Participation of the Federal Statistical Office in fairs and information meetings in 2006

20 Feb 06 – 24 Feb 06	Trade Fair for Education and Training - Didacta (Hannover) *
09 March 06 – 15 March 06	CeBIT Public Sector Parc *
16 March 06 – 19 March 06	Leipzig Book Fair *
21 March 06 – 24 March 06	95th German Librarians' Convention (Dresden)
24 April 06 – 28 April 06	Hannover Fair *
25 April 06 – 26 April 06	Efficient Government (Berlin)
21 June 06 – 22 June 06	Education and Training Fair (Wiesbaden)
26 Aug 06 – 27 Aug 06	Open Day at the Federal Ministries (Berlin)
18 Sep 06 – 21 Sep 06	Statistical Week (Dresden)
04 Oct 06 – 08 Oct 06	Frankfurt Book Fair *
23 Oct 06 – 27 Oct 06	Systems (Munich)
30 Oct 06 – 31 Oct 06	German Trade Congress (Berlin)
08 Nov 06 – 09 Nov 06	ConSozial (Nuremberg)
28 Nov 06 – 29 Nov 06	Modern Government (Berlin)

^{*} together with statistical office(s) of one or several federal states



Breaking new ground



The Standard Cost Model makes bureaucracy measurable



The Federal Government wants to cut back red tape consistently. A programme "Reducing Bureaucracy and Improving Legislation", which was adopted on 25 April 2006, is implemented under the control of a committee of state secretaries and a coordinating unit in the Federal Chancellery. A major point is the introduction of the Standard Cost Model. With this model it will be possible to replace subjective assessments on bureaucratic burdens by objective measurements. The Federal Statistical Office has been entrusted with the implementation of measurements and analyses because of its methodological competence.

The Standard Cost Model is an internationally recognised method to quantify burdens in terms of legally induced information and report obligations. They include all kinds of information which must be procured, held ready or supplied to authorities or third parties, such as e.g. applications, forms and statistics. In this context the focus is not on the information duties as such, which are imposed by the government. What is measured is the administrative cost incurred in fulfilling these information duties. To reduce this cost is what all interested parties have in mind.

A major strength of the Standard Cost Model is the documentation of costs incurred in building and removing bureaucracy. This method makes it possible to identify disproportionately large burdens and determine the efficiency of steps taken to reduce bureaucracy.

The Federal Statistical Office plays a decisive role in the introduction of the Standard Cost Model in Germany. It participated in the elaboration of methods and approaches, which were published in a manual describing the rules governing the implementation of the Standard Cost Model in the Federal Administration.

The Federal Statistical Office's reaction to the political requirements came promptly: A new work unit was set up, which was fully operational at the two locations Bonn and Wiesbaden as early as in late 2006.

An internet-based data entry mask, developed by the Federal Statistical Office for the registration of information duties, was made available to the various departments and authorities. Last summer staff members of the Federal Statistical Office together with colleagues from the Federal Chancellery instructed more than 500 people from federal ministries about the methodological issues involved. The measurement of the time spent annually on information duties started in early 2007.



Interview with Dr. Hans Bernhard Beus, State Secretary at the Federal Chancellery

Dr. Hans Bernhard Beus has been State Secretary at the Federal Chancellery since October 2006. From 1979 to 2004 he worked at the Federal Ministry of the Interior, since 1993 as Director-General. In 2004 he began to work at the Office of the Federal President. From January to September 2006 he held the position of State Secretary at the Federal Ministry of the Interior.

Mr. Beus, why must bureaucracy first be measured before it is cut back?

Experience of the past has shown that law amendments, which are restricted to single activities, do not suffice to remove excessive bureaucracy and reduce the financial burden involved for the economy. A major obstacle in this context is the fact that a method, which makes it possible to register the existing cost of bureaucracy in a reliable manner and to make a safe prediction on the cost involved in new legislation, has not existed in Germany so far.

That is why we are now dealing with the theme related to the Standard Cost Model in a very systematic way. This model is used to measure the cost accruing to the economy from the fulfilment of the information duties prescribed by the government.

For a cost reduction to be meaningful and reproducible, one must know the causes and the distribution of the burdens involved. The use of a standard measurement method to find out how much red tape costs allows us to trace and compare the effects of all changes in legal provisions. Furthermore, this measurement also enables us to set a red tape cost reduction goal and to supervise its achievement.

What is specific about the Standard Cost Model, which has now been introduced?

This measurement method was developed by practitioners in the Netherlands some years ago and has successfully been used by several European countries since then. A common network pooling the methods used ensures improvements and the comparability of data between the member states of the European Union. The EU Commission's initiative to reduce bureaucracy is also based on this model and it is actively supported by us in the context of the German Council Presidency.

The Federal Statistical Office has been entrusted with the practical implementation of the Standard Cost Model. What was the reason that our office was chosen?

What qualified the Federal Statistical Office for this government programme was the experience it has collected over many years conducting surveys among citizens and enterprises and the know-how it has in the field of statistical methodology. Its recognised independent status, its contacts to industry and science and its direct access to other statistical databases and analyses make the Federal Statistical Office the ideal partner for the federal ministries to measure the cost of bureaucracy. That is why your office is responsible for the consistent application of the methodology and the practical implementation of the model and for the provision of advice to the departments concerned. This is a new and challenging task for the Federal Statistical Office and I am sure that the staff will fulfil it with commitment and competence.

Census 2011 gains momentum

On 29 August 2006 the federal cabinet adopted a general decision about the Federal Republic of Germany's participation in the 2011 round of censuses by way of a register-based census. This was the starting signal for the statistical offices of the Federation and the federal states to launch the next phase of preparations for the future census, which will be one of the central projects of German official statistics in the years to come.

Unlike a conventional census of population, a register-based census as the one planned no longer interviews all citizens, but makes use of a combination of register evaluations — above all, registers of residents and files of the Federal Employment Agency — and primary data from statistical surveys. These surveys are conducted either by mail as in the case of the census of buildings and dwellings, or by interview as in the case of the supplementary sample survey.

This change in methods will reduce the census burden on citizens to a considerable extent. As far as the census of buildings and dwellings is concerned, it will reduce the number of respondents by more than half — compared with a conventional population census — because the owners of the buildings or the caretaking managers, rather than the occupants of the dwellings, will be interviewed in writing. Less than 10% of the population will be covered by the survey for the collection of demographic and employment statistics.

This makes it possible to achieve considerable cost reductions compared with a conventional census of population, when hundreds of thousands of enumerators have to go around knocking on all doors. According to first estimates, the register-based census model elaborated by the statistical offices of the Federation and the federal states will account for just about one third of the costs incurred by a conventional census of population. Thus, the change in methods will save the tax payer a lot of money.

For the next 2011 Europe-wide round of censuses the Commission of the European Union has announced a regulation on "EU-wide censuses of population and housing". It will oblige the member states to ensure that the basic population figures submitted to the European Union were collected in line with standard definitions. This basic set of data is expected to agree largely with the United Nations recommendations and include variables from fields such as demography, employment, labour and education, household and family and living conditions. The choice of the method to be used for data collection is left to the member states.



What we need first of all to prepare the register-based census in Germany is a complete list of all buildings containing housing space and other living quarters. We must start the elaboration of the list of addresses and buildings in 2008. For that purpose official statistics need to have a legal foundation. A census preparation bill presented by the Federal Ministry of the Interior in late 2006 is presently under consideration. The final act stipulating the register-based census is expected to enter into force by late 2008.

Development of econometric projection methods for employment accounts



The long-lasting high unemployment rate and the strongly felt need for a reform of the German social system pose a big challenge to policy-makers, who are faced with problems of economic and social policy and, above all, labour market policy. As a major field of economic and social policy the labour market is in the focus of the public. A central labour market indicator is the number of employees published on a monthly basis by the Federal Statistical Office as a result of employment accounts in the context of national accounts. The calculation date was laid down in a way that timeliness and accuracy requirements were equally taken into account.

The monthly labour market statistics survey newly introduced in 2005 in line with the standards of the International Labour Organisation (ILO) has reduced the time lag between reference month and publication date of the latest results of employment accounts by more than half. One of the means to avoid unacceptable losses of accuracy wasthe introduction of mathematical-statistical projection methods. Apart from a source-based expert assessment, they are used as another methodological approach for the determination of the latest employment data on a monthly basis and they make it possible to project important source statistics for expert assessments covering the most recent data horizon. It is planned to supplement the presently used analytical methods (so-called ARIMA projections), which are purely based on time series, by econometric models to further improve the quality of employment accounts.

Small-area methods: New estimation procedures for sampling

The use of samples instead of complete surveys has two decisive advantages: On the one hand, they relieve respondents from part of the response burden and, on the other hand, they reduce the costs of the survey. That is why all primary collections of official statistics, with a few exceptions, are made by way of sampling. But sampling may become problematic, when the results are to be compiled in a deep regional or thematic breakdown, since the classical estimation methods do not, as a rule, make it possible to achieve results, which are sufficiently reliable for very small reference groups. A methodological alternative to the classical estimation methods is provided by the so-called small-area methods developed in recent years.

Improving estimates by enlarging the basis of estimation is the rationale of the small-area method. This can be achieved by combining survey information with additional information, which is available for the population or larger sub-populations – for example, from registers.

The small-area estimation methods, which are methodologically very sophisticated, are to be used in the register-based 2011 census for the first time in official German statistics. This will be done in the sample survey supplementing the register evaluations in the 2011 census. This sample survey is expected to identify wrong records or missing data in the registers of residents and to collect those individual census variables that are not available in the registers. The use of the small-area method is to provide reliable results in a deep thematic breakdown, for example, by small municipalities or town districts. The new estimation methods are developed under a research project in cooperation with scientists.

VAT and Taxpayer Panels provide new options for analysis

In 2006 the Federal Statistical Office could further strengthen its position as an innovative information service provider by developing a Taxpayer Panel on the basis of data from the annual income tax statistics survey. Identifiers enable the data from the annual income tax statistics survey, centrally conducted since the assessment year 2001, to be linked intertemporally. The panel so created is unique in terms of size and quality. The Taxpayer Panel makes it possible, for instance, to analyse adjustment responses to changes in tax legislation or other regulations and it is of great importance for both political counselling and science. So far we have linked the assessment years 2001 to 2003; however we plan to extend the panel on an annual basis. First results presented during the Statistical Week in Dresden aroused the active interest of scientists.

In VAT statistics, too, we plan to make new analysis options available by linking the data for several years.

To create a panel of linked VAT statistics, we will start with data for the reference years 2000 to 2004. Apart from variables of VAT statistics such as turnover, industry, legal form or regional key we plan to also use data from the business register on employees who are subject to obligatory social insurance payments.

Microcensus panel

The Federal Statistical Office's "Microcensus" group in cooperation with the Berlin Free University, the Centre for Surveys, Methods and Analyses (ZUMA), Mannheim, and the Research Data Centre of statistical offices of the federal states has conducted a project consisting in the processing of the 1996-1999 microcensuses as a panel sample survey. The project was financed by the Federal Ministry of Education and Research and the German Research Community (DFG).

The 1996-1999 microcensus panel includes approximately 120 000 individuals or 55 000 households per survey date and is made available to scientists as a factually anonymised set of data records. Information for all survey dates is available for approximately 86 000 individuals. The thematic fields covered by a catalogue of about 400 variables include, among other things,

- demography,
- labour force participation, economic activity, search for a job,
- school education and vocational training, educational attainment,
- income, means of subsistence, reception of public transfer payments and
- the household and family situation.

In contrast to other panel surveys the large sample size of the microcensus makes it possible to analyse even small population groups.

Furthermore, as respondents are obliged to answer the questions of the microcensus, the response rate of the sample survey is high (about 97%). That means that systematic bias because of unit non-response is of minor importance.

Permanent sample survey of households on a voluntary basis – new application cases

There have been more and more requests for information on current issues of social and economic policies to be submitted at short notice. The permanent sample survey of households on a voluntary basis is a tool that makes it easier for official statisticians to reply to such questions more promptly. A recent example was the survey of basic demographic data on births "Births in Germany" in autumn 2006.

What is the goal of the permanent sample survey? The permanent sample survey consists of a database of households, which, after participating in a microcensus, declared their willingness to cooperate from time to time on a voluntary basis in surveys of official statistics. Voluntary surveys of that kind have much higher response rates than conventional sample surveys, because households have basically agreed to participate in these surveys. Furthermore, as some data items are already available from the microcensus (for instance, the type of household or economic activity), we can address individuals of a concrete group of interest and precisely extrapolate the results achieved.

The survey "Births in Germany" is to supplement birth statistics by missing aspects such as the extent of childlessness and to test how meaningful some results of presently available statistics are. For example, birth sequence figures relate not to all children born to a woman, but only to those born in the current marriage.

The survey's target group consisted of women in different age groups, who were asked to provide information about births and the birth sequence of their children and to describe their views and opinions on family formation.

The survey "Births in Germany" is a good example of the amount of time and cost that can be saved by the use of permanent sample surveys on a voluntary basis, which contribute to a marked reduction of the response burden. The interviewed women's positive reaction confirms that this is a good approach. More surveys are in the pipeline for 2007.

New PC software for seasonal adjustment of economic time series

In order to assess a country's overall economic situation it is very important to know the current trends of important short-term business indicators (example: production index in industry and construction). Looking at these indicators over a specific period of time, we see that they are very often affected by seasonal, calendar-related and short-term factors, which make it rather difficult to assess

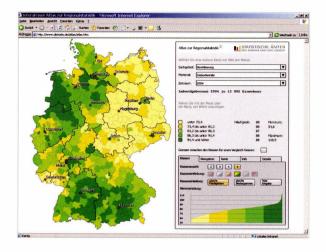


Seasonal adjustment of economic time series: high-quality results can be produced without specific knowledge

the trends actually attributable to the short-term business cycle. An indispensable tool in these situations is a seasonal adjustment procedure, which enables us to exclude disturbing effects from time series by means of mathematical-statistical methods.

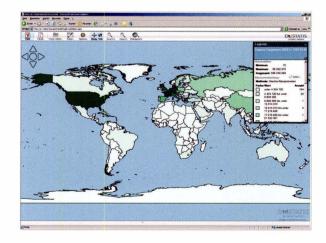
Since the early 1970s the Federal Statistical Office has also published seasonally adjusted results according to what is referred to as Berlin Method in addition to the ordinary time series of short-term business indicators. Whilst in the past a mainframe computer was required for seasonal adjustments, efficient PC solutions are available today. Using the current version BV4.1 of the Berlin method, the Federal Statistical Office developed PC software which by way of well-tried standard options enables even users with little previous knowledge to compile seasonally adjusted results of a high quality. The release version of the BV4.1 software has been available for download free of charge since early 2006 www.destatis.de. The software is suitable for use on Windows PCs and allows users to analyse economic time series of monthly and quarterly data. Programme control is effected by way of a user-friendly graphical interface. A graphics tool was integrated to visualise the results of seasonal adjustment.

Web-based cartography of statistical data



Interactive cartographic web applications are expedient additions to what official statistics most frequently present as information in table form. A spatial relationship used as a visualisation component enables users to quickly get an idea of a statistical survey's main subject and to identify spatial trends more easily. For example, the spatial distribution of unemployment can be identified much more quickly with a thematic map than with presentations in table form. In addition, interactive capabilities such as e.g. the use of different colours to highlight geometries of certain values make sure that statistics can be analysed and interpreted more easily. Since 2004 the statistical offices of the Federation and the federal states have operated an Online Atlas of Regional Statistics, providing interactive cartographic information on the web (www.statistik-portal.de/Statistik-Portal). At present it includes more than 250 interactive thematic maps from 16 different subject-matter fields of official statistics.

In order to give customers access to the broad variety of available statistical information and simultaneously grant them a high measure of flexibility regarding the layout of maps in terms of colour and classification, the Federal Statistical Office set up a modern Web GIS Infrastructure in 2006, which is to be used for all maps offered on the internet in the future. The essential component of this newly created Web GIS Infrastructure is an Internet Map Server (IMS), which produces the maps and makes them available to the user via a web application. The first internet application to use the so-called IMS technology will be available in early 2007; it is an application for the visualisation of external trade statistics. A combination of maps and tables will show Germany's external trade with all partner countries. The user will be able to generate, among other things, maps displaying exports and imports of different goods by country of origin as well as balance of trade data and growth rates.



SAS competence centre set up

"According to provisional data new orders in the industry registered a price and seasonally adjusted 2.5% decline in September compared with the previous month." "According to a communication of the Federal Statistical Office the prices for mobile phone calls in October 2006 were 8.8% down on the October 2005 level." "Today the working-age population of 20 to 64 years includes some 50 million people. By 2050 that number will decrease by 22% or 29% - depending on the extent of immigration." Have you ever wondered how such information, which you receive from the Federal Statistical Office, is produced?

A subject-matter statistician is needed to convert basic data into relevant information. He or she must have efficient tools for that job. For approximately seven years, apart from other products, the SAS software has been used by the Federal Statistical Office. A competence centre has gradually been set up in the division "IT User Service, Statistical and Geo Information Systems" in order to exploit the large potential of this software as an all-purpose tool for analysis. A team of 10 experts makes sure that the SAS evaluation system is permanently available, that it is brought in line with growing needs and, above all, that users are comprehensively supported in their activities.



Let's have a peep behind the scenes: "Can a hierarchically structured material be read in for evaluation?" – "What is the best method to determine the largest value contributing to a given table element?" – "Is it possible to save storage space by smart structuring?" – "Can regression analysis be used to estimate values, which have not yet been delivered, for an advance publication?" – "What must I do to draft the sequence of operations for complex analysis?" These are the questions which are quickly answered by the experts of the competence centre. The team of SAS specialists is ready to answer questions about the functionality of a specific procedure, to find problem solutions in error cases and to provide support for the elaboration of complex workflow concepts.

Training courses and thematic workshops as well as Intranet sites specifically made to provide SAS support are additional modules of know-how transfer.

Scientific colloquium 2006 and Gerhard Fürst Award

Since 1992 the Federal Statistical Office in cooperation with the German Statistical Society has held a scientific colloquium, taking place in late November every year, which has become a forum for dialogue between official statisticians and their most important user groups from science, business, politics, administration and associations.

The subject of the scientific colloquium 2006, held in Wiesbaden on 23 and 24 November 2006, was "Training for practice? – Statistics study in economic sciences". Experts from science, administration, associations, politics and official statistics discussed the various possibilities for "Statistics" to become a more attractive and more practice-oriented field of study in the context of university education in economic sciences. A panel discussion on future statistics education concluded the colloquium.

The first day of the colloquium ended traditionally with the Gerhard Fürst Award ceremony of the Federal Statistical Office. This annual award is assigned to outstanding scientific papers dealing with official statistics. Professor Brachinger from Freiburg University (Switzerland), chairman of the independent board of experts, held the laudations and Mr. Radermacher, the then Vice-President of the Federal Statistical Office, handed the certificates over to award winners of 2006. The prize winner in the category "Diploma and master's theses" was a study of "Female employment in a household context - Comparing results on the normal, actual and desired time of work with data from the 2001/2002 time budget survey on the basis of the collective model". The Gerhard Fürst Award is assigned to outstanding scientific papers, which either deal with theoretic themes closely related to the functions of official statistics or examine empirical problems by



Then Vice-President Radermacher (left), Prof. Ronning (2nd from the left) and Prof. Brachinger (right) with the prize winners of the Gerhard Fürst Award 2006

relying intensively on data of official statistics. Two sponsorship awards were also granted in 2006 apart from the Gerhard Fürst Award. The sponsorship award in the category "Dissertations" was granted to a scientific treatise on the subject "The effects of data-modifying anonymisation procedures on microdata analysis". The prize-winner among the diploma theses was an elaboration on "Individual determinants of the retirement age: An empirical analysis of transitions into retirement on the basis of the scientific use file Newly Retired Insurants 2004".

Dr. Wolfgang Schäuble MP, Federal Minister of the Interior, paid working visit to the Federal Statistical Office

On 31 March 2006 Dr. Wolfgang Schäuble, Federal Minister of the Interior, paid a second working visit to the Federal Statistical Office. In 1989 he had visited our office for the first time. This time he was received by an information service provider pursuing the goal to become the leading supplier of high-quality statistical information in Germany. Three themes were particularly interesting in this connection:

- Statistics and debureaucratisation,
- Roads towards increasing the efficiency of official statistics (master plan for the reform of official statistics, eSTATISTIK.core, optimised cooperation with the statistical offices of the federal states),
- Register-based census in 2011.

Dr. Schäuble was impressed by the variety of the Federal Statistical Office's services and encouraged the office to offer these services even more offensively. Referring to what official statisticians contributed to debureaucratisation, he said they could be proud of what had been done over the last 15 years in order to become a modern information service provider. The Federal Minister of the Interior also endorsed the concept of a register-based census, elaborated by the statistical offices of the Federation and the federal states for the 2010/2011 population census. Speaking with board managers of the General Employee Committee, Dr. Schäuble, Federal Minister of the Interior, discussed possible solutions, which would be socially acceptable in situations such as the discontinuation of operating processes due to the use of new information technologies or the outsourcing of operations into central administration and IT service points.



Federal Minister of the Interior Dr. Schäuble (centre) with State Secretary Hahlen (right) and President Radermacher (left)

New chief officer

As it turned out, the working visit was not the last occasion for statisticians to meet their supreme employer in this year: On 9 October 2006 Johann Hahlen, President of the Federal Statistical Office, received his letter of appointment as a state secretary at the Federal Ministry of the Interior from Dr. Wolfgang Schäuble, Federal Minister of the Interior. Johann Hahlen took over state secretary Dr. Hans Bernhard Beus's scope of responsibilities who had gone to the Federal Chancellery on 1 October 2006 (see interview on page 24). State secretary Johann Hahlen is now responsible for six divisions, "Fundamentals", "Public Service", "Constitutional and Administrative Law", "Sport", "Modernisation of Administration" and the "Central Division".

His successor, the former vice-president Walter Radermacher, was appointed as President of the Federal Statistical Office as from 22 December 2006. To celebrate his appointment as the new chief officer, the Federal Minister of the Interior invited public figures into the Federal Statistical Office's cafeteria. The invitation was accepted by many well-known personages from administration, science and official statistics.



Modernising official statistics



Statistical Advisory Committee recommends reduction of the response burden

At its 53rd meeting held in Wiesbaden on 21 June 2006 the Statistical Advisory Committee – an organisation installed by the Federal Statistics Law, uniting users, respondents and producers of federal statistics – corroborated its recommendations concerning the further development of federal statistics in the German Parliament's 16th legislative period.

In this context the Statistical Advisory Committee made the following statement in a press release:

Official statistics are indispensable as a pillar of our country's information infrastructure. Official statistics supply information, which is required for political and economic decisions, administrative activities, and scientific analysis and for the orientation of citizens. That is why high-quality official statistics are an important advantage of a given location and strongly contribute to Germany's international competitiveness.

The Statistical Advisory Committee argues for Germany's participation in the EU-wide round of censuses planned for 2010/2011 with a register-based census supplemented by sampling. A register-based census is much less burdensome and more cost-effective than a conventional population census. A register-based census, supplemented by a postal survey of house owners/caretakers and by some additional sampling, provides reliable results.

In order to take appropriate account of socio-economic changes, statistics need to be continuously adapted to new phenomena. The positive examples, which the Statistical Advisory Committee mentioned, include, in particular, the extended coverage of the statistical survey on child day care, the revision of the wage statistics systems, the changes in financial statistics and the introduction of producer price indices for the services sector.

Supporting the idea of close cooperation between science and statistics, the Statistical Advisory Committee claims that the activities of the statistical offices' research data centres should be conducted on a permanent basis.

In order to reduce the response burden, the Statistical Advisory Committee recommends that all technological possibilities to simplify surveys should fully be exploited. For a number of years online surveys have been one of the tools frequently used in official statistics; the possibility of sending the information requested via the internet is available, in particular, to the respondents of all of the 27 internet-capable central surveys. From 2007 on more than 40 statistical surveys will be added to the countrywide list of online surveys. Since the end of 2005 the response burden on enterprises has more and more been reduced by the availability of a software module enabling enterprises to extract statistical data from their business accounting systems and to transfer this data electronically to a common raw data entry of the statistical offices (eSTATISTIK.core).

One hour per month for statistical purposes

German enterprises covered by surveys of official statistics on average spend one hour per month for this purpose. This was the result of a study made by the German Institute for Economic Research (DIW Berlin) and published in July 2006 on "The importance of the response burden on the economy by official statistics", according to which the response burden of official statistics is "felt" bigger than it actually is.

On behalf of the Federal Ministry for Economy and Technology the DIW made a representative survey of approximately 75 000 enterprises to determine the response burden caused by official statistics. 85% of nearly 3.5 million enterprises in Germany were not covered by any surveys of the statistical offices in the reference year 2004. In order to determine the time that the remaining 15% of enterprises in Germany needed for official statistics, the results of the DIW survey were extrapolated to the total population of approximately 528 500 respondents obliged to present statistical data. As it turned out, an enterprise which is obliged to present statistical data, on average, spent approximately 64 minutes per month for statistical purposes.

However enterprises, legally obliged to present statistical data, were exposed to very different strains depending on size and industry. For example, enterprises with up to nine employees had an average response burden of half an hour per month. In contrast, large enterprises with 500 employees and more on average needed ten hours per month. Enterprises in the manufacturing industry spent an average of three hours per month, which exceeds the overall economic average by more than two hours. By far the largest response burden was caused by statistics on external trade transactions with states of the European Union (Intra-trade statistics): They accounted for more than 40% of the entire statistical response burden.

However, the DIW study did not reflect some important steps undertaken in the meantime to relieve the burden on respondents. For example, as of 1 January 2005 the declaration threshold of Intra-trade statistics was raised from 200 000 euro to 300 000 euro per direction of trade and year. That means: Enterprises continue to be subject to the reporting obligation only if their import or export transactions in the EU are worth more than 300 000 euro. As a result, some 15 800 enterprises were released from the obligation to present Intra-trade statistics. Another development that could not be considered by the DIW study was the adoption in early June 2006 of the first "Small Businesses Burden Reduction Law", benefiting, first of all, respondents, i.e. enterprises in the manufacturing industry. Official statisticians use the results of this study to identify further potential for cutting response burdens.





Interview with Professor Dr. Reiner Stäglin, German Institute for Economic Research

From 1962 to 2004 Professor Dr. Reiner Stäglin was employed by the German Institute for Economic Research (DIW Berlin). He was president and vice-president of the International Input-Output Association from 1992 to 2000 and chairman of the German Statistical Society from October 2000 to September 2004. He has been an honorary professor or assistant lecturer at different universities for more than 30 years and from 1989 to 2004 he was a member of the Statistical Advisory Committee. In March 2006 he was awarded the Federal Cross of Merit appreciating his committed work of great merit for official statistics within the country and abroad.

Prof. Stäglin, in 2003 the Federal Ministry for Economy and Technology (BMWi) requested the German Institute for Economic Research (DIW Berlin) to undertake a study concerning "The importance of the response burden on the economy by official statistics". What were the reasons for the study?

There is a never ending discussion in politics and society that excessive government bureaucracy is a burden on the economy. Even the large coalition government has declared the reduction of superfluous bureaucracy as one of its political objectives. In this context official statistics tend to be regarded as bureaucratic burdens without any differentiation and claims are made that the economy should continuously be relieved from obligatory statistical reports. In so doing, one frequently equates any kind of reporting obligation vis-à-vis official and non-official recipients with statistics. The study of DIW Berlin was expected to objectify the discussion.

What were the concrete tasks of the DIW response burden study?

The DIW response burden study was aimed to provide objective and quantitative information about the amount of time actually spent by enterprises in Germany on official statistical surveys. In order to identify possible ways of reducing the response burden and improving statistical surveys, the study was also expected to find out the causes of a possibly high response burden and to examine the response burden of official statistics in relationship to the time required for other legally prescribed reports and deliveries of information. Another goal was to introduce the benefit aspect of official statistics into the hitherto one-sided cost- or pressure-related discussion.

What important results did the study achieve regarding the economy in total?

The study, conducted in 2004 and supported by the statistical offices, which covered all of that year's 74 official statistical surveys, has shown that just 15% of the approximately 3.5 million enterprises in Germany were obliged to present official statistics and that an enterprise on average needed approximately 12.7 hours for statistical purposes in 2004. However, the results of the study also show that a respondent's statistical burden may vary greatly depending on an enterprise's size, the economic sector, to which an enterprise belongs, and the concrete statistical survey. Intra-trade statistics requiring more than 40% of the entire time spent by an enterprise on statistical obligations are the largest strain factor among surveys collecting official statistics. The total costs incurred by enterprises fulfilling reporting obligations vis-à-vis official statistics amounted to some 230 million euro in 2004.

How should we assess the time that enterprises, which are obliged to present official statistics, spent on statistical obligations in relationship to selected bureaucratic information duties?

A supplementary survey conducted by DIW Berlin among enterprises which had agreed to provide the requested information showed that the registration and transfer or the certification of information concerning human resources, taxation and accounting or relating to production and performance accounted for 27 to 33% of an enterprise's entire response burden. Less than 9% of a respondent's entire bureaucratic load were caused by the fulfilment of official statistical obligations.

Do you still see scope for further reducing the response burden of certain enterprises?

The results of the study are empirical proof of the fact that the system of official statistics in an overall economic context is not the main culprit of the response burden - an allegation frequently made in public discussions. As a consequence, this means that even a drastic reduction of statistical obligations — a claim occasionally made by some people — would not lead to a fast and broadly felt relief in terms of reduced bureaucratic loads. Nevertheless, many small and very small enterprises cannot use the advantages of cost digression, as large enterprises can, and groan when they have to supply information for several statistical reports. For a fair and just treatment of such cases it seems extremely necessary to distribute the response burden more evenly.

The reform of enterprise statistics and the law on the reduction of bureaucratic restraints

The project "Reform of Enterprise Statistics" was initiated by official statisticians reacting to the challenges faced by modern enterprise statistics in an information society.

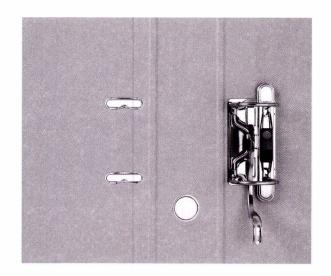
The project – an important module of the so-called "Master plan for the reform of official statistics" – provides for a profound review of the present enterprise statistics system and its adaptation to current requirements.

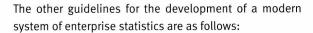
The reform aims to develop a consistent system of enterprise statistics, providing results of a sufficiently detailed thematic and regional breakdown by the scheduled deadline, closing possibly existing gaps in the data and maintaining or, if possible, even improving data quality. In order to achieve these aims, the reform must be geared towards cost-effective data production as required, taking into account the political target that bureaucracy as well as the statistical response burden on enterprises should be reduced.

To begin with, we examined the extent, to which the response burden on enterprises could be reduced (reduction of the number of statistical units and variables) without perceptibly worsening the quality of statistical information. The proposals elaborated on this basis were presented to a workshop and discussed by a representative group of users in late 2005. Significant reductions were achieved for short-term business statistics in manufacturing industries and construction. In the meantime these reductions have found their way into the first "Small Businesses Burden Reduction Law" (Law on the reduction of bureaucratic restraints, in particular, at small-sized businesses). In future the monthly report

in the manufacturing industry, for example, will only cover local units with at least 50 employees, so far it has covered all establishments of enterprises with at least 20 employees. This means that 25 000 of presently 48 000 establishments will be relieved from the obligation to present monthly reports; from the reference year 2007 on they will only be interviewed on an annual basis and according to a reduced questionnaire.

This enables statistical offices to win free capacities for the examination of economic sectors, which have inadequately been mapped so far, and to meet new requirements. However, the reduction of the response burden on enterprises is just one of the goals pursued by the reform project.





- To improve the coherence and consistency of the total system,
- To improve the database on the services sector,
- To restrict primary surveys to what is absolutely necessary (by increasing the use of administrative data),
- To introduce more efficient production processes (improving the cost-effectiveness of processes) using the possibilities of modern technologies (shared data collection on the internet, e.STATISTIK.core),
- To strengthen the system's output orientation by the combined use of all available data sources (mix of methods),
- To optimise the various quality criteria from a user's point of view.

A working group of the statistical offices will elaborate the overall concept including a conversion plan by the end of 2009 and submit it to the responsible bodies of federal statistics for approval. The implementation of the enterprise statistics reform is to be completed by 2011.

Progress achieved with further "Master Plan" projects

The "Master Plan for the Reform of Official Statistics" of February 2003 is a strategic programme, adopted by the statistical offices of the Federation and the federal states to manage their common modernisation activities.

Another important component of the Master Plan, in addition to the reform of enterprise statistics, is the "Optimised Cooperation" project. The underlying idea of optimised cooperation is that a statistical office, which processes statistical surveys, acts as a central unit performing certain tasks for other offices, which will lead to a fundamental change in cooperation, in particular in the IT sector.

In 2005 the Federal Statistics Law was supplemented by a new article 3a, which provided the legal basis for this new form of shared labour for the statistical offices of the Federation and the federal states.

A general agreement concerning article 3a of the Federal Statistics Law came into effect in April 2006, stipulating that any kind of work should be done as efficiently as possible: In order to achieve the desired division of labour, the work processes of statistical offices are to be standardised as far as possible. Elements of competition will be introduced, so that cost advantages can be used more effectively and additional incentives are created for cost reductions. The Guiding Committee on "Optimised Cooperation" takes decisions about statistical activities planned in the context of the mentioned general agreement and performs the award procedure. First projects have already been awarded in fields such as vocational training statistics, transport statistics and environmental statistics.

Optimised cooperation is to contribute to increased efficiency and higher profitability of official statistics in a federal system.

The new Earnings Statistics Law – more response and fewer burdens

Data on earnings and the cost of labour is indispensable for business cycle and monetary politics and for sociopolitical and labour market analysis. The old wage statistics law adopted in 1951, on which surveys of labour costs and earnings were based, was no longer up-to-date. Quite a few data items were missing, in particular data on earnings in the services sector and of part-time workers. The old wage statistics law was superseded by a new Earnings and Labour Cost Statistics Law (Verdienst-statistikgesetz – VerdStatG), which came into effect on 1 January 2007. The Earnings Statistics Law reduces the response burden on businesses and adapts data collections on earnings and labour costs to current statistical requirements.

The continuous earnings survey of industry, trade and financial intermediation, which presently collects data for January, April, July and October of a year, will be converted into a real quarterly survey. The new quarterly earnings survey will be extended to include nearly all kinds of services, with the sample size remaining unchanged. No distinction will be made any longer between workers and commercial or technical clerks and performance group specifications will be reduced. Instead, the survey will include part-time workers, who so far have not been covered. The survey will cover the hours worked by all employees, not just those worked by workers, and also record special payments. We will benefit from a lot of additional information. Annual results will be calculated on the basis of quarterly results. That means that we can do without the annual survey of gross earnings, presently collecting data from 40 000 local units.

The annual earnings survey in the crafts sector is dispensed with as well. This allows another 27 000 local units to be exempted from the respective statistical obligation.



The earnings surveys in agriculture, which so far have been conducted on an annual basis, will in future take place only every four years, results for intermediate years will be estimated.

The structure of earnings and labour costs surveys, which in accordance with the regulations of the European Union are carried out once in several years, will be extended so that they will cover almost the entire economy. Apart from a more equal distribution of reporting obligations, a strong decrease in the number of survey variables will reduce the response burden on businesses. Almost half of all survey variables will be excluded from the labour costs survey and about one quarter from the structure of earnings survey.

The idea behind the revision of the earnings statistics law is that surveys should be conducted only if the required data items cannot be obtained from other sources in sufficiently good quality. In order to improve the availability of data, survey results will be supplemented by data from

other sources or by results of computations. Another important effort to reduce the response burden on businesses was made with the country-wide introduction of eSTATISTIK.core, a system of automated data capture extracting the data for all earnings and labour costs surveys from businesses' accounting systems. The respective software modules enable respondents to compile their earnings survey data by simply pushing a button and to send that information to the statistical offices without media breaks. An online questionnaire (IDEV –internet shared data collection) is also available as an alternative for the quarterly earnings survey.



Which are the products for the future? – Strategy and work programme are closely interrelated

An annually published Strategy and Programme Plan documents the Federal Statistical Office's long-term goals and the progress achieved on the road towards becoming the leading provider of high-quality statistical information in Germany. Its first part describes the Federal Statistical Office, its legal foundations and its place in the German and European statistical system. Part 2 contains the Federal Statistical Office's strategic goals for 2004 - 2008, referred to as "fit 2008". Part 3 describes the work programme for 2006 - 2010, broken down by product classes. The 2006 - 2010 issue is the first one to show not only the products, but also the costs incurred. As a participant of "Product Budget", a pilot project of the Federal Ministry of Finance, the Federal Statistical Office has developed a well performing system of cost and results accounting in the meantime. It measures the resources spent on a product class. It shows, for instance, how much the product class Price Statistics costs. The combination of programme and resource planning makes sure that the scarce resources available are allocated to those projects that give a maximum of utility.

With the Strategy and Programme Plan we wish not only to describe those activities of the Federal Statistical Office that are visible to an external observer such as the production and dissemination of statistics, but also give an insight into the office's internal operations.

Newly published quality standards of official statistics now available

A strong point of official statistics is the high quality of published data. Neutrality, objectiveness and scientific independence are the principles to which official statistics are particularly committed. This also includes transparency regarding the way the data was generated and possible circumstances to be considered in the interpretation of data. The brochure "The quality standards of official statistics", edition 2006, published by the statistical offices of the Federation and the federal states describes the methods presently used by official statisticians, thus making an important contribution to achieving this goal.

The brochure addresses users of official statistics, contracting authorities and respondents alike. For example, the reader finds answers to questions such as "What data sources are used by official statistics?", "How are the questionnaires of official statistics developed and tested?" or "What approaches to data processing are used?"

For the achieved level of quality to be maintained or even improved in the future, the statistical offices have adopted standards to be observed by all statistical surveys. These standards are based on the European Statistics Code of Practice promulgated by the European Commission in 2005.

The quality standards supplement the quality reports, which the Federal Statistical Office has published for all statistical surveys on federal level since 2005. The quality reports describe the quality of individual statistical surveys, for example, with respect to the accuracy of results.

Federal Statistical Office expands systematic pre-tests of questionnaires

In 2006 a European manual was published, which gave recommendations on the methods to be used when designing and testing questionnaires. It more precisely specified the general stipulations of the European Statistics Code of Practice regarding systematic pre-tests and was seen by the Federal Statistical Office as a basis for continued development of pre-tests and tests of questionnaires. A pre-test laboratory, which is indispensable, in particular, for cognitive interviews, was set up in 2006.

The pre-test laboratory and the test procedures, which were introduced systematically, enabled us not only to take account of the required quality standards when designing and testing questionnaires in compliance with the Code of Practice. They also had a positive influence on the entire process of data compilations: Interviewers and respondents receive a more comprehensible questionnaire, collected data items are more valid, more reliable and more plausible.

The information and knowledge management system now available to all statistical offices in Germany as a joint-use facility



The Federal Statistical Office is innovative not only in the sense of developing new products for its customers. Also internally it makes use of technical modernisations and associated conceptual and organisational improvements in order to raise the efficiency of statistical production. For example, the StaNet portal, which is available on the statistical offices' intranet (StaNet), provides important support, enabling the statistical offices cooperating in a federal system to better cope with their statistical obligations. As a knowledge portal on survey methodology of the Federation's and the federal states' statistical offices it ensures among other things that all interested parties have access to the latest versions of the same methodological and other auxiliary documents that are needed for the elaboration of statistics.

StaNet portal is based on the Federal Statistical Office's joint editorial system, which in addition to the contents of StaNet portal also manages the contents of the intranet and the Federal Statistical Office's internet website destatis.de. The editorial system enables our editors to work with full IT support. The information and knowledge management system provides a personalised communication and work environment, which supports all kinds of business transactions with comprehensive and quickly accessible information.

Employment statistics compiled online

Since 1975 the Federal Employment Agency has supplied the Federal Statistical Office on a quarterly basis with anonymised individual data from joint social insurance reports on employees, who are subject to social insurance contributions. At present, the approximately 27 million records of employment statistics are stored, processed, evaluated and publicised by both the Federal Employment Agency and the statistical offices. In the future a data warehouse, which is to include all labour market statistics processed by the Federal Employment Agency, will enable the statistical offices of the Federation and the federal states to access this database in a protected mode. It will make the statistical data stored there available in the form of smallest aggregates (in regional terms down to municipal level).

For the first time the performance and capacity of the database (MOLAP system) will be good enough for the very comprehensive data stock of employment statistics to be evaluated flexibly and effectively, ensuring a user-friendly way of accessing the data items. The database, which will be available to the statistical offices of the Federation and the federal states for evaluations, will be the same as the one used by the Labour Agency's statistics units. This will facilitate harmonisation and make the results more consistent and coherent.

As far as processing capabilities of secondary data are concerned, online access to the MOLAP system will yield enormous gains in terms of timeliness and profitability together with considerable cost reductions in the field of labour market statistics.

Evaluation of the Federation's Health Monitoring Information System

In spring 2006 two external firms on behalf of the Federal Statistical Office evaluated the new version of the Federation's Health Monitoring Information System (www.gbe-bund.de). They examined the extent to which the contents of the information system and their presentation corresponded with the expectations of users. With that evaluation the Federal Statistical Office has broken new ground. Here is an excerpt from the manifold results obtained: The majority of interviewed respondents use the online health monitoring information system out of professional interest or for private reasons for educational and training purposes. A clear majority of users assess the offered topics as important or very important. Half of interviewed users said they were missing data or information. in most cases details on diseases and therapies as well as on costs and services of public health. Other features that should still be improved were the system's user-friendliness and clarity as well as the use of key words for data retrieval.

It was stressed that improvements compared to the former website consisted, first of all, in the clear and appealing optical design and rapid accessibility of the data and information sought after. In the next few months it will be necessary to implement the numerous suggestions for improvement.

Staff member award 2006

A prize for innovative strategies and developments was awarded for the second time to staff members of the Federal Statistical Office in 2006. Two work teams consisting of staff from several divisions and dealing with topics such as "How to better understand price statistics" and "IDEV – internet shared data collection" bore the palm in a competition organised in the context of the office's internal employee suggestion system for new or better services and activities improving the reputation of the Federal Statistical Office. Since the jury consisting of Statistical Advisory Council members did not want to further distinguish between the two teams, two cups were handed out by Johann Hahlen, the then President of the Federal Statistical Office, on the occasion of the Statistical Advisory Council's annual meeting in June 2006.

Price statisticians were awarded a prize for their newly developed tools aimed to improve the public perception of consumer price statistics and explain the functioning of price statistics in a generally understandable way. A major point to be clarified was the discrepancy between publicly perceived and actually measured inflation. This was mainly achieved by the use of the online index calculator and the publication of a booklet "In focus: Prices in Germany". Both products are also available in English.

The work team "IDEV – internet shared data collection" was awarded the 2006 staff member prize for the implementation of an automated data flow between respondents and statistical offices via the internet. It enables respondents to either make directly use of electronic online questionnaires or to mail the files. IDEV also provides various support functions, which reduce the response burden, and makes it possible for the statistical office to contact respondents interactively.

Federal Statistical Office set new in-house training priorities in 2006

Changes in framework conditions and new objectives keep making high demands on the entire staff of the Federal Statistical Office. With in-house advanced training the Federal Statistical Office attempts to maintain and promote the staff's performance and learning potentials at all levels with respect to their technical and management competences.

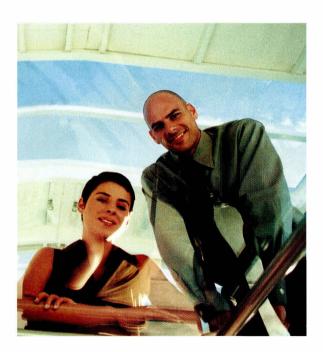
Advanced training courses on information technology are, of course, of particular importance to one of Germany's largest information providers. What we increasingly witness at present is a shift of the main emphasis from pure "IT courses" to "Advanced training on statistical subjects using IT". Many basic and advanced courses were held as early as in 2006 on topics such as "Statistical Analysis System", "Joint New Statistical Information System", "Specification of Statistical Tables" and "Plausibility Checks".

In order to further improve management and leadership skills, we made sure that the coaching activities, which were introduced in 2005 for chiefs of divisions, as well as the team training courses for organisational units were carried on in 2006. Many workshops on communication and conflict resolution, on team building and leadership themes were offered to our newly recruited staff in cooperation with the Federal Academy for Public Administration (BAKÖV).

Several short lectures made the office staff familiar with subjects such as "The development of Germany's banking scenery", "Function and legal mandate of the Monopoly Commission" or "Success factors of business process optimisation in public administration based on the case of process analyses at the Federal Statistical Office".

"Study days" allowing young scientists to present a project from their fields of activity were newly introduced. They give listeners not only insight into current developments in the various fields of statistics, but also a chance to get to know newly recruited staff better.

Finally, we have to mention the 27 events held under the "Joint advanced training scheme of the statistical offices of the Federation and the federal states", in which experienced practitioners from all fields of statistics share their knowledge with colleagues.



New ways in apprenticeships – the LernStat project

Since February 2006, there has been a separate virtual authority at the Federal Statistical Office – the so-called LernStat. There the prospective office communications specialists (second or third year of apprenticeship) for about ten weeks get to know the challenges faced by clerks in the areas of human resources, finance, reminders and administrative fines, as well as procurement of material and property management in real working life.

In that virtual authority, eight apprentices each – grouped in teams of two – deal more intensively with the learning targets of practical and theoretical training. The focus of LernStat is on team work and practice-oriented action. The apprentices learn how to independently develop, perform and check solutions to problems in complex everyday situations on the job. Their goal is to acquire the skill to face and react flexibly to new work situations. At the same time, they expand their subject-related, methodical and social competences.

Providing support and making demands, that is what LernStat is about. It thus contributes to preparing the apprentices at the Federal Statistical Office in an ideal manner for their training targets.



International activities of the Federal Statistical Office



German EU Council Presidency 2007

The Federal Statistical Office will be faced with new challenges in the context of Germany's EU Council Presidency in the first half of 2007. President Walter Radermacher will be chairman of the Council's working group on statistics, which discusses and adopts legal acts on statistics at European level. The Federal Statistical Office will actively be involved in European legislation. Major projects include, in particular, the regulation on population and housing censuses and the statistical programme of the Community for 2008 – 2012, the regulation on migration and international protection, the regulation on energy statistics and the regulation on structural surveys of agricultural holdings (from 2010 on).



A special unit established by the Federal Statistical Office conducted intensive organisational and technical preparations in the second half of 2006 in order to ensure the best possible conditions for all parties cooperating at national and European levels. This also included an exchange of experience with Finnish and Austrian colleagues, whose countries held the office of Council Presidency in 2006. Council Presidency was officially transferred from Finland to Germany at a meeting held in Helsinki on 20 December 2006.

In autumn 2006 the Federal Statistical Office jointly with federal ministries and departments set the priorities for the German Council Presidency in the statistical field. The goal is to promote the supply of high-quality information in terms of reliable official statistics, taking into account that

- statistical data should be user oriented
- excessive burdens on both respondents and national statistical offices should be avoided
- cost transparency and cost effectiveness should be ensured.

The agenda of Germany's Council Presidency in statistics is based on the progress achieved during previous terms of presidency. It aims to finalise drafts of legal acts which have been discussed fairly long and to make progress with respect to newly submitted draft papers.

In late 2006 the Federal Statistical Office launched an internet website in German and English on the activities and priorities of the German Council Presidency in statistics (www.destatis.de/eu2007). All important documents of the Council work group on statistics are available here for download. In addition the website displays links to other important internet websites of the Federal government and European institutions.

German chairmanship in the SPC Partnership Group

The Federal Statistical Office actively participates in the design process of the European Statistical System, for example, in the Partnership Group chaired from May 2005 to October 2006 by Johann Hahlen, the then President of the Federal Statistical Office. The Partnership Group is a high-ranking European body in the statistical field, which is composed of six elected chiefs of statistical offices of EU member states and the Director General of the Statistical Office of the European Communities (Eurostat). It prepares the meetings of the most important European statistics body, the Statistical Programme Committee (SPC), and discusses strategic issues related to the further development of the European Statistical System. The most important goal pursued by the German chairmanship was to strengthen confidence in European official statistics and to intensify the cooperation between Eurostat und national statistical institutions. Other items on the agenda were improved programme planning, priority setting and cost transparency. Topics that should be dealt with more intensively by the Partnership Group in the future include strategic subject-related themes such as globalisation. Johann Hahlen's change as a state secretary to the Federal Ministry of the Interior terminated his chairmanship of the SPC Partnership Group ahead of schedule. However, Germany continues to be a member of the group until mid-2007 due to the German EU Council Presidency.

Further development of the European Statistical System and modernisation of the Statistics Law

"Making the System Work" was the motto of discussions between the chief statisticians from member states who met in Krakow in September 2006 to discuss activities required to raise the efficiency of the European Statistical System. Johann Hahlen, the former President of the Federal Statistical Office, in his talk mentioned a number of possibilities to raise the efficiency of the European Statistical System.

Improvements are required, in particular, with respect to priority setting, the member states' involvement in statistical programme planning and the organisation of education and advanced training at European level. A new form of cooperation between the statistical partners could be the adoption of sponsorships for individual statistical themes by national statistical institutions.

These proposals are to be included in a Krakow plan of action on the future of the European Statistical System, which is to replace the Palermo plan of action compiled in 2002.

A point made by the Statistical Office of the European Communities (Eurostat) and the member states in the strategy discussion on the European Statistical System concerned the envisaged modernisation of the "European Statistics Law" (Council Regulation (EC) No. 322/97 concerning Community statistics) effective since 1997. The discussions of a Task Force led by the Statistical Office of the Netherlands and with German participation have already advanced far. This Task Force is expected to identify strategic themes such as the ones mentioned above for inclusion in the draft regulation and to clarify problematic issues between Eurostat and the member states. For example, it is planned to facilitate the exchange of basic



data between the partners in the European Statistical System and to make provisions for member states being more strongly involved in statistical programme planning at European level. The "Europe First" principle is to be covered by the planned regulation as well.

Implementation of the Code of Practice

The European Statistics Code of Practice defines quality standards to be adhered to by all statistics offices in the European Statistical System. It is to make sure that the presently existing 27 member states and Eurostat compile official statistics in circumstances, which are free from political pressures, and in compliance with recognised scientific methods. Its observance is supervised by 77 indicators.

In 2006 the Federal Statistical Office continued to participate intensively in activities to implement the Code of Practice. In the present phase of work Eurostat and the statistical offices of the member states must face up to inspections by external experts, the so-called peer reviews. These experts examine and evaluate the observance of the Code of Practice on the basis of personal talks with leading executives and younger staff members of a given statistical office, with users and possibly also with other producers of European statistics in the respective country. For the time being the peer reviews are restricted to those principles which relate to the institutional framework and the dissemination of European statistics.

First pilot inspections took place at the statistical offices of the Netherlands and the Czech Republic in March and April 2006. An expert from the Federal Statistical Office participated in the pilot peer review in the Netherlands and in the peer review in Estonia in November 2006.

The peer reviews are expected to be terminated for all member states by the end of 2007. Taking into account the German Council Presidency in the first half of 2007, Germany's turn is likely to be in the fourth quarter 2007.

CENEX – a new form of the international division of labour

Statistics experts from different countries join forces to elaborate practicable approaches to the solution of a certain methodological problem and afterwards they make their findings available to all statistical offices of the European Union. This is the principle of CENEX (Centres and Networks of Excellence), a new form of the international division of labour in the European Statistics System.

Since October 2006, under the general leadership of the Federal Statistical Office, price statistics experts from Austria, Belgium, Sweden, Portugal, Ireland and the Netherlands have discussed methodological approaches to the treatment of changes in the quality of goods, the prices of which are to be measured.

An item's prices measured at different moments of time can be compared in a meaningful way only if the item's quality has not changed. If the quality of an item changes, for example, as a result of technical progress, one makes a so-called adjustment for the quality change. This is aimed to consider the monetary value of an item's changed quality in price measurement.

There are different methods of quality adjustment and the choice of a method can have considerable implications for the results of price statistics. That is why important users of European price statistics, such as e.g. the European Central Bank, have a strong interest in the CENEX price statistics project.

The planned two-year project will deal with the harmonisation and further development of measuring price and quality changes regarding computers, consumer electronics, electric household appliances, cars and books as well as rent proposals. Furthermore, it will elaborate on the measurement of price and quality changes in health and social welfare services.



LIVING IN EUROPE: Comparable poverty indicators for the EU member states

Growing poverty is perceived as a social problem in many member states of the European Union (EU). With the results of Community statistics on income and living conditions (LIVING IN EUROPE) internationally comparable information on income poverty and social exclusion has become available in official statistics for the first time. This information serves as a basis to fight poverty at EU level.

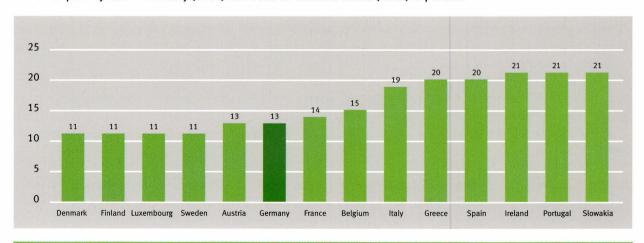
Since 2005 all member states of the European Union as well as Norway and Iceland have conducted the household survey LIVING IN EUROPE in line with standard principles. In line with standard principles means that the same definition of income is used and that survey methods must meet the predefined requirements. The new survey produces comparable results on a European scale, which were presented for Germany for the first time in 2006.

LIVING IN EUROPE gives, first of all, an answer to the question how much money is at a person's disposal in Germany. In addition, it provides other important kinds of information on living conditions: What are the housing conditions in Germany? How do people assess their own health situation? How often are they faced with financial problems?

The most important indicator is the at-risk-of-poverty rate. According to the EU definition it indicates the percentage of people who have to get along with less than 60% of their country's average income. The at-risk-of-poverty rate in Germany amounted to approximately 13% in 2004. That means that 10.6 million people are threatened by poverty in Germany. Compared with other countries, Germany ranks slightly below EU average. The chart shows the at-risk-of-poverty rates in Germany for 2004 and in other EU member states for 2003.

The Scandinavian countries, for instance, have a slightly lower rate of people threatened by poverty than Germany. On the other hand, in countries such as Italy, Spain and Portugal the percentage of people at risk of poverty is much higher with approximately 20%.

At-risk-of-poverty rate in Germany (2004) and other EU member states (2003) in percent



The Federal Statistical Office supports the political goals of international organisations ...

While cooperating with international organisations such as the United Nations (UN) and the Organisation for Economic Cooperation and Development (OECD), the Federal Statistical Office also supports major political goals. The United Nations 'Millennium Goals' on environment and development, which are to be implemented by 2015, can be mentioned here as an example.

A major topic of this year's session of the United Nations Statistical Commission was the revision of classifications in the field of economic statistics and of the System of National Accounts (SNA 1993).

As chairman of the Committee on Environmental Economic Accounts (UNCEEA) installed last year, Walter Rader-

macher, the then Vice-President of the Federal Statistical Office, reported about the progress of work on the further development and harmonisation of environmental economic accounts.

Another important theme – as in the previous year – concerned development indicators and the related topics of statistical capacity building in developing countries.

Chief statisticians from member states also meet regularly at OECD level to discuss important strategic and technical themes. The OECD statistics committee newly established in 2004, which meets once in a year, has even raised the importance of OECD statistics. At present the statistics committee is chaired by Dr. Ivan Fellegi (Canada). Walter Radermacher, the then Vice-President of the Federal Statistical Office, and Brian Pink, the head of Statistics New Zeeland, were elected as vice-chairmen of the board for two years.

Revision of the System of National Accounts (SNA)

The 1993 System of National Accounts (SNA) is the world's universally valid recommendation for the compilation of national accounts and the basis of the derived 1995 European System of Accounts (ESA). A resolution adopted by the United Nations Statistical Commission in March 2003 provides for all concepts and definitions of the SNA 1993 to be reviewed and updated by early 2008.

Recommendations on all of the 44 points of change and comments from UN member states have become available in the meantime (published on the internet under: www.unstats.un.org. In early 2008 the revised 1993 SNA Rev. 1 is to be adopted by the UN member states in the Statistical Commission. Afterwards the revised SNA Rev. 1 is to be transferred into the ESA 1995.

However, from the Federal Statistical Office's point of view changes in methodology which would worsen the comparability of data between member states should not be transferred from the SNA into the ESA. This relates, for instance, to themes such as old-age pensions, research and development as well as military weapons.

... and is actively involved in bilateral cooperation

In addition to cooperating in supra- and international bodies, the heads of national statistical institutions also maintain close bilateral contacts. For example, in 2006 meetings took place with the chief statisticians from France, the Czech Republic, Bulgaria and Austria. The long-standing German-Chinese cooperation in the statistical field was further deepened at the working group on trade statistics constituent meeting held in Beijing in June 2006. The working group is to examine the divergences in external trade statistics between the two countries.



The working group on trade statistics met in Beijing in 2006 under the direction of Dr. Peruzzo (Federal Ministry of Economics and Technology) and Mr. Liu Haiquan (Chinese Trade Ministry)

Partnership relations with Russian official statisticians were carried on with a very successful series of courses for heads of statistical offices from 88 Russian provinces, conducted in Bonn in cooperation with the Bonn Academy. They gave an opportunity to discuss fundamental topics of official statistics and practical problems from various subject-matter areas as well as organisational aspects of statistical work with experts from the Federal Statistical Office and statistical offices of the federal states. Excursions to the Statistical Offices of Rheinland-Pfalz (Rhineland-Palatinate) and Nordrhein-Westfalen (North Rhine-Westphalia) completed the programme of the course.

The Federal Statistical Office's trainee programme: a five-year track record

A European support programme enables statisticians from the national statistics offices of new member states or EU accession candidates to work for some time as a staff member at one of the statistical offices of the 15 "old" EU members or to attend a traineeship at Eurostat, the Statistical Office of the European Communities.

Since the start of the trainee programme in 2002 statisticians from the Czech Republic, Hungary, Poland, Latvia and Bulgaria have spent terms of traineeship at the Federal Statistical Office.

Statisticians are delegated, as a rule, for a period of five months and employed in their respective fields of work. Obviously, their experience from working at their countries' statistical offices is very useful. Quite frequently trainees have brought along new ideas, enriching their colleagues' work at the Federal Statistical Office.

Twinning projects: Successful partnership relations

Twinning projects are EU-funded partnership projects between public institutions of a member state and an accession country. They concern all areas of politics and administration. In view of their particular political significance these projects are coordinated by the governments of the member states. With the largest number of twinning projects among the EU member states Germany is a favoured partner of the accession countries.

- In February 2006 the Federal Statistical Office was awarded a twelve-month twinning project with Latvia aimed at the introduction of a quality management system in compliance with the standards of the European Foundation of Quality Management (EFQM). Its efforts are supported, in particular, by the Statistical Offices of Finland, Italy and the Federal State Berlin.
- A two-year twinning project with Bulgaria started in mid-2005. The project is aimed to prepare statistics on the information society and on income and living conditions and to improve the information basis for national accounts. The Statistical Office of the Free State of Saxony has supported the project which will last by mid-2007.
- A major project with Macedonia planned for a period of two years was the first project to be concluded with states of the Balkan region in mid-2006. Apart from the Federal Statistical Office, the Statistical Offices of Slovenia, Sweden, Hungary and the Czech Republic as well as those of the Federal States of Thuringia and Berlin are also involved in the implementation of the project.

There is also project-based cooperation in the context of European support programmes between the Federal Statistical Office and the Russian and Turkish offices for statistics. In addition, since early 2006 German official statisticians have been active in a "Sector Project" with

Zambia under the sponsorship of the Federal Ministry for Economic Cooperation and Development (BMZ). The project is aimed to improve the information structures in the poverty-relevant fields of water supply and agriculture. It is hoped that the statistics systems, which are to be built, will enable developing countries to measure the progress towards achievement of the Millennium Development Goals using their own data. Support activities in terms of MDG mentoring are likely to become even more important to German statistics cooperation in the next few years.

In focus: Data on the services sector

At the invitation of the Federal Statistical Office the Voorburg Group, an international conference on method development in services statistics, held its 21st meeting from 9 to 13 October 2006. More than 70 experts from national offices, international organisations and central banks met in Wiesbaden to discuss price and volume measurements in the tertiary sector and the comparability of that data.

The focus of the discussions was on the different national approaches to the collection of statistics on road haulage and management consultancy. Methodological distinctions can be ascribed to both specific features of national markets and the use of different statistical approaches by the various offices. For example, the topics discussed included the question whether price measurements should be based on sectors or goods and which price measurement methods would be feasible in practice. "Bundling", the sale of several services in a package, was identified as a phenomenon of increasing importance in the practice of price measurement methods. Furthermore it is planned to introduce a thesaurus of technical terminology. The Wiesbaden conference was a new milestone on the road to increased coherence of price and volume measurements in the services sector at international level.

The availability of data on the services sector in Germany was improved by information on turnovers (sales) by kind of service. In a pilot survey for the reference year 2004, conducted with the financial support of the European Commission, 15 000 enterprises in the services sector were invited to submit, on a voluntary basis, data on their turnovers (sales) within the country and abroad by kind of service. Information was requested on turnovers (sales) by the client's location, the client's sector and by field of activity and product.

Many interviewed enterprises had difficulty breaking turnovers down by kind, since most kinds of turnover to be considered here were not covered by an enterprise's regular accounting system. However, detailed information on the structure of turnovers is indispensable in order to assess the competitive ability of enterprises and the functioning of the European Union's internal market.

Further development of the register of agricultural holdings

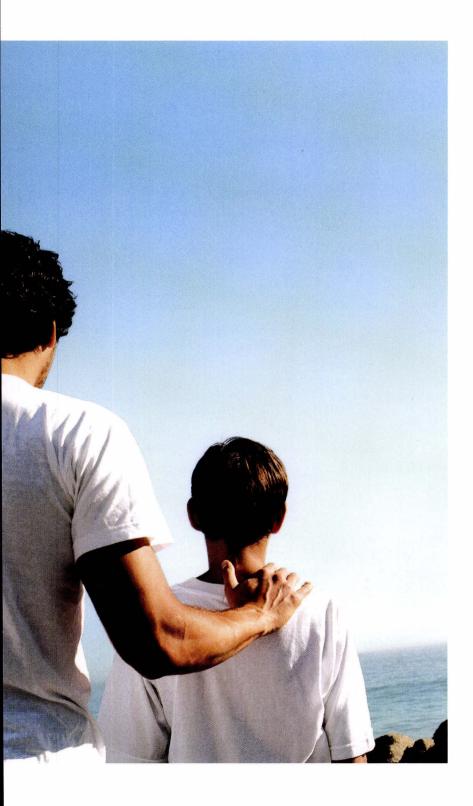
Statistical registers are important tools used for the control and evaluation of surveys. The survey units used in agricultural statistics are agricultural holdings, which are stored in the "Register of Agricultural Holdings". The definition of an agricultural holding is predefined by European legislation and all member states are obliged to adhere to it, taking into account their national conditions.

In order to further develop the register of agricultural holdings, the Federal Statistical Office in cooperation with the Austrian Statistics Office launched a project in September 2005, which is supported by the European Union (EU) and aims to adapt the existing register of agricultural holdings to the changed European requirements. On the one hand, it is necessary to extent the register so that it supports the registration of new variables – for instance, on rural developments and the agricultural



environment — and of changes in the organization and implementation of surveys in agricultural statistics to the best possible extent. On the other hand, it has to be examined how it can be ensured that agriculture and forestry are incorporated in the national business registers as envisaged at European level. In Germany the agriculture and forestry sector of is not yet completely covered by the statistical enterprise register.

That is why the project set out at first to analyse the holdings of agriculture and forestry, which are stored in both the enterprise register and the register of agricultural holdings. Since the units stored in the two registers are based on different definitions, a unit model was developed in coordination with Statistics Austria. The model enables the units to be analogously represented in the register of agricultural holdings and in the new enterprise register. As a next step it is planned to elaborate the methodological basis and provide the technological conditions for the register of agricultural holdings to be further developed. The final report on this project is expected to be available in summer 2007.



Milestones of statistical work in various areas in 2006

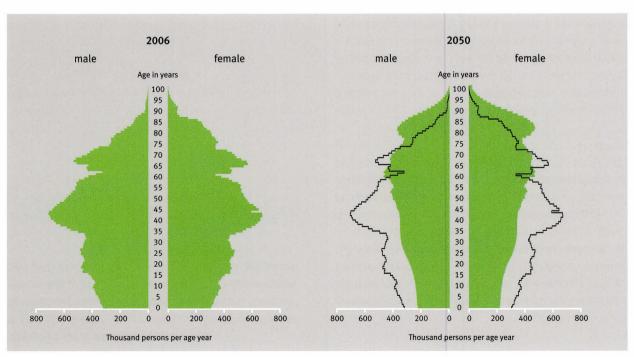


The central business of the Federal Statistical Office is preparing and conducting statistical surveys and publishing their results. In the case of decentralised statistics, that is done in cooperation with the statistical offices of the federal states. In the following, we are presenting some selected results of statistics and new or extended data and information services from the core statistical business of 2006.

Population projection

In early November 2006 the Federal Statistical Office presented the results of a new population projection for Germany, the 11th one, which was coordinated between the Federation and the federal states. If current demographic trends — i.e. a nearly constant total fertility rate of approximately 1.4 children per woman, an increase in new-born children's life expectancy by about seven years and an annual migration surplus of 100 000 or 200 000 immigrants from abroad — remain unchanged, Germany is likely to have as few as 69 or 74 million inhabitants in 2050. By comparison, 82 million people live in Germany today.

Age structure of the population in Germany, 2006 and 2050



Results of the 11th coordinated population projection; variant 1-W1: "medium" population, lower threshold

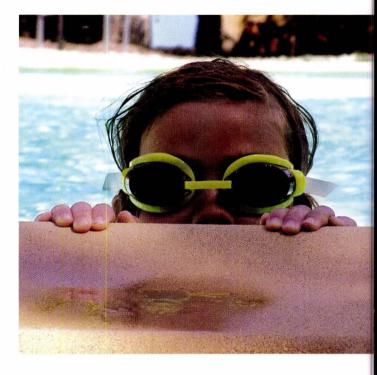
Apart from this decrease in population numbers, the population's age structure is likely to change seriously. Whilst today about 20% of the population are younger than 20 years and another 20% are 65 years old or older, in 2050 young people will account for only 15% of the population, whereas the proportion of people aged 65 years or older will rise to approximately one third. The number of persons aged 80 years or older is likely to grow from nearly 4 to 10 million.

There will also be a clear shift in the numerical relation of pension-age to working-age people: Today there are 32 people aged 65 and older per 100 people aged between 20 and 64 years. In 2050 this number will be up to 60 or 64 depending on the amount of immigration. If pension age is moved to 67 years, the old-age rate will amount to 56 or 52 by 2050.

A description of the assumptions and results of the 11th coordinated population projection, the results of all of the twelve variants and three additional model calculations are available for free (www.destatis.de).

New model calculation on life expectancy

In April 2006 the Federal Statistical Office published a model calculation for the estimation of life expectancy by birth cohorts. It contains generation life tables for birth cohorts from 1871 to 2004. A generation life table shows the average life expectancy a new-born child can expect to achieve today, taking into account possible future mortality trends. A generation life table makes it also possible to examine the average life expectancy actually achieved by people of a birth cohort in the past. Besides a large



variety of historical data on mortality, two possible mortality trends were considered in the calculation as well.

Accordingly, a new-born boy of the 2004 cohort in line with the higher mortality trend would have an average life expectancy of 84.9 years, a new-born girl of even 90.4 years. By comparison: 135 years ago life expectancy was only 39.1 years for new-born boys of the 1871 birth cohort and 42.1 years for girls.

Generation life tables supplement the period life tables, which are published by the Federal Statistical Office in regular intervals. Period life tables display the total population's average life expectancy for certain calendar years (most recently for the period 2003/2005). They are indispensable for the description of present mortality relations, but in contrast to generation life tables they do not take into account changes in the future.

Important results on families and children

The current results of the microcensus, the largest annual household survey in Europe, show that 12.6 million families lived in Germany in 2005. In 8.9 million families the youngest child was under 18 years old; in 3.7 million families all children were of age. 75% of the 8.9 million families with children under age were married couples, 17% were single mothers or fathers. Another 8% of families were mixed or same sex cohabitations.

In 2005 20.7 million children in Germany grew up in families, i.e. they were raised by married couples, cohabitations or single parents. Of these children 14.4 million were still under age, 6.3 million were already of age.

More information can be found in the current press brochure "Living in Germany. Households, families and health – results of the 2005 microcensus", which is accessible free of charge on the Federal Statistical Office's internet website.

Official statistics on child day-care services have so far only been available for institutions. For crèches, kindergartens, nurseries and mixed-age institutions the items of data, collected every four years, most recently in 2002, relate to the institution, the number of approved spaces and the personnel employed by these institutions.

Since 2006, in accordance with the law on further developments of child and youth welfare services, data has also been collected on children supported in institutions, on children covered by publicly funded child day-care services and on nursing personnel of child day-care services. The results of the new surveys provide current and comprehensive information on the situation of child day-care services in Germany.

The change in the economic situation of families after the birth of children has been in the focus of many studies on family policies and social sciences for a number of years.

In a study "Income relations of family households and their expenses on children" private consumption data from the 2003 income and consumption sample survey was subdivided by expenses on children and those on adults. As it turned out, parents with one child on average spent 549 euro per month on their offspring in 2003.

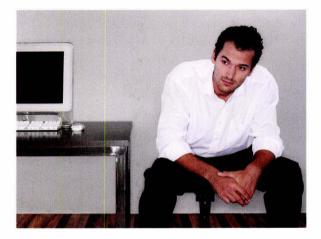
With children growing older, the amount of child-related consumer spending grows as well. This is due to increased consumption of food and more ambitious claims on clothing. Couples with one child in the age group of under six years on average spent 468 euro per month on their offspring. 568 euro had to be spent on six- to under twelve-year olds and 655 euro on twelve to under 18-year old children.

Do women vote differently?

Results of representative election statistics, based on actual voters' behaviour, were presented at a press conference in Berlin in early 2006. These statistics make it possible to analyse voter turnout and voting behaviour including the so-called splitting of votes by age group and sex for each federal state. The results showed that in the 2005 elections to the federal parliament the difference between men's and women's voting behaviour regarding the two mainstream parties was not particularly large and that more women than men voted in favour of the two parties. Both SPD and union parties achieved 35.5% of women's votes, 32.8% of men's votes and 34.8% of second votes. In the 1950s, 1960s and 1970s most people voting in favour of social democrats were men, whereas in the elections of 1980, 1983 and 2002 (here with a difference of 3.5 percentage points) this party was preferred by female voters, so that here a change can be identified. By contrast, the union parties have traditionally been considered a women's party since the nineteen fifties. 2002 was the only year to see male voters outnumbering the proportion of female voters by 1.4 percentage points with respect to this party. Since the 1990s the GREENS have been more appealing to women (2005: 8.8%) than to men (2005: 7.4%) and the gap has continued to widen after the 2002 elections to the federal parliament. As far as the Free Democrats (men 10.7%; women 9%) and the Left Party (men 9.9%; women 7.6%) are concerned, the gender-specific composition of the electorate is reversed.

Unemployed persons – a volatile figure

There is more momentum on the German labour market than one has assumed so far. This becomes obvious by comparing the number of unemployed persons according to the definition of the International Labour Organisation (ILO), which is internationally accepted, with that of the German Social Security Code: The number of unemployed



persons according to the ILO definition is not only lower than that defined according to the German Social Security Code, but it is also subject to stronger oscillations.

Many persons changing from unemployment to employment only take up jobs of marginal size. According to the ILO definition they are no longer regarded as unemployed, but it is admissible to continue recording them as unemployed if their employment lasts less than 15 hours per week. On the other hand, unemployed persons, who stopped actively searching for work or who are not ready to take up a new job within the next two weeks, according to the ILO definition are not considered as unemployed, but as persons outside the usually active population. However, the status of registered unemployment often

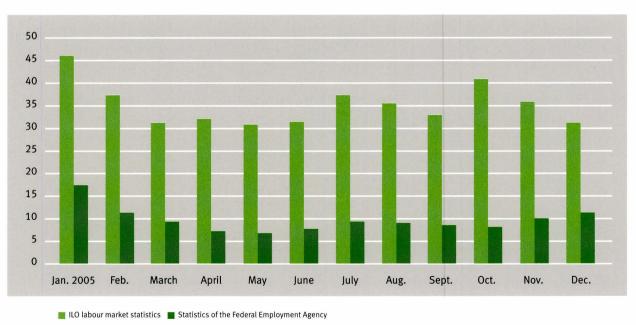
remains untouched by such changes in a person's behaviour, because persons, who want a job, but have not undertaken concrete search activities - at least recently - are also recorded as unemployed. That means that unemployment in terms of the Social Security Code by definition records less movements on the labour market than a change in the status of employment would actually cause.

According to ILO labour market statistics more than every third unemployed person had a different status of employment in the respective previous month as an average of all months in 2005. Among the unemployed recorded by the Federal Employment Agency this was true on average of every tenth person only.

Overall development of wages: Rise dampened by "one-euro jobs"

In accordance with the employment concept of the International Labour Organisation (ILO) persons employed in so-called one-euro jobs are to be considered as employees, when determining a country's average wages and salaries (gross wages and salaries per employee) for national accounts. Their remuneration is reproduced in national accounts to the amount of the additional compensation of 1 to 2 euro. The unemployment benefit II, which is paid additionally, does not belong to an employee's remuneration in the context of national accounts.

Share of unemployed persons who had not been unemployed the month before (in percent)



The strong increase in the number of persons employed in one-euro jobs and the very low wages paid there have markedly dampened the rise in the country's overall wages and salaries in recent years. This dampening effect is felt in the new federal states much more strongly than in the former federal territory, because most of the oneeuro jobs have been created in the new federal states. Since the country's overall development of wages and salaries is an indicator needed, in particular, for pension adjustment and the distortions caused by one-euro jobs are not to have an effect on pension adjustment, the Federal Statistical Office provides the Federal Ministry for Labour and Social Affairs with data adjusted for the effects caused by one-euro jobs. The second law on changes in company pensions which is presently considered by the German parliament is expected to forestall effects of one-euro jobs on pension adjustment.

Labour cost survey 2004: First results available for the entire services sector

Although the services sector is growing in importance, the information available on wages and salaries and on working hours has been insufficient so far. The 2004 Labour Cost Survey has now provided first results for almost all branches of the services sector and the industry. The areas newly covered include, for instance, transport, communication, public health and public administration. The fundamental restructuring of the survey concept was beneficial, above all, to enterprises of the producing sector, which were heavily burdened in the past. Here the size of the sample survey decreased by 35% and the number of survey variables halved. In the public service it has been possible to completely do without a survey of employers by using annual personnel statistics.

The labour cost determined on average for all economic branches in Germany in 2004 amounted to 28.18 euro per hour worked. In the new federal states it amounted to 21.08 euro, being 28% below that of the former federal territory (29.36 euro). In 2004 full-time employees in the new federal states worked 1720 hours, i.e. 55 hours or 3.3% more than employees in the former federal territory (1665 hours). The least amount of hours per full-time job in Germany was worked in the production of cars (1500 hours), the largest amount in the recycling industry (1808 hours).

Health spending, sickness cost and health personnel



For the first time the Federal Statistical Office has simultaneously published the latest statistical results and developments concerning health spending, sickness cost and health personnel. This harmonised information makes it possible not only to improve the transparency of essential aspects in the German public health system, but also to undertake an in-depth analysis of the public health system in the context of current reform discussions.

In the course of a comprehensive revision of the three health-related computing systems it has become possible, among other things, to open up new sources of information, make additional expertise, for instance, from the nursing care sector available and intensify the cooperation with data suppliers such as ministries, associations and institutes. In order to improve international comparability, the presently used definition of health spending was harmonised with the definition applied by the Organisation for Economic Cooperation and Development (OECD). Nevertheless, the data for 2004 are comparable with former reference years' data, since the revision has also been done retrospectively.

International indicators of education — an interstate comparison

In September 2006 the statistical offices of the Federation and the federal states issued a first joint publication "International indicators of education – an interstate comparison". This publication supplements "Education at a glance", published annually by the Organisation for Economic Cooperation and Development (OECD), by selected OECD indicators for Germany broken down by federal state.

It contains indicators from the following four thematic fields:

- Educational attainments and the effects of learning
- Financial and human resources invested in education
- Access to education, educational involvement and expectation (in years)
- Learning environment and the organisation of schools

The following results are of particular interest:

- In 2004 the proportion of population aged 25 to 64 years with at least one educational attainment of secondary level II (university-entrance diploma, certificate of apprenticeship training, vocational school leaving certificate) in all federal states clearly exceeded the OECD average of 67% (Germany: 84%). In contrast, Germany's rates of university graduates were 20.6% in 2004, which was markedly below the OECD average of 34.8%.
- In relation to the country's economic power, Germany spends less public means on education than other OECD states do. In 2003 Germany spent 3.1% of gross domestic product on schools compared with an OECD average of 3.8%.

- In 2004, the educational expectation of a 5 year-old child averaged 17.4 years in Germany and across the OECD. The highest educational expectation with more than 18 years was achieved by children in the city states and in North Rhine-Westphalia.
- The average age of newly enrolled students in Germany is 21.4 years, which is higher than in most OECD states.
- The secondary education level II in Germany is primarily intended for acquisition of vocational skills, whereas in most OECD states it is aimed at giving authorisation to university entrance. Accordingly, the proportion of pupils in courses authorising people to study at an university, being 39% in Germany, was clearly below the OECD average of 51%. In addition, there are marked distinctions between the various federal states of Germany, ranging from 32% in Bavaria and 35% in Saxony to 47% in Brandenburg and 49% in Berlin.

The publication containing detailed results on more than 100 pages is available free of charge for download under www.destatis.de or www.statistik-portal.de.

Export causes economic boom

In 2006, according to provisional results, Germany exported goods worth 893.6 billion euro (13.7% more than in the previous year), an international trade record confirming Germany's title of "world export champion". In the same period the value of imports rose by 16.5% reaching 731.7 billion euro, so that the 2006 foreign trade balance closed with a surplus of 161.9 billion euro.

The dynamic development of exports in Germany has repeatedly been described as a motor of economic boom. In 2006 the Federal Statistical Office analysed this statement for the first time on the basis of a detailed compilation of foreign trade statistics and data of national accounts. The results were presented at a press conference in Frankfurt in May 2006.

The results reveal, in particular, that the proportion of the trade balance (balance of all border-crossing transactions of goods and services) in gross domestic product increased by 4.6 percentage points between 2000 and 2005 (from 0.4% to 5.0%). In real terms, the trade balance contributed about two thirds of the economic growth in 2004 and 2005.

The increased importance of foreign trade has also had positive effects on the employment situation of exporting businesses: If in 1995 every sixth employee in Germany depended on exports, in 2005 this was true of every fifth already. According to the results of input-output calculations made by the Federal Statistical Office about 8.3 million jobs depended on exports in 2005.

Two thirds of German trade transactions are traditionally carried out with the other EU member states, of which about one seventh was accounted for by the ten new EU member states in 2005. German trade with Central and Eastern Europe trebled from 1995 to 2005.

Use of information and communication technologies by enterprises and households

The European Commission aims to promote the use of modern information and communication technologies (ICT), giving important impulses to growth and employment in Europe. In the period 2002 to 2005 almost all member countries of the European Union (EU) conducted harmonised pilot surveys on the use of ICT by enterprises and households in order to evaluate the various plans of action and to implement common benchmarking.

In accordance with the regulation (EC) No. 808/2004 of the European Parliament and of the Council of 21 April 2004 the EU member states are obliged to supply, on an annual basis, statistical results on the use of ICT by enterprises, households and individuals from 2006 on. A legal basis for the surveys "ICT at enterprises" and "ICT in households" was laid at national level by a Law on Information Society Statistics of 22 December 2005, which is based on the mentioned regulation.

The surveys provide an overview of the standard and use of modern ICT at enterprises and in households.

The proportion of households that have a PC and access to the internet has continuously increased since 2002. In 2006 70% of households in Germany had a computer (2002: 57%). The share of households with internet access rose from 43% to 61% in the same period.



In 2006, as in previous years, 84% of all German enterprises were using computers for their business activities, computers being used by nearly all enterprises with 50 and more employees. More than half (53%) of enterprises with internet access (79% of all enterprises) already had broadband connection.

The expenses of enterprises on the information and communication technology totalled 54 billion euro in 2004. 53% were expenses spent on ICT services. They include, for instance, consultation, hardware maintenance or database and web hosting services. Another 22% were spent on purchases of hardware and telecommunication technology and 15% on the purchase of software.

Reports on indicators of Germany's sustainability strategy

Sustainability is a central term of future-oriented politics. Originally, the term "sustainable economy" was based on the underlying idea that it is necessary for the economy to take account of the environment: A country should use its natural resources only to the extent to which nature is able to regenerate. In the meantime sustainability has been given a broader meaning: The needs of several areas, namely environment, economy and society, coexist with equal rights and must be considered in equal measure.

By signing the final document of the 1992 Earth Summit in Rio de Janeiro, the Agenda 21, the participating states committed themselves to developing so-called "national sustainability strategies". The Federal Government submitted its national strategy in the first sustainability report "Prospects for Germany" in 2002. Its core consists in "21 indicators for the 21st century", defined by politicians from their point of view as important themes for sustainability. The implementation of this national strategy for sustainability is documented in progress reports every two years.

The Federal Statistical Office had already supported the work on the "2004 Progress Report" and an interim report of the old federal government ("Road Map 2005") by way of data collection and coordination. In August 2006 the Federal Ministry of the Interior officially entrusted the Federal Statistical Office with the statistical evaluation and description of trend developments of the 21 indicators in the context of a sustainability report. In addition to data collection this also includes the presentation and description of indicator developments.

Slight decrease in the use of climate-changing substances

German enterprises used 7 160 tons of climate-changing substances in their production activity in 2005. This corresponds to a 2.6% reduction on the previous year.

About 80% (5727 tons) of climate-changing substances were used as cooling agents for refrigerators, freezers and air conditioners, approximately 8% (538 tons) as expanding agents in aerosol cans and about 11% (769 tons) for the production of synthetic and foamed materials.

Most of the climate-changing substances (3 135 tons) were used for the production of motor vehicles and parts of motor vehicles, followed by the machine-building (1 420 tons) and chemical (993 tons) industries.

Climate-changing substances, when released into the atmosphere, contribute to the greenhouse effect. Unlike gases such as carbon dioxide (CO₂), also contributing to the greenhouse effect, fluoric derivatives of aliphatic and cyclic hydrocarbons (FHC, FCHC), which enterprises use for production, are considered to be climate-changing substances. The partly halogenated fluoric hydrocarbon R 134 a accounted for 75% of substances used as cooling agents. It is used, in particular, in air conditioners in vehicles and in the household refrigerators industry as a substitute for the cooling agent R 12 (CFC), which is extremely ozone-layer depleting and prohibited in Germany.

The potential impact of released climate-changing substances on global warming (GWP value), being 11.4 million GWP weighted tons in 2005, was below previous-year level (12.3 million GWP weighted tons). The GWP value indicates the extent to which a certain quantity of greenhouse gas contributes to the greenhouse effect more or less strongly than the same quantity of CO₂.

National accounts: Comparable time-series for the years 1970 to 1991

The national accounts of the Federal Statistical Office describe economic life in a comprehensive way. They provide indispensable information for economic analysis, for example, data on economic growth, employment, production, consumption and capital expenditure.

In September 2006 the Federal Statistical Office published fundamentally revised results of national accounting for the period 1970 to 1991 for the former federal territory. This was the first time after the profound revision of national accounts in April 2005 that methodologically comparable long time-series with annual and quarterly data were made available to all users of national accounts.

The overall economic situation described by short-term indicators remained largely unchanged after the revision: Economic growth in Germany has increasingly slowed down during the last three and a half decades. Gross domestic product for the former federal territory rose on average by 2.9% per year from 1970 to 1980 and 2.6% per year from 1980 to 1991. Since Germany's unification the average growth rate of the German economy has even been markedly lower, averaging as little as 1.3% per year over the last ten years. More detailed explanations on the profound revision of national accounts are given in two treatises published in the journal "Economy and Statistics" (issue 10/2006 and issue 5/2005) as well as in the national accounts section of the information offered on the Federal Statistical Office's internet website.

The horticultural survey 2005



The results of the horticultural survey 2005 enabled the Federal Statistical Office to publish comprehensive statistics on the farm structure and the economic situation at horticultural enterprises and agricultural holdings with gardening for the first time after 1994. In addition, VAT statistics and employment statistics of the Federal Employment Agency were evaluated as secondary statistics for services gardening.

The following major results were achieved in the survey of production gardening:

In 2005 most horticultural products (98.2%) were cultivated on outdoor areas covering more than 206 000 hectares, in addition, 3 700 hectares (1.8%) were cultivated in greenhouses. The crops most frequently cultivated on outdoor areas included vegetables and strawberries (113 700 hectares) as well as fruit (64 500 hectares). ■ The 34 700 agricultural holdings, which raised horticultural products for commercial purposes in 2005, employed a total workforce of 339 400 persons, of whom 61 900 or 18.2% on a full-time basis.

All in all, the results obtained show that since 1994 a far-reaching structural change has occurred in Germany's production gardening on the background of a strong national and international pressure of competition. This resulted in larger units of cultivation and an increase in the intensity of production. Unlike the rest of agriculture, production gardening is characterised by high area productivity and labour intensity and specific production techniques.

More results of the horticultural survey are available free of charge on the internet website of the Federal Statistical Office (www.statistik-shop.de).

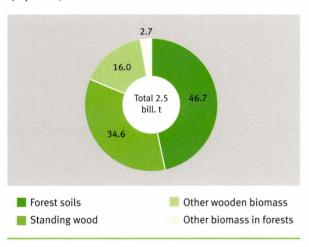
Forest accounting increases availability of environmentaleconomic data



Forest accounting as part of environmental-economic accounting views the forestry sector from a perspective, which is both economic and ecological. It depicts the resource item "forest" and its product "wood" in Germany, i.e. the area, physical supplies, their value and uses and wood processing in the timber industry. Ecological aspects are shown by tables on the forest ecosystem's carbon balance and on the forest as a carbon dioxide sink (climate protection aspect) and on damages to forests (air pollution aspect). In 2004 the total quantity of carbon tied up by the forest ecosystem amounted to 2 502 million tons. Forest soil accounted for almost half of that quantity — 46.7%, standing wood for 34.6%, other wooden biomass for 16% and other biomass in forests for 2.7% of carbon.

The results of forest accounting have been elaborated in cooperation with the Federal Research Institute for Forestry and the Timber Industry and are available as time series to be updated on an annual basis. An executive summary of results and a detailed project report can be found on the Federal Statistical Office's internet website in the section on environmental-economic accounting, keyword "forest accounting".

Carbon balance of the forest ecosystem in 2004 (in percent)



Environmental protection registered sales of almost 12 billion euro

Sales of goods and of building and other services for environmental protection amounted to approximately 11.7 billion euro in 2004, about 9 billion euro (77%) being achieved by transactions within the country and about 2.7 billion euro (23%) by transactions abroad.

Environmental protection goods accounted for more than two thirds of sales (approximately 7.8 billion euro) in 2004. The largest share with about 3.7 billion euro was achieved by the manufacture of vehicles and parts of vehicles (e.g. waste removal vehicles or flue gas purification equipment for vehicles). Machine-building products (e.g. dust removal or filter equipment) accounted for approximately 1.6 billion euro, rubber and plastic materials (e.g. sewage pipes, synthetic tubs for substances, which are hazardous to water, waste containers, noise barriers) for about 755 million euro.

The second largest share in total sales -23% (approximately 2.7 billion euro) in 2004 – was achieved by building activities for environmental protection. They include construction work such as canalisation, landfill or reclamation of waters.

Sales of environmental protection services accounted for approximately 1.3 billion euro or 11% of total sales in 2004. Here the largest share belongs to planning activities (such as landscape planning) with about 359 million euro, followed by project monitoring (e.g. reclamation activities) and inspection with about 332 million euro as well as studies and analyses (e.g. analyses of sewage water, canalisation, exploration of polluted areas, exhaust gas measurements) with about 295 million euro.

100 years of statistics on road traffic accidents

"In view of the enormous development of automobilism and the many complaints about the progressive destruction of roads and many other damages involved" the government of the German Empire felt compelled to introduce statistics on road traffic accidents from April 1906 on. A few months later, in January 1907, the stock of motor vehicles was recorded for the first time as well.

On the first reference date 27 026 licensed motor vehicles, of which 15 954 motorcycles, 957 lorries and 10 115 cars, were recorded in the German Empire. 4864 accidents, in which 145 persons were killed and 2419 injured, were counted in the first reference year, for which statistics on road traffic accidents are available. 85% of the persons killed died in accidents with passenger cars, although the share of passenger cars in all motor vehicles was as low as 37% at that time. Drivers of that time seemed to be overstrained, in particular, by high engine performance: 48 of the 54 licensed motor vehicles with more than 40 HP were involved in accidents in the first reference year. By contrast, collisions of motor vehicles happened quite rarely: 196 collisions (4% of all accidents) were counted in 1906/1907, of which 152 in Berlin alone. Frequent accidents were those with pedestrians or bicyclists (32%), with horsemen and harnessed horse teams (27%), tramways (11%) or because of bolting draught animals (10%).

The first result at federal level (with respect to the present territory) can be calculated for 1953: 12631 traffic deaths were recorded statistically with almost 4.8 million vehicles. Both figures rose in subsequent years: In 1970 there were 21332 traffic deaths and the stock of motor vehicles had increased to 20.8 million. Since that time – except for a few years – the number of persons killed in traffic accidents has permanently fallen: In 2005, 56.3 million vehicles were registered in Germany, 2083 times as many as in 1907; 5361 people were killed in road traffic, "only" 37 times as many as 100 years ago.



Updated classifications are available

In 2006, after the revision of the international and European activity and goods classifications, work started on reviewing the national classification of economic activities (WZ) and the goods classification for production statistics (GP). The 2008 issue of the national classification of economic activities (WZ 2008) worked out jointly with the users of data contains approximately 840 national subclasses, i.e. 20% less than the present WZ 2003. In reviewing the classification, account was taken, above all, of the increased economic importance of services and, in particular, of information and communication services.

The German goods classification for production statistics is based on the European PRODCOM list. That is why the Federal Statistical Office concentrated its activities of updating the GP classification in 2006 on making sure that important points of national interest were taken into account in the revision of the PRODCOM list and business associations and other users were prepared for a forthcoming revision of the GP.

In foreign trade statistics, quantities and prices of imported and exported goods are primarily broken down by kind of goods and by country. The tariff and statistical nomenclature of the European Communities (Combined Nomenclature, CN) is the standard classification used by all member states of the EU. It is issued by the Federal Statistical Office as the goods classification for foreign trade statistics. The CN is based on the Harmonised System (HS), which is in worldwide use and which is revised approximately every five years to take account of changes in the terms of trade and technological progress. The 2007 issue of the CN takes into account the often large changes in the fourth issue of the HS, which became effective on 1 January 2007. 80 of the 97 chapters of this classification were affected by the changes in the HS. More than a thousand codes became invalid and almost as many were newly included in the classification. The Federal Statistical Office provides support for the changeover as usual and advises on how to use the revised nomenclature.



Staff and budget of the Federal Statistical Office



Changes in the personnel structure

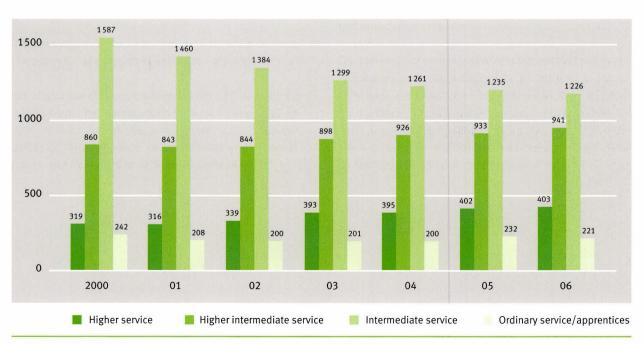
In November 2006 the Federal Statistical Office had 2 801 staff members. 2 017 staff members were employed at its main location in Wiesbaden und 767 at the branch office in Bonn. A team of 17 people is employed at the Berlin Information Point (i-Punkt) of the Federal Statistical Office, which includes the European Data Service (EDS). More than half of all persons (54,7%) employed by the Federal Statistical Office are women.

Between 2000 and 2006 the number of employees of the Federal Statistical Office decreased by 217 persons or 7.2%. However, the reduction did not affect all service

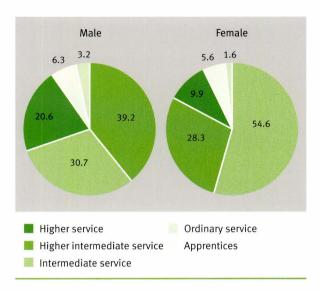
categories alike. Being increasingly faced with tasks of a scientific nature, the Federal Statistical Office aims to adapt its service structure to this change in functions. Accordingly, the proportion of employees in the higher service in the total number of employees rose from 10.6% to 14.4% during the mentioned period, whereas the proportion of employees in the intermediate service fell from 52.8% to 43.9%.

Another point worth mentioning is the Federal Statistical Office's commitment to vocational training: In November 2006 166 young people were trained to become skilled employees for office communication or IT specialists.

Employees of the Federal Statistical Office by service category in 2000 - 2006 (As of January of the respective year)



Employees of the Federal Statistical Office by sex and service category (in percent)





Employees of the Federal Statistical Office by sex and service category (November 2006)

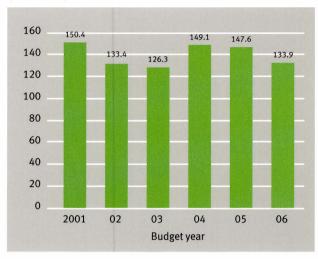
Service categories	Total		Males		Females	
Total	2801	100%	1 269	45.3%	1 532	54,7%
Higher service	413	100%	261	63.2%	152	36.8%
Higher intermediate service	931	100%	498	53. <mark>5</mark> %	433	46.5%
Intermediate service	1 226	100%	389	31.7%	837	68.3%
Ordinary service	65	100%	41	63.1%	24	36.9%
Apprentices	166	100%	80	48.2%	86	51.8%

The budget of the Federal Statistical Office in 2006

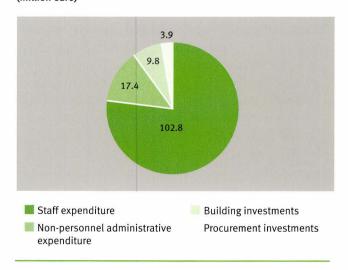
The Federal Statistical Office's budget estimate (target budget) amounted to 133.9 million euro in 2006. Heavy cuts, in particular, in material expenses have caused the budget target to fall by 13.7 million euro compared with the previous year. In addition, a "global reduction in spending" was prescribed, amounting to almost 9 million euro, so that just about 125 million euro were available in 2006. Approximately 9.8 million euro of that amount were earmarked for the total reconstruction of the office's building, which had begun in Wiesbaden.

The compilation, processing and dissemination of statistics is a labour-intensive job in spite of the increased use of information technologies. That is why staff expenditure, by tradition, is the largest spending block of the Federal Statistical Office: the staff sector accounted for 77% of estimated expenses in 2006. Non-personnel administrative expenditure had a share of 13%, whereas building investments and procurement investments taken together accounted for 10% of total estimated expenses.

Estimated budget of the Federal Statistical Office (million euro)



Estimated expenditure 2006 of the Federal Statistical Office (million euro)



Planned consumption of resources by product group in 2007

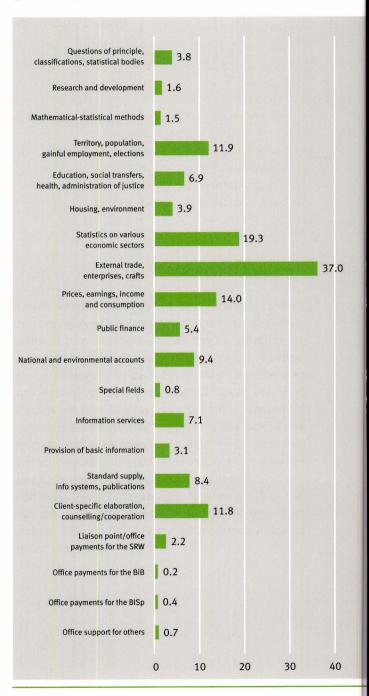
Since the fiscal year 2004 the Federal Statistical Office has compiled product budgets on an annual basis. A product budget is an important control element, providing information on the purposes the resources are used for, creating improved transparency of the relations between the targets and the means set aside. A product budget displays the costs incurred and the receipts achieved in the compilation of external products.

The adjacent bar chart shows the cost estimates for 2007 by product group.

Most of the means, i.e. approximately 37 million euro, are set aside for the product group "External Trade, Enterprises and Crafts". This can be explained by the fact that this product group includes external trade statistics (Intra- and Extra-Trade Statistics), the largest statistical survey conducted by the Federal Statistical Office in a centralised way.

The following surveys ranked according to the consumption of resources relate to certain economic sectors (e.g. the producing sector, distributive and catering trade) (19.3 million euro), statistics on prices, earnings, income and consumption (14 million euro), statistics on population and employment etc. (11.9 million euro) as well as client-specific elaborations, counselling and cooperation services (11.8 million euro).

Planned consumption of resources by product group in 2007 (million euro)



Total reconstruction of the office building in Wiesbaden

The total reconstruction of the Federal Statistics Office Building in Wiesbaden began in November 2005. The multi-storey building and the adjoining structures as well as the computer centre will be reconstructed in two stages by the end of 2010.

As long as construction work continues, about 1 000 employees are accommodated in seven alternative buildings located in the Wiesbaden town area. The Federal Statistical Office's library, print shop and post office also moved to other places.

The complex of buildings, erected in Wiesbaden's Gustav-Stresemann-Ring in 1956 and decorated as a cultural monument in 1995, was in urgent need for reconstruction. The repair works consist of comprehensive static reinforcements and fire-protection measures requiring massive interference with the building fabric. In the meantime demolition measures have progressed, dismantling the multi-storey building to its steel frame construction, the braced staircases and lift boxes as well as the floor ceilings.

The radical reconstruction will also be used to restyle the building's facade and to create an attractive work environment for the staff.







Interview with Ulrike Dausmann and Anne Falter-Leitzen, equal opportunities commissioner and ombudswoman of the Federal Statistical Office

Ulrike Dausmann has been equal opportunities commissioner in Wiesbaden since March 1995, Anne Falter-Leitzen held this function from July 2004 to March 2007 as the equal opportunities commissioner's ombudswoman at the Bonn dependency.

Mrs. Dausmann, Mrs. Falter-Leitzen, an Equal Opportunities Law became effective on federal level in late 2001. What are the law's main stipulations?

Ulrike Dausmann: The Equal Opportunities Law newly adopted on federal level is to ensure equal opportunities for women and men and to abolish existing and avoid future sex discrimination. Pursuant to this law, women are supported to help them overcome existing disadvantages. The law also aims to improve the compatibility of family and career for women and men. In particular, it takes account of the specific needs of women, who are disabled or are at risk of becoming disabled.

With the Equal Opportunities Plan 2004 – 2007 the Federal Statistical Office is expected to convert the objectives stipulated by law into concrete action. What progress has been achieved so far?

Anne Falter-Leitzen: The Equal Opportunities Plan evaluated on 17 August 2006 shows the achievement of goals for the first time. The goals set in the Equal Opportunities Plan were achieved to a very large extent and even surpassed in some cases. Today we see that the share of women has further increased in fields where they are underrepresented. We also see that progress has been achieved regarding the compatibility of family and job, for example, as a result of telework, which has been continuously extended, and of parent-child workrooms established in Wiesbaden and Bonn.

In this connection, what is the role of so-called "gender mainstreaming" at the Federal Statistical Office?

Ulrike Dausmann: By definition, gender mainstreaming means that it is necessary to consider women's and men's different life situations and interests in all planned projects from the very beginning so that the goal, i.e. equal opportunities for both sexes, can effectively be achieved. The target agreement on the implementation of gender mainstreaming was signed at the Federal Statistical Office on 21 March 2006. A gender review was already carried out with respect to our trainees programme. The office administration is presently preparing a first general implementation of gender mainstreaming.

Are there structural differences between the Wiesbaden office and the Bonn dependency?

Anne Falter-Leitzen: There are two important structural differences between the locations Wiesbaden and Bonn: On the one hand, the share of women in higher intermediate and higher service is much larger in Bonn than in Wiesbaden. On the other hand, the percentage of salaried workers is much larger in Wiesbaden, whereas civil servants predominate in Bonn.

Where do you see your priorities for the next few years?

Ulrike Dausmann: I see my priorities for the next few years in that it is necessary to further implement and develop the compatibility of family and job, to reduce the underrepresentation of women and to give women career support during the comprehensive modernisation process at the Federal Statistical Office.

Gender mainstreaming

The need to consider women's and men's different life situations (gender mainstreaming) has been stipulated as a political goal in the Federal Government's coalition treaty for the 16th legislation period of November 2005. In order to enhance policy-making for the sake of equal opportunities, gender-specific data are an indispensable necessity. Even today a person's individual variables are in most cases recorded separately for the two genders in federal statistics. Many publications of the Federal Statistical Office give a comprehensive overview of women's and men's living situation.

At international level the subject of equal opportunities for women and men is dealt with, first of all, by the United Nations Economic Commission for Europe (UNECE). For that purpose a website, focussing on the dissemination and use of gender-specific data, has been installed in cooperation with the national statistical offices of member countries. Important gender-specific themes and examples of political initiatives are also presented there. In addition, the UNECE regularly organises workshops to sensitise people for the subject and to elaborate a harmonised set of indicators. The Gender Database and the Gender Statistics Website can be accessed on the internet via www.unece.org.



Current organisational structure of the Federal Statistical Office April 2007



President Walter Radermacher



Vice-president Peter Weigl



Department ZAdministration

Dr. Werner Nowak



Department I

Questions of Principle of Federal and International Statistics, Dissemination of Information

Jürgen Chlumsky



Department II

Information Technology, Mathematical-Statistical Methods

Dieter Sarreither



Department III

National and Environmental Accounts, Labour market

Wolfgang Strohm



Department IV

Business Register, Industry, Domestic Trade

Dr. Roland Gnoss

Organisation, Quality Management, Controlling

Budget, Cost and Performance Accounts, Internal Service

Project Group
Complete restoration

Human Resources, Advanced Training

Legal Questions

Internal Audit

Questions of Principle, National and International Co-ordination

Institute for Research and Development in Federal Statistics

Research Data Centre

Online-services, Publications, Corporate Design

Press Service, Central Information Services, Library

Co-operation with other Countries, Language Service

Berlin Information Point/ European Data Service

Editorial Board of "Economy and Statistics"

Standard Cost Model

Mathematical-Statistical Methods

IT Infrastructure and Processing

IT Application Development

IT User Service, Statistical and Geo-Information Systems

IT Planning and Co-ordination

Domestic Product, Production and Expenditure

National Income, General Government, External Economic Transactions

Development of a Socio-Economic Reporting System

Input-Output Accounts, National Wealth Accounts

Labour market

Environmental-Economic Accounting

Business Register, Co-ordination of Business Statistics Classifications

Economic Activity in the Industry, Production

Structure of the Industry, Crafts, Energy, Business Notifications

Domestic Trade, Hotel and Restaurant Industry, Tourism



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Prices, Foreign Trade,
Transport, Earnings

Sibylle von Oppeln-Bronikowski



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Population, Education,
Public Sector

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Services, Agriculture,
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Hannelore Pöschl



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Health, Social Statistics

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Prices

Foreign Trade

Transport

Earnings and Labour Costs Population Census, Population Development

Education, Research and Development, Culture, Justice

Public Budgets and Enterprises

Taxes

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Advanced Training
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Agriculture and Forestry, Fisheries

Environment

Services, Cost Structure, Iron and Steel, Reporting on Foreign Countries Health

Social Statistics

Microsensus, Labour Force Sample Survey, Households and Families

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The Federal Statistical Office at a glance

Our most important tasks and services:

- Together with the 14 statistical offices of the federal states we produce statistics on the economy, the society and the natural environment.
- We actively use public relations and press activities to supply the public and the media with statistical information.
- We provide information to all people, using our press and information services, the website www.destatis.de and various online databases.
- We provide advice and support to enterprises and citizens interviewed as respondents.
- We undertake methodological research, policy counselling and data analysis.
- Empirical scientists in Germany have access to anonymised microdata of official statistics via the Research Data Centre of the Federal Statistical Office and the Research Data Centres of the statistical offices of the federal states.

We are:

- About 2 800 statisticians, of whom more than half are women.
- We increase efficiency: We have coped with increased functions in spite of a 7 % reduction in staff numbers since 2000.
- We work at the locations Wiesbaden (head office), Bonn (branch office) and Berlin (i-Punkt Berlin/ EDS European Data Service)
- Human resource development is aimed at training the staff in technical matters.

Our framework conditions:

- In 2006 the federal budget made available 125 million euro for statistical purposes.
- We use the latest information technology and our internet-based services and innovations are an important contribution to the Federation's eGovernment: Several prizes were awarded to our new data collection method eSTATISTIK.core in 2005, which enables enterprises to fulfil statistical obligations online using data from their enterprise accounting systems.
- We actively participate in the further development of the European Statistical System and in international statistical cooperation.

Imprint Annual Report 2006

Published by: Federal Statistical Office, Wiesbaden Germany

Editor:

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Layout:

KOOB/Federal Statistical Office

Published in July 2007 Order number: 0000040-06700-1

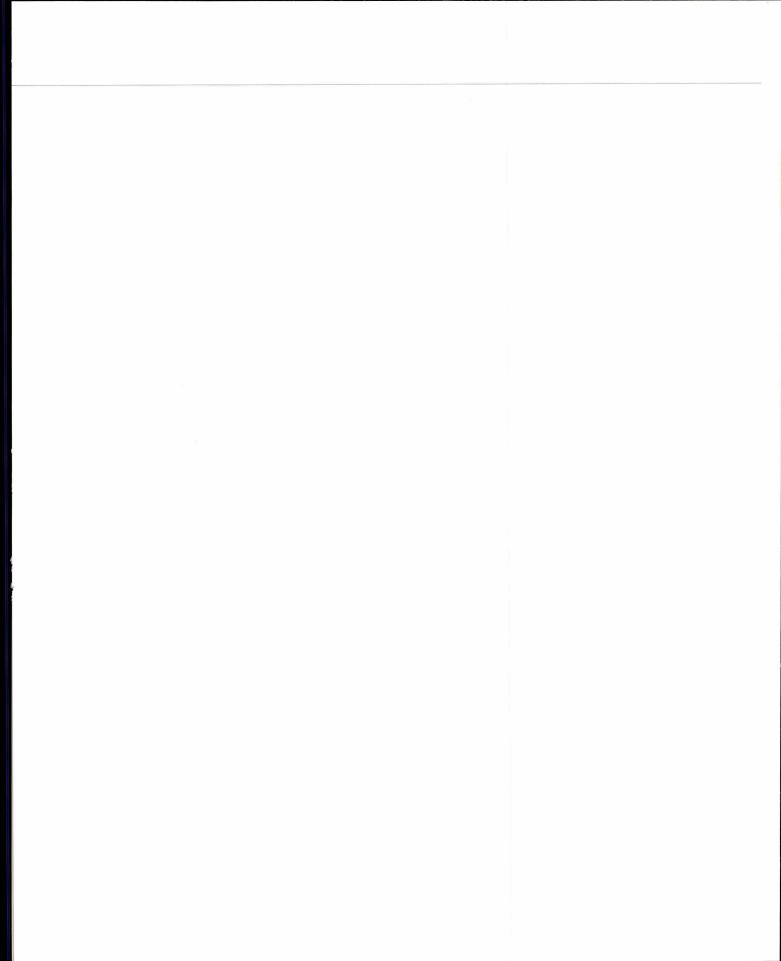
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Federal Statistical Office, Annual Report 2006 Order number: 0000040-06700-1