

ANNUAL REPORT 2007



06

2411 Federal Statistical Office of Germany

Statist. Bundesamt - Bibliothek



08-02420

(06.2411)

Dear reader,

The fifth edition of the Federal Statistical Office's Annual Report provides you with information about the focuses of the Office's activities and the results of its work in 2007. The year was characterised by the German EU Council Presidency and activities undertaken to assist the work of the German federal government. Particularly worth mentioning are the continued measurement of administrative costs based on the Standard Cost Model and the provision of statistical results for government reports on major social and ecological issues.

German official statistics is facing reform challenges in many areas. These challenges include the methodological changeover in the context of the next population census, the further development of household statistics, and the reform of business statistics, finance and tax statistics and also agricultural statistics.

The demand for information is constantly growing, as was also noted by the Director-General of the Statistical Office of the European Communities in an interview we conducted with him. At the same time, the costs of providing information are to be brought down considerably and the burden on the respondents is to be further reduced. To resolve this conflict of goals, the statistical offices need a long-term strategic approach to planning their programme of work. And they have to use all technical opportunities for rationalisation and to exploit all the advantages gained by enhanced co-operation and work-sharing on a partnership basis. This applies at both the European and the national level: Planning means to set priorities.

In further developing its strategic targets, the Federal Statistical Office has provided the necessary orientation to fulfil the above tasks. Fit 2012, the new target system, hence is an important component to further strengthen the position of the Federal Statistical Office as a modern German information provider.



The articles in this brochure, which has been compiled for the purpose of providing you with relevant information, describe selected activities of the wide range of work undertaken by the Federal Statistical Office. Many of these articles reflect the steps taken to modernise the Office's internal processes, including process analyses to optimise workflows, the development of a transparent cost and performance accounting system, a customer management system and a document management system. Other topical aspects include the provision of new data on the population with a migration background, projects to reflect the process and effects of globalisation, the provision of information on old-age benefits for households and of data on parental allowance, and many others.

I would be pleased if this brochure could encourage your interest in other publications of the Federal Statistical Office or even entice you to become a regular visitor to our website at www.destatis.de.

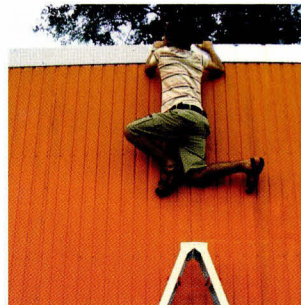
Walter Radermacher

Walter Radermacher
President of the Federal Statistical Office



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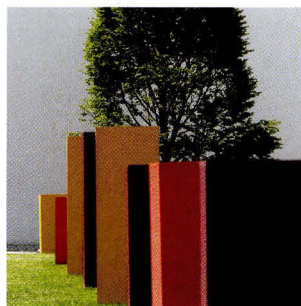
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Information serving the customers

Statistics making headlines

In the past year again, the results from the nearly 600 press releases of the Federal Statistical Office made headlines and provided facts for current discussions. A major issue of 2007 was family policy and the question of whether there will soon be more children in Germany thanks to the new parental allowance. The slight increase in births in the first quarter of 2007 gave rise to the hope that the birth decline has bottomed out. According to the new statistics of parental allowance, the number of fathers taking a time out from their job for their children in the first quarter of 2007 was twice that observed when parents got childraising allowance. Did you know that in Germany almost 800 male child minders worked in day care for children in 2006?

The Federal Statistical Office provided facts also for the discussion on public support for low-income earners and for the introduction of minimum wages for specific branches. In the second half of 2006, the lowest agreed hourly wages of lowly qualified employees were about EUR five. However, there are also some specialists such as hairdressers or cooks whose income is relatively low despite their vocational qualification. In 2007, the price rise for dairy products caused much agitation among consumers. However, the assumption that the reason was increased milk consumption in China could not be supported by figures of foreign trade statistics. Although the value of exports of milk and dairy products rose by more than 20 % in the first half of 2007, 90 % of German exports went to the European Union and only 0.1 % directly to China and India together. Also, the share of those two countries in EU exports of milk and dairy products in that period was only just under 3 %. A press release on exports of second-hand cars illustrated that in 2006 most second-hand cars exported from Germany (nearly 83,000) did not go to Poland, as is often assumed, but to Romania. The first results of the new statistics on the overindebtedness of individuals found their way to the front page of the biggest German tabloid.



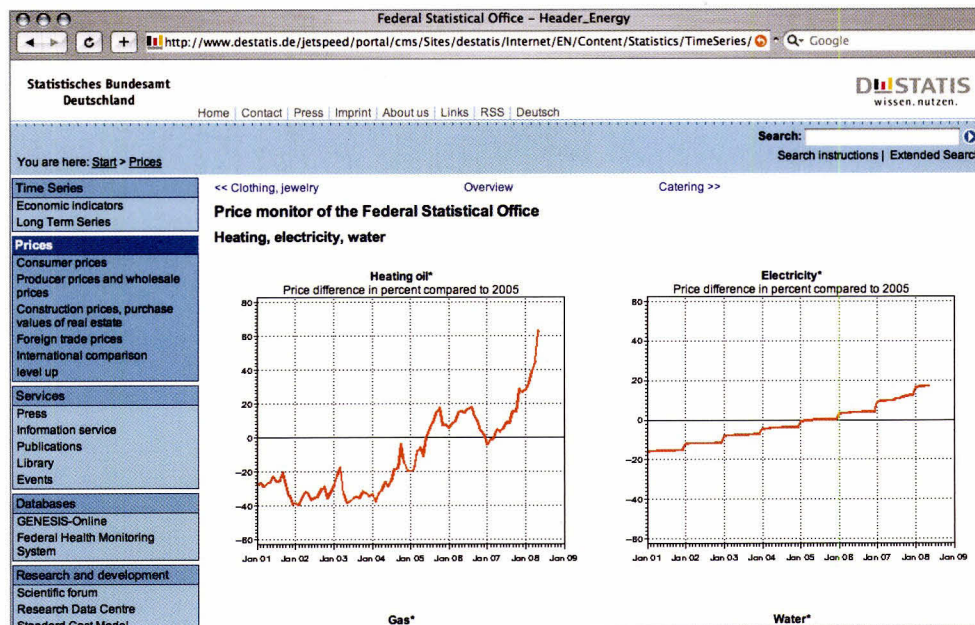
The Federal Statistical Office itself is good for headlines, too: In a two-page article entitled “In the megastore of knowledge”, a big German weekly newspaper in November reported about the Office’s successful change to become a modern information provider.

The various aspects of “globalisation” were a major issue of the press conferences held in 2007. In September, it was shown on the basis of results of input-output accounting that more and more service jobs benefit from goods exports. However, this is just one side of the coin: Although rising exports resulting from globalisation support growth and employment in Germany, they also have negative effects on the environment. According to results of environmental-economic accounting that were presented in November, the CO₂ emissions generated in the production of export goods in Germany between 1995 and 2004 increased by almost a quarter to some 300 million tonnes – despite considerable efficiency gains in energy use in the production.

Website most important information source for statistics customers

The internet as an information source is getting ever more important. The number of page accesses at www.destatis.de has further increased, now exceeding the threshold of 3.5 million per month. In 2007 the Federal Statistical Office entirely rearranged and extended its website content. A major goal in this context was to offer a wide range of information encompassing all themes also to English-language users, so that the increasing international interest in German statistics can be met.

The navigation structure of the redesigned website has better been adapted to actually what information is used, so that the desired information can be accessed easier



Through the website of the Federal Statistical Office, interested users can obtain data on the price trends of products frequently purchased.

and more rapidly. Navigation is oriented towards themes and the overview page of any theme contains not only the main information but also links to any relevant cross-section information. Interactive charts and programs can now be accessed direct from the start page. What is new in this area is the atlas of foreign trade statistics, which is based on a geographic information system, and population pyramids for all Länder including results of the 11th co-ordinated population forecast.

The monthly updated price monitor, which has been offered since mid-2006, has become an established item that is used by experts and the general public to get information on the price trends of selected goods and services frequently bought by German households.

The search function has been extended to cover research in the publication service of the Federal Statistical Office.

When the new website was launched, the former Statistics Shop was renamed to "Publication Service". This has reduced the inhibition threshold to use the publications database and has taken account of the growing range of free electronic versions of the publications. The online distribution platform allows not only to easily order printed publications but also to download any current publications. In 2007 an average 63,000 downloads were performed each month.

Top 10 of downloads in 2007



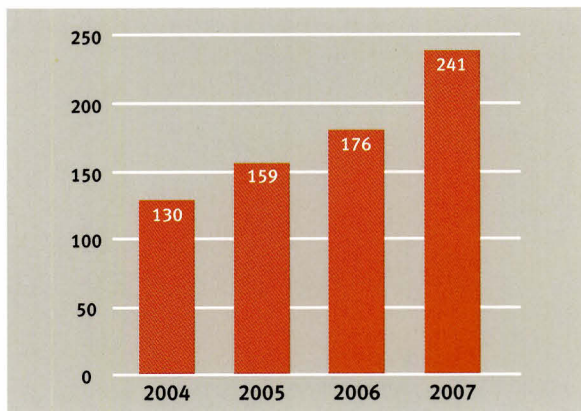
Five years GENESIS-Online

Five years ago, the database of the Federal Statistical Office called “GENESIS-Online” was launched on the internet. As a model project of the BundOnline2005 initiative of the Federal Government, GENESIS-Online started in July 2002 when it comprised 58 statistics containing a total of some 650,000 values. Since that time, the database has further been developed in terms of both content and functions, taking account of user wishes. Today the range of data included has reached 165 statistics with 77 million values.

With the GENESIS-Online version published in 2007, many features have been implemented, improving the database’s user-friendliness. What should especially be mentioned is the options regarding the graphical representation of time series and the metadata links in the tables.

Achieving a total of 241,000 table accesses in 2007, database use has reached an all-time high. For business customers such as commercial “processors”, banks, associations, and research institutes, GENESIS-Online offers WebServices, including the automation of data accesses by software systems.

GENESIS-Online tables accessed per year (in thousands)



How satisfied are our customers?

In March 2007, Professor Manfred Güllner presented the results of a customer satisfaction study commissioned by the Federal Statistical Office and carried through by forsa Gesellschaft für Sozialforschung und statistische Analysen mbH from December 2006 to January 2007. The goal of the survey was to know how satisfied customers are with the products and services of the Federal Statistical Office and how they rate its image.

For that purpose, a representative sample of 1,000 customers of the general information services, the Berlin Information Point, and the GENESIS-Online database were interviewed by telephone. In addition, through an online questionnaire, about 220 customers of the microcensus unit were asked on that unit’s information supply and services.

The overall result was encouraging because more than nine out of ten customers questioned said that on the whole they are satisfied with the Federal Statistical Office. More than half of the customers were convinced customers, that is they were very or extremely satisfied.

The products and services of the Federal Statistical Office were rated differently. The best marks were given to the telephone services: More than two out of three clients were convinced by their services, the others – with a small number of exceptions – were satisfied. What impressed them most was the contact persons’ friendliness and cooperation, their competence and expertise as well as the short handling times.

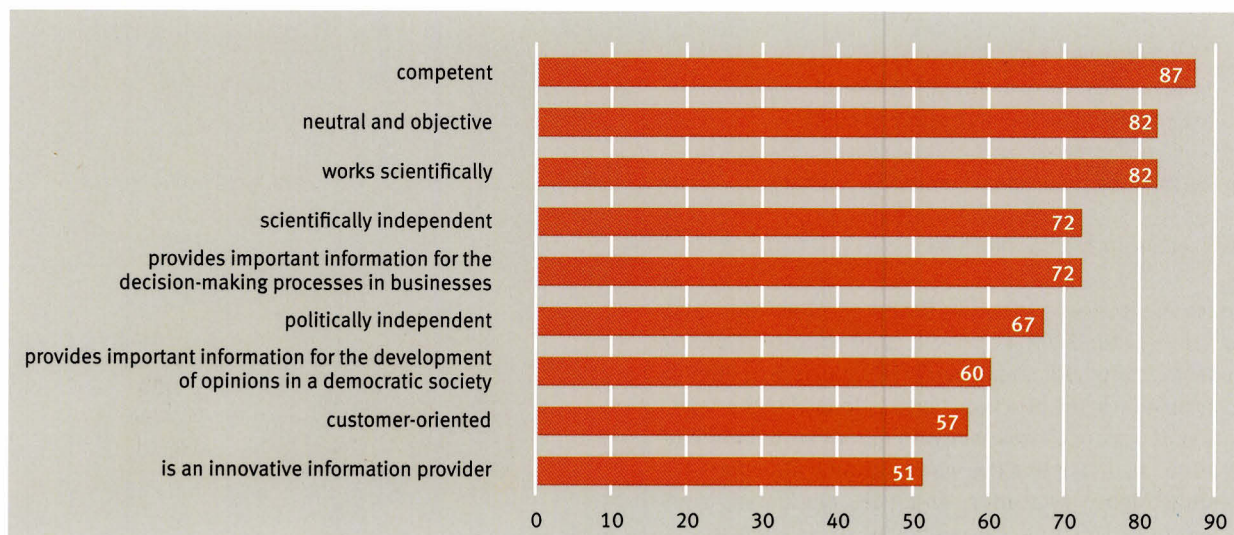
Nearly all customers were also satisfied with the data and information offered, while almost two thirds were even convinced.

Need for improvement was found especially in the technical implementation of data access. The search functions, the clarity and the usability of the website and of the GENESIS-Online database were judged unsatisfactory each by just under one third of the customers.

The Federal Statistical Office reacted promptly to the criticism of the customers: In the middle of 2007 a much more user-friendly website was launched, while the structure and user-friendliness of the database are being revised at present.



Image of the Federal Statistical Office (all customers) *



* Rating is based on a scale from 1 to 5 ("applies completely" to "does not apply at all"); what is shown is the shares of "applies completely" and "applies largely". Figures in percent.

Print publications: Classics and novelties

The Statistical Yearbook for the Federal Republic of Germany is the classic among the publications of the Federal Statistical Office and, at the same time, the most comprehensive statistical work of reference on the German market. It is indispensable for anyone wishing to obtain every year reliable and objective information on the state and development of our society, economy and environment. The

Statistical Yearbook is also available to users for free download. In a comprehensive annex, the

2007 edition contains information on the major statistical structures and trends in nearly all countries of the world, thus replacing the former International Statistical Yearbook.

With its thematic issues, the Federal Statistical Office

launched a new series in 2007, presenting special topics and treating them thoroughly by explanatory texts, charts and tables. The following titles have so far been published in that series:

- Living and working in Germany
 - Reconciliation of family and working life
- Development of the information society
 - ICT in Germany
- Sustainable waste management in Germany

Fast sellers among our brochures:

Education policy is currently the focus of political and social debate. From economic and education policy aspects, particular importance is attached to higher qualifications. The brochure “Institutions of higher education at a glance” was met with great interest already in 2006, as it contains the major national indicators regarding higher education entrance, graduates, staff structure and hosting, supraregional attractiveness and financial equipment of the institutions of higher education, etc. The results are presented in a compact

form, including comments and visualisation. The 2007 edition describes recent changes and trends in the German higher education landscape.

Another frequently discussed topic is demographic change. What is behind catchwords such as “lack of children”, “low birth rates” or “childless female academics”? Are they supported by a reliable data basis? The brochure “Births in Germany” describes the major figures and trends regarding the development of births from the viewpoint of official statisticians.

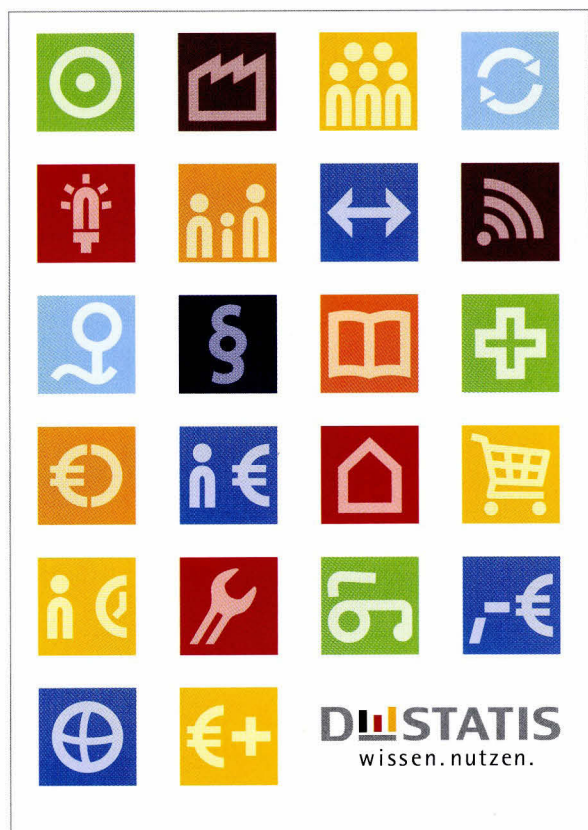
There was also strong demand for the “Indicator Report 2006: “Sustainable Development in Germany” commissioned by the Federal Government and published in mid-2007 (see also chapter 2, page 28).

Its core is 21 indicators used to observe the sustainability of developments in the economy, environment and society. The indicator report is also available in an English-language version.



Publications with new pictograms

Until recently, the various statistical fields of the Federal Statistical Office were represented in the publications by pictograms some of which had been developed as early as in the 1960s. Those old pictograms have been redesigned in a way meeting new requirements regarding digital representations such as on the internet. That new optical guidance system is gradually being integrated into the publication programme.



Web-based customer management system awarded with prize

“What is the price trend in Germany?”, “What is the number of unemployed?”, “Can the climatic change be evidenced by data?”. Every year, the Federal Statistical Office receives over 420,000 of those, or similar enquiries from politics, the administration, businesses, media and individuals. They are answered by over 600 staff members from nearly all subject areas of the Office on the basis of some 390 different statistics with millions of detailed results. To answer written enquiries, the Federal Statistical Office uses a web-based customer management system.

Over 56,000 customer data are now stored in that customer management system. The staff members communicate through a uniform and transparent system. A marked reduction of handling times and uniform answering by pre-defined quality standards have been achieved already now. In 2008, the customer management system will have been introduced everywhere in the Federal Statistical Office.

In the 7th eGovernment competition of 2007 for federal, Land and municipal authorities, the customer management system of the Federal Statistical Office was awarded the third prize in the category of customer and demand orientation. Prizes were awarded for project ideas leading to improved customer-oriented multi-channel services and focusing on customer wishes.

The system was regularly met with great interest and appreciation also in presentations, such as at the Federal Ministry of the Interior, at the CeBIT and at the fair “MODERNER STAAT” (modern government).

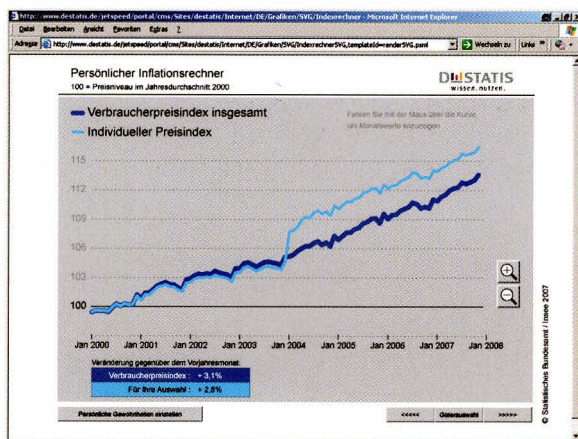
Especially among customers, the customer management system was welcomed enthusiastically: 96% of the feedback was praise and thanks.

Interactive charts and maps on the Federal Statistical Office's website

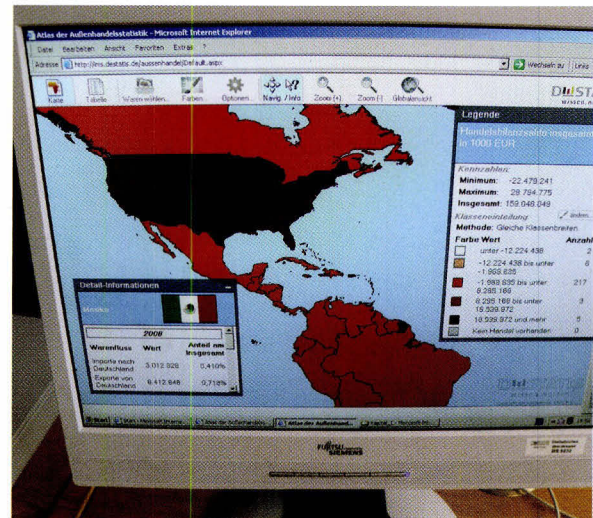
Interactive applications not only increase the attractiveness of the website content but also contribute to better understanding and easier interpretation of the data published.

The Federal Statistical Office continuously expands its range of interactive charts and maps. The interactive applications for the personal inflation calculator, which illustrates the methodology and calculation of the price index published every month, and for the presentation of age pyramids for the Federation and the Länder have been updated and improved. Another application currently being prepared is a short-term economic monitor, following the model of Dutch official statistics.

Since May 2007, the atlas of foreign trade statistics has been added to the range of cartographic representations of data from official statistics. With that atlas, the Federal Statistical Office has for the first time implemented an application based on the internet map server technology. This means for the user that, through the application, only



The personal inflation calculator allows to calculate an individual price index.



With the atlas of foreign trade statistics, German foreign trade with its partner countries can graphically be presented by size classes.

image files are sent to his computer. There are no access barriers such as the installation of specific additional software, it is only necessary to allow the execution of JavaScript in the browser to use the offer. Since recently, the atlas of air transport statistics has been available as another product of that kind. Further atlases for the cartographic representation of regional indicators and on international sea transport are envisaged, too.

A link on the start page of the website of the Federal Statistical Office leads direct to the interactive charts and maps.



New data offers for science and research

Data now available as Public Use Files are results of the 1971 census of population, occupation, housing and buildings in the former GDR. Those data cover not only demographic, social and economic variables of the inhabitants and households but also information on the population's housing situation such as the structural condition of the buildings and the occupancy and equipment of dwellings. The Public Use File is an absolutely anonymised 25 % sample of the original material, comprising 104 variables on 4.1 million persons in 1.6 million households.

New Scientific Use Files offered in 2007 are data of the 2001 structure of earnings survey, the 2001 wage and income tax statistics (FAST) and the 2005 microcensus. For the Scientific Use File of the 2001 structure of earnings survey it is possible to link the data on employees with the variables of the local units (linked employer-employee data set). Information on some 22,000 local units and over 846,000 employees is available.

What can now be used for analyses to be performed at safe scientific workstations and through controlled teleprocessing is data obtained from longitudinal processing of the cost structure survey in manufacturing and data of the turnover tax statistics, sample data on persons insured under statutory health insurance schemes of 2002 and the 2005 Community statistics on income and living conditions (EU-SILC).

Intended specifically for teaching at institutions of higher education, the Campus File of the Second European Continuing Vocational Training Survey of 2000 (CVTS II) provides data on a good 2,500 German enterprises.

Selected workshops and conferences

In 2007 again, numerous conferences and workshops gave statistics users the opportunity to obtain information on products and projects of the Federal Statistical Office and to discuss international quality standards and framework conditions.

The new panel data offered by official statistics were presented for the first time to a large user group from science and research at a user conference on “Longitudinal data on local units and enterprises – New data offered and their research potential”, organised by the Institute for Applied Economic Research and held in Tübingen on 14 and 15 June 2007.

On 21 and 22 June 2007, the research data centres of the statistical offices of the Federation and the Länder, together with the working party of German economic research institutes, organised a workshop on “Data infrastructure, research, political consulting” in Berlin. The purpose of the event was to explain, and present by way of examples, the potentials of a transparent informational infrastructure both for research and political consulting.

In autumn 2007, the Federal Statistical Office, jointly with the Centre for Survey Research and Methodology, for the fifth time held a user conference on “Doing research with the microcensus: Analyses on the social structure and the labour market”. This time the user conference focused on aspects of migration and labour market. The emphasis was on analyses involving comparisons over time and the potentials offered to researchers by the 2005 microcensus allowing the identification of the migration background.

The Council for Social and Economic Data held a workshop on “The influence of science on the survey programme of official statistics, with the 2010/2011 population census as an example” in Wiesbaden on 12 March 2007. The intention of the Council for Social and Economic Data was to give an example and start the dialogue between official



statisticians and academic researchers on how to shape the survey and processing process (regarding register data). The workshop was addressed especially to social and economic scientists working empirically.

The Council for Social and Economic Data for the first time held a workshop for young researchers in co-operation with the research data centres of the statistical offices of the Federation and the Länder and with the research data centre of the Federal Employment Agency in Nuremberg from 12 to 16 March 2007. The goal of that workshop was to enhance the practical handling of microdata from the research data centres.

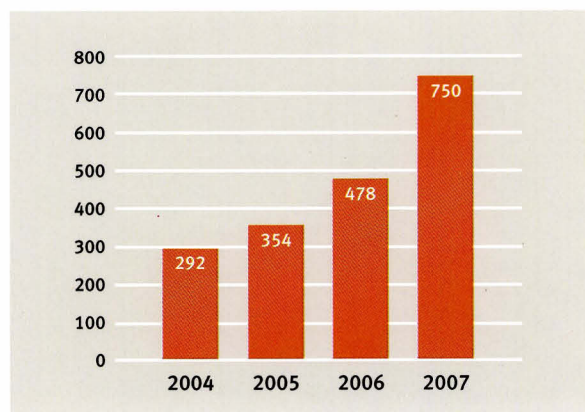
Information system of health monitoring of the Federation was evaluated

The information system of health monitoring of the Federation (IS-GBE) provides a central contact point for searching health-related, and especially statistical information (www.gbe-bund.de). To better assess both the current quality of the content, which was continuously improved last year, and the opportunities of further development of the IS-GBE, an external evaluation was commissioned in 2006.

The information thus collected served as a basis for far-reaching changes on the website. Measures have been taken to further improve barrier-free access, i.e. to facilitate access, for example, for visually impaired people or those with motoric problems. To the benefit of a clear structure, the start page and the thematic search have been redesigned and rarely used options have been abolished. The keyword search has also been redesigned and now offers longer and better sorted hit lists. Another factor that has considerably improved the IS-GBE quality is the use of more powerful servers, which has markedly reduced the response times.

In the surveys conducted as part of the evaluation, the utility of the IS-GBE was rated very high compared with other information websites. Through the information service as well as lectures and trainings, the Federal Statistical Office permanently exchanges views with the users of the information system. In addition to the evaluation, this allows to continuously include customers' needs, wishes and comments into the plans.

Average monthly internet accesses to the IS-GBE (in thousand)



Fairs – A modern instrument of public relations work

For more than twenty years, the Federal Statistical Office has been using trade fairs and congresses to present the range of information of official statistics direct to the visitors. For a long time, public fairs such as the book fairs in Frankfurt and Leipzig were the main events, but in the last few years the focus has shifted to specialised fairs.

For example at the Didacta educational fair, which is an information forum for anyone involved in education, teachers systematically inform themselves about how to use statistics in class.

At the industrial fair in Hanover, many expert visitors ask how they can obtain useful results for their enterprise's internal planning and decision-making. MODERNER STAAT (Modern Government) is an important forum in Berlin to present the Federal Statistical Office as a modern service provider to experts from the federal, Land and municipal levels. Also, the Federal Statistical Office participates in events such as the congress fairs ConSozial and Bibliothekartag.



The structure and arrangement of the Federal Statistical Office's information stands are ever more determined by the growing interest in electronic information products. Where the stand size allows, the Smartboard projection screen is used in addition to the PC counters. Presenting to the visitors the interactive products such as the inflation calculator, regional atlas, population pyramid and many more is particularly easy with that large presentation screen.

Fairs and congresses attended by the Federal Statistical Office in 2007

27 Feb 07 – 03 March 07 Didacta* (Cologne)
 15 March 07 – 21 March 07 CeBIT* (Hanover)
 19 March 07 – 21 March 07 Leipzig Congress for Information and Library
 22 March 07 – 25 March 07 Leipzig Book Fair*
 16 April 07 – 20 April 07 Hanover Fair*
 05 June 07 – 06 June 07 Education and training fair in Wiesbaden
 18 June 07 – 19 June 07 German Prevention Day* (Wiesbaden)
 25 Aug 07 – 26 Aug 07 Open Day at the Federal Ministries (Berlin)
 24 Sep 07 – 27 Sep 07 Statistical Week* (Kiel)
 10 Oct 07 – 14 Oct 07 Frankfurt Book Fair*
 27 Nov 07 – 28 Nov 07 Modern Government (Berlin)

*together with one or several Land statistical offices

Berlin Information Point at a new location and with a new function ...

The service point of the Federal Statistical Office set up in the capital in 1999 will move to a new location in Friedrichstraße 50 - 55 at Checkpoint Charlie in March 2008. That central location will make it even easier for representatives of political institutions in Berlin to inform themselves about official statistics. Many embassies, ministries and associations are in the immediate vicinity. When required, the Information Point also organises external information events: For example, the Information Point had an information stand at the ambassadors conference of the Federal Foreign Office in September 2007 and thus held many specialised discussions with the over 200 German representatives abroad.



The new Information Point has an info centre where anyone interested may consult the publications of the Federal Statistical Office and do online research at workstations. Three specialised advice centres provide information on German, European and international statistics. International statistics is a new focus of the Information Point. Information is provided there about the statistics of international institutions and national statistical offices outside the European Union. Country profiles of important partner countries of Germany and basic indicators for some 160 countries of the world are available online (www.destatis.de).

... and service point of the German Bundestag

With an advice centre of its own in the Marie-Elisabeth Lüders House of the German Bundestag, there is also a central contact point for any statistical enquiries from offices of members of parliament, parliamentary groups, and the scientific services of the German Bundestag. In close co-operation with the "Hotline W" of the Bundestag scientific services, the staff of that "statistical centre of competence" every year answer more than 1,000 enquiries on official statistics.

A special service is the transmission of statistical articles for the dossiers of the Bundestag scientific services, which are compiled on selected issues of parliamentary sessions and are sent to the members of parliament prior to every session week. Official statistics was involved in a total of 21 of such dossiers in 2007.

In co-operation with the Hotline W, interesting new publications and current press results of the Federal Statistical Office are also provided purposefully. Apart from that, statistical information events are held every two years for the Bundestag parliamentary groups.



Breaking new ground

Strategic goals “fit 2012”

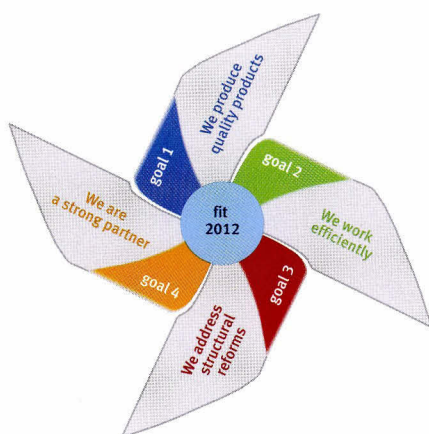
At a time of scarce resources, increasing demands can be met only through a clear strategic orientation. For years already, the Federal Statistical Office has therefore planned its activities according to strategic goals. Such strategic goals, which were first formulated as “fit 2005” in early 2002 and revised as “fit 2008” in 2004, were further updated in 2007 as “fit 2012” with broad participation of all staff members. After that Office-wide discussion, the management level adopted the “fit 2012” catalogue of goals as a binding target for the next few years.

In terms of content, “fit 2012” deals both with user requests to produce “more quality at lower prices” and with the Federal Statistical Office’s claim to enhance its leading position as a producer and provider of statistical data in Germany – also by participating in the international bodies shaping the statistics of the future.

These are the goals:

- We produce quality products
- We work efficiently
- We address structural reforms
- We are a strong partner
- We are prepared for 2012

The word “we” in the last goal refers directly to the staff, and especially to their qualification and motivation. The central idea of “fit 2012” is quality in all its facets – as is defined in the model of the European Foundation for Quality Management (EFQM): Quality of products, of processes and of relations with partners. Another yardstick is the quality criteria of the European Statistics Code of Practice: Relevance, accuracy and reliability, timeliness and punctuality, coherence and comparability, accessibility and clarity.





Service provider for the Federal Government in bureaucracy reduction

The Federal Government adopted the programme “Reducing Bureaucracy and Improving Legislation” in 2006. It involves stocktaking of administrative costs caused by legal information obligations. Based on the results, it is planned to identify and reduce unnecessary burdens. It will be required for any new legal regulation to present estimates of the administrative costs involved, which will be checked for their reasonableness by an independent Regulatory Control Council. The methodical basis is the Standard Cost Model, with the Federal Statistical Office playing an important part in its introduction in Germany.

Measuring among the co-operating businesses the time spent by them every year to meet legal information obligations started in early 2007. First results were published in a report of the Federal Government in October

2007. According to that report, the three most cost-intensive information obligations of businesses are the preservation of accounts, the submission of turnover tax declarations, and drawing up annual accounts. Those obligations alone cause costs of over EUR 13 billion. By 2011, the Federal Government intends to reduce by one quarter the bureaucracy costs caused by information obligations.

The Federal Statistical Office provides the responsible ministries with the processed data and gives advice on their interpretation and on methodical questions. The Regulatory Control Council, too, regularly uses the Federal Statistical Office’s expertise for its activities. What is currently being set up is the central database documenting the increase and decrease of costs caused by legal regulations. It will also be available on the internet to all parties involved and to the general public.

As a next step, the burden placed on citizens by information obligations will be measured and evaluated.

16th scientific colloquium and Gerhard Fürst Award

In co-operation with the German Statistical Society, the 16th joint scientific colloquium was held in Wiesbaden on 22 and 23 November 2007, dealing with “Composite Indicators – Boon or bane?”/“Zusammengesetzte Indikatoren – Fluch oder Segen?”. The event, which was moderated by Prof. Dr. Ralf Münnich of Trier university, was held in two languages for the first time. The papers focused, among other things, on the question of what contribution composite indicators can make for statistics and what importance they have in the European Statistical System. Afterwards, various indicator systems were presented. All papers are available for free download at www.kolloq.destatis.de.

At the end of the first day of the event, the 2007 Gerhard Fürst Award was officially handed over by Walter Radermacher, President of the Federal Statistical Office. This year, a total of three scientific papers were awarded a prize, following the recommendation of the independent expert commission headed by Professor Brachinger.

In the category of dissertations (doctoral theses), the thesis on “Hedonic Elementary Price Indices: Axiomatic Foundation and Estimation Techniques” and the thesis on “Estimation of a Linear Regression with Microaggregated Data” were regarded by the jury as equally outstanding and worth an award.

A diploma dissertation on “Labour market and migration – An Empirical Analysis of the Wage and Employment Effects of Inward Migration for Germany” was regarded by the jury as an outstanding achievement in the category of Diploma/Master Dissertations and was awarded the 2007 Gerhard Fürst Award.

By offering the Gerhard Fürst Award, the Federal Statistical Office seeks to strengthen its relations with institutions of higher education. At the same time, the award is intended to encourage young scientists to

make extensive use of the wide range of official statistical data for their empirical research.

Further information on the Gerhard Fürst Award and the short versions of the award-winning papers are available on the website of the Federal Statistical Office (www.destatis.de) in the category “Scientific forum”.



President Radermacher (left), Prof. Dr. Brachinger (2nd from left) and Prof. Dr. Schneeweiß (right) with the award winners of the Gerhard Fürst Award 2007.

Census 2011

The course has been set for the coming census round 2011: In mid-December 2007, the census preparation law entered into force, which governs the supply of data needed to set up a register of addresses and buildings.

At the European Union (EU) level, the EU Framework Regulation on Population and Housing Censuses for the Europe-wide census round 2011 was discussed under the German EU Presidency in the first half of 2007. The regulation on population and housing censuses, in the version prepared under the German EU Presidency, was adopted by the European Parliament on 26 February 2008. According to the planned EU regulation, only the census variables definitely to be supplied to the EU are defined, while the member states are free to choose the collection method for the required data.

The register-based census model, which has been newly developed for Germany, differs fundamentally from a traditional population census. The combination between register evaluation (especially population registers and data of the Federal Employment Agency) and primary-statistical surveys – in the form of a postal survey among owners of dwellings (complete count of all buildings with housing space and dwellings) and a household sample survey – is unique in Europe. The purpose of the methodical change is to reduce the burden on citizens and a marked cost reduction, with the quality of the census results remaining good.

For the methodical development of the sample design for the household survey, a research contract was awarded to Trier university/GESIS-ZUMA. The goals of the household sample surveys are, first, to estimate outdated and missing entries in the population registers for every municipality with 10,000 or more inhabitants, so that high-quality official population figures can be obtained for the municipalities through the statistical elimination of undercoverage and overcoverage in the population registers. The second goal is to provide reliable results for those census variables for which no (or incomplete) information will be available from the registers and from



the primary-statistical census of buildings and housing. The activities, which are performed in close co-operation with official statistics, are expected to be finished in September 2010.

In addition, a body of scientists from various disciplines – the so-called census commission – will evaluate in scientific terms the concepts, methods and procedures developed by the statistical offices of the Federation and the Länder for the census 2011 and accompany their implementation. This is also intended to support the acceptance of the census and its results in the scientific and political communities and in the general public.

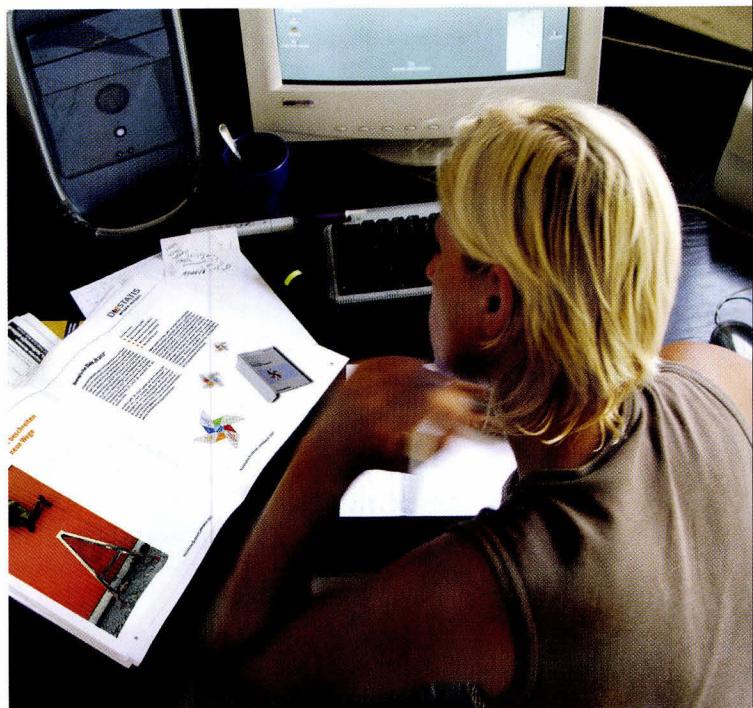
Also, IT support of the census will be reorganised: A total of seven IT subsystems have been defined, each of which will be developed by a statistical office and then be operated centrally and made available for all statistical offices. The Federal Statistical Office is responsible for three of those IT subsystems (register of addresses and buildings, metadata, register of population and employment data), while the other four subsystems fall within the responsibility of the Land statistical offices of Nordrhein-Westfalen (sample surveys and survey in special buildings), Sachsen (census of buildings and housing) and Bayern (household generating and evaluation database).

Further development of household sample surveys to form a consistent overall system

In the context of applying a register-based method to the census 2011, there is a discussion in Germany on further developing or reforming the current system of official household surveys. Goals of the project “reforming household statistics”, which started in 2006, are to make the reporting system future-proof by optimising the production process, to disburden respondents, and to make extensive use of information existing in registers or other statistics.

Other ideas envisaged as part of the long-term redesign of household statistics are the use of several data sources (Multiple Source Design), the combined use of various survey tools (Mix Mode Design) such as questionnaires, laptops, telephone interviews, and automated online data collection through IDEV (internet-based data collection of the statistical offices of the Federation and the Länder), a standardised production process, and the change-over to a register-based statistical system.

As is the case for the census 2011, a commission will scientifically accompany the project until the end of 2013.





Interview with Wolfgang Glöckler, Manager of the Office of the Council of Economic Experts

Wolfgang Glöckler has been at the Federal Statistical Office since 1971, first as a member of the academic staff in the Department on Finance and Taxes, from 1973 as Deputy Manager, and since 2001 as Manager of the Office of the Council of Economic Experts.

Mr. Glöckler, you are the head of the liaison office of the Federal Statistical Office for the Council of Economic Experts. Since when has there been the council of wise men, as it is often called in the general public, and what is its function?

In the summer of 1963, the German Bundestag unanimously adopted the “Law on setting up a council of economic experts”. Consequently, a council of independent experts was established, giving regular expert opinions on the overall economic development and facilitating decision-making at all institutions responsible for economic policy and the formation of opinions in the general public. The Federal Statistical Office was assigned the task of maintaining the Office of the Council of Economic Experts.

The Council consists of five members, who are appointed for a five-year term by the Federal President upon proposal by the Federal Government. Its function is to present in its expert opinions (annual reports, special reports and, since recently, expertises) the current situation of the overall economy and its expected development and to examine how it is possible within the framework of the market economy to ensure price level stability, a high level of employment, and a balance in external economic relations while having continuous and reasonable growth; it should also, where possible, show undesirable developments and possibilities of avoiding or correcting them. The studies should also include the creation and distribution of income and wealth.

The liaison office performs specific tasks for the Council of Economic Experts. What are those tasks?

Those tasks are formally laid down in Article 9 of the Law on setting up a council of economic experts. There are, first, the “statistical tasks”, that is collecting and compiling source material or, more specifically, providing and preparing all statistical data required by the Council and, second, the “administrative tasks”, that is performing any administrative work required, including the printing and publication of the expert opinions and much of the press work for the Council. The liaison office is thus the interface between statistics and the Council. What it considers as the goal of its activities is to provide, with the support of all Departments of the Federal Statistical Office, optimum work conditions and results to the Council of Economic Experts here in Wiesbaden.

What official statistical data are indispensable for the activities of the Council?

As a basis for the Council's assessment of the economic situation, the liaison office maintains a comprehensive short-term economic database which is updated every day and adjusted when necessary and parts of which are available to the general public on the Council's website. One of the most important data sources are national accounting results. Other important elements are the current results from industry statistics (orders received and output), from foreign trade and domestic trade statistics, on prices, earnings and public finance, the results on the state of the population and from population projections, as well as statistics on the labour market (employment, unemployment). What is also included is results of Deutsche Bundesbank, the Federal Employment Agency and, for the Council's international analyses, more and more often the data of international organisations such as the European Central Bank, the European Commission, the OECD, and the IMF. Apart from that continuous data processing and data supply, more detailed issues from various fields of economic policy have also characterised the "statistical tasks" of the liaison office over the last few decades, such as from fiscal policy in the context of questions on government debt or on the taxation of income and enterprises, from labour market policy as a result of the various reforms carried out on the labour market to improve the employment situation or from the social security system, resulting from the need for reform in old-age provision, health insurance and long-term nursing care insurance.

Does the Council have concrete proposals or wishes for official statistics to develop in a future-oriented way?

I would like to mention two statistical fields for which the Council of Economic Experts thinks that a more extensive and more up-to-date data basis is required. First, the area of assessing the individual income and wealth distribution and of estimating the profit situation of enterprises. Second, referring to the labour market, it is more extensive data on unemployment as a separate source in addition to the unemployment statistics of the Federal Employment Agency and more detailed earnings data covering the entire range of income distribution.

Federal Statistical Office supplying data for reports of the Federal Government

For many years already, the Federal Statistical Office has been involved in preparing important reports of the Federal Government on life in Germany.

In 2006 it was commissioned for the first time to perform on its own the statistical evaluation and description of the development of a number of single indicators within the scope of sustainability reporting. The purpose of those indicators is to measure and document every two years the success of the “sustainable development strategy” presented by the Federal Government in 2002. The indicator report 2006 published in May 2007 was met with positive response everywhere. The development of the indicators was shown in a transparent and comprehensible manner and it was shown without “glossing things over” that in many areas the development is too slow to achieve the targets set. The indicator report can be downloaded from the website of the Federal Statistical Office at www.destatis.de. The next indicator report will be published in late 2008. Between the reports, especially the environment-related indicators of the sustainability strategy are frequently updated on the web site.

The statistical offices of the Federation and the Länder were also involved in preparing the first national education report published in 2006, commissioned by the Federal Ministry of Education and Research and the Standing Conference of Länder Ministers of Education. For the 2008 edition of that report, which will now be published every two years, “Transitions between school – vocational training – higher education – labour market” was chosen as the main topic. As for the first edition, the institutions involved in addition to the statistical offices are the German Institute for International Pedagogic Research (main responsibility), the Higher Education Information System, the Sociological Research Institute of Göttingen University and the German Youth Institute. For the statistical offices of

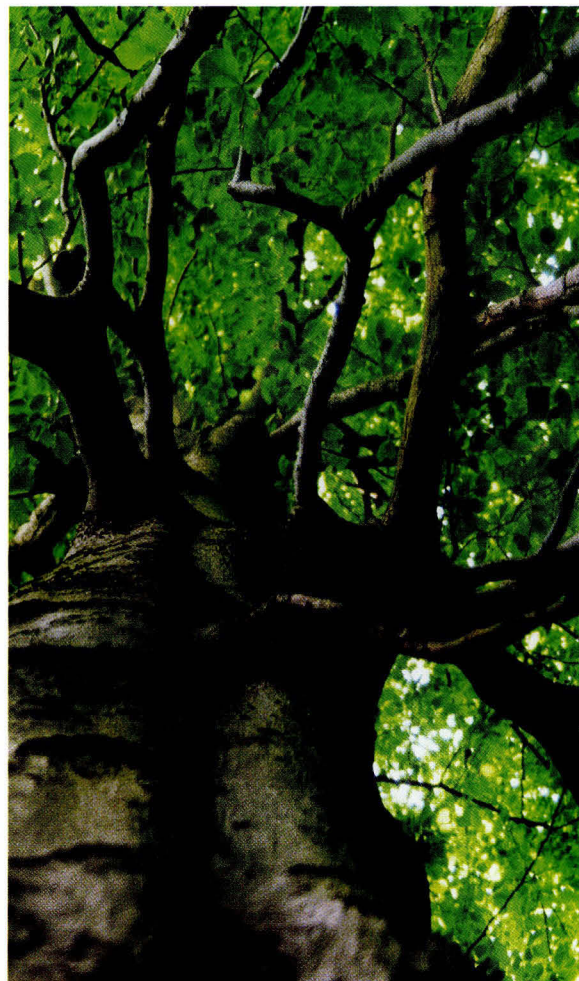


the Länder, the Office for Statistics of Berlin-Brandenburg has taken over the main responsibility. The education report 2008 will largely be based on the concept of the first report and provide indicator-based information on all educational areas – from day care centres for children to continuing education for adults. New contents include indicators on educational staff. In this context, the Federal Statistical Office is setting up a system of educational staff accounts, which will provide data on the staff employed in educational institutions across the various educational areas, based on uniform definitions and breakdowns.

To prepare the third report on poverty and wealth of the Federal Government, which is scheduled for publication in spring 2008, the Federal Statistical Office has transmitted a wide range of data to the Federal Ministry of Labour and Social Affairs, which is responsible here. In addition, many “standard data” on the topics relevant for poverty and wealth reporting were delivered to the various responsible ministries in 2007. Often they were accompanied by information and

advice on the background and information value of the data supplied. Also, in the context of poverty and wealth reporting, the Federal Statistical Office has prepared expert opinions and studies of its own. For the third report on poverty and wealth, for example, a study on “Overindebtedness of households in Germany” was carried out.

Against the background of demographic change, the systems of old-age protection are going to face enormous financial challenges. This applies not only to the statutory pension insurance but also to the pension system for public officials, which has to fund a rising number of pensioners. In every Bundestag parliamentary term, the Federal Government must submit a pension report to the legislative bodies. That report shows and analyses the pensions and related benefits for the past, present and future. For the fourth pension report to be published in 2008 under the main responsibility of the Federal Ministry of the Interior, the Federal Statistical Office provides the statistics on public service personnel and on public service pensioners, which are the major data basis for analysing the pensions and related benefits. Apart from showing the development up to now, the focus is on model calculations of the future development of the number of pensioners and of the expenditure on pensions and related benefits. The calculations required here are performed by the Federal Statistical Office and the assumptions to be made are co-ordinated with the competent ministries.



Overindebtedness – People in financial distress



Overindebtedness or just a financial bottleneck often gets people into a situation which is equivalent to poverty and exclusion. In the past, only few data were available – and most of them not comparable at the national level – on people in financial distress, on the causes of that misery, on the extent of the financial obligations, and on the creditors; therefore it was urgent to improve the data situation.

As, during their consulting activity, debt advice centres obtain data on the situation of overindebted persons, it was an obvious choice to use that information for statistics. For 2006, the Federal Statistical Office for the first time conducted a voluntary survey among debt advice centres, with the participation of 124 of the total of 933 advice centres, which are organised by welfare or consumer organisations and the municipalities. For the survey regarding reference day 31 December 2007, twice as many advice centres have already communicated their willingness to participate. The results for 2006 are

based on the information on over 33,000 persons; using the eSTATISTIK.core system, they were obtained from the files of the advice centres without switches between media and involving low burdens and were transmitted to the Federal Statistical Office.

According to those results, the persons who got advice had an average monthly net income of EUR 1,150 and had debts of about EUR 37,000. Just under 60 % earned even less than EUR 900 per month. More than half of the overindebted persons included in the evaluation were unemployed, and it was unemployment that triggered the financial problems of just under one third. The share of overindebted single households (45 %) was above average, with markedly more men than women having got into that situation. Lone mothers accounted for 14 % of all overindebted persons, although they have a share of just 3 % in the total population over the age of 18. In 36 % of the cases, children were affected by the consequences of overindebtedness. People facing debts are mainly men and women aged between 35 and 45 years. About 30 % of them sought advice from an advice centre, and that age group has a share of 20 % in the population over 18 years.

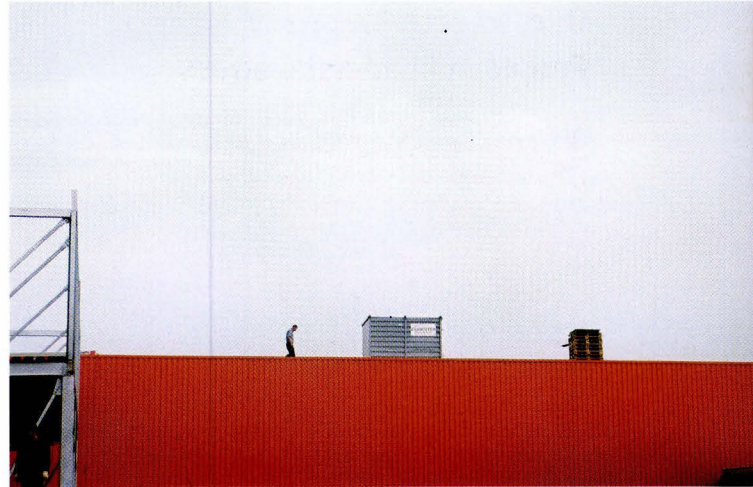
The new statistics informs not only about the persons who got advice, it also shows the result of the consultation and provides information on the advice centres' staff equipment.

More ways of using the business register

Since 2004, annually updated structural data, especially on the total number of enterprises and local units, have been published from the statistical business register. The purpose of that reference-day related evaluation is to obtain highly up-to-date information on the existence of enterprises and local units and on their characteristics.

In the meantime, the evaluation concept of the business register has been extended to include a reference-year related evaluation: Referring to the situation on 31 December 2007, all enterprises and local units were evaluated which in reference year 2005 had taxable turnover and/or employees subject to social insurance contributions, irrespective of whether or not they were marked as economically active at the current register status. That evaluation concept aims at a representation of the overall stock of enterprises and local units that is similar to what has so far been achieved through large-scale censuses such as the census of non-agricultural local units.

Depending on the question, one or the other concept provides more informative results for the user. Questions on the entire stock of enterprises, which in 2005 for example totalled 3.5 million enterprises, aim at reference-year related evaluation. To determine the current stock of enterprises, for example for sampling, the business register is evaluated with regard to a reference day.



Burden on enterprises and local units reduced

■ The short-term economic development in crafts in the past was monitored through the quarterly reports on crafts, for which some 41,000 crafts businesses all over Germany were asked for their turnover and number of employees.

Starting with reference year 2008, only infra-annual administrative data will be evaluated for the quarterly reports on crafts, so that all 41,000 sample businesses – generally small and medium-sized enterprises – will be exempted from their statistical information obligation. This is the first time that a statistical survey among enterprises will entirely be replaced by evaluating administrative data. Those administrative data are data of the fiscal administration from the businesses' advance turnover tax returns and data of the Federal Employment Agency on employees subject to social insurance contributions and marginal part-time workers from the reports to social insurance funds. To identify the crafts businesses, the business register is used, where the crafts status of the enterprises is marked.

Other reductions of burdens on crafts businesses are intended: It is planned to replace crafts censuses by evaluations of the administrative data from the business register. During the last census of crafts in 1995, 563,000 enterprises were questioned.

■ The data for the index of turnover and employees in the service sector, too, were obtained through a quarterly sample survey in the past. To reduce the burden on responding enterprises, it had been planned for some time already to retrieve the required information only from administrative data of the Regional Finance Offices and the Federal Employment Agency. Relevant tests however revealed many data quality problems that are caused, among other things, by different definitions of the variables and the relevant units and by different reporting deadlines and periodicities. Short-term econo-



mic indicators could not be produced with the required up-to-dateness and accuracy on the sole basis of those administrative data.

This problem has been solved through a mixed procedure applied since the second quarter of 2007: Large enterprises, each of which alone has a considerable share in the relevant result, continue to be questioned directly. For small and medium-sized enterprises, however, the required information is obtained from administrative data.

Applying the mixed model means abandoning the input-oriented approach for an output approach: High quality of individual data only where necessary for the actual result. At the same time, the overall accuracy of results improves through the changeover from a sample survey to a full count of several data sources.

That paradigm shift was accompanied by a fundamental change in the organisational structure. Competences and work steps are concentrated where meaningful in terms of subject-matter and methodology. This leads to further quality improvement especially of results at Land level.



■ Within the scope of the first law on disburdening small and medium-sized enterprises, the cut-off limits for the monthly report in mining and manufacturing were raised on 1 January 2007, so that smaller industrial enterprises have been exempted from the monthly statistical reporting obligation. The relevant proposals had been developed by the working group of the Federation and the Länder on reforming business statistics.

While up to 2006 all local units of enterprises with 20 or more active persons had to be questioned every month, only local units with 50 or more employees have been obliged to provide information since January 2007. For the monthly production survey, too, only local units with 50 or more employees must provide data now.

This means that, since January 2007, the number of local units providing data for the monthly report has been reduced to less than half: From over 46,000 local units in 2006 to under 23,000 since January 2007. However, this has not led to major restrictions in the information value of the results. Local units with 50 or more active persons represent just under 89% of the

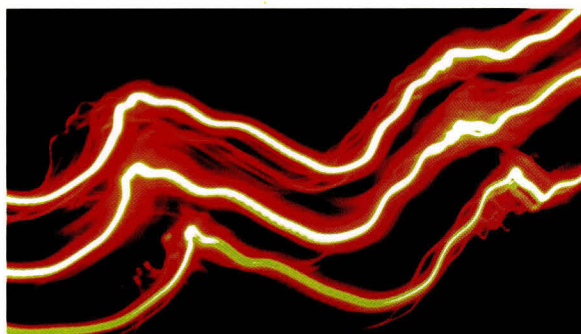
old group of reporting units as far as the number of employees is concerned. Regarding turnover, the coverage is even higher (over 93%). In the three economic branches with the largest turnover, the loss of information is particularly small. Also, the higher cut-off limit has had no influence worth mentioning on the development of major short-term economic indicators such as the turnover index or the index of orders received.

The disburdening effect was particularly large in small-structure industrial branches. For example, in the economic branch of “quarrying” only 82 local units are obliged to provide monthly data, which is just under 8% of the more than 1,000 local units in the past.

The local units exempted from the monthly survey are now questioned only annually and on a reduced catalogue of variables. Thus the information required for regional structural studies continue to be available.

eSTATISTIK.integration – Integrating statistics into electronic business and administration processes

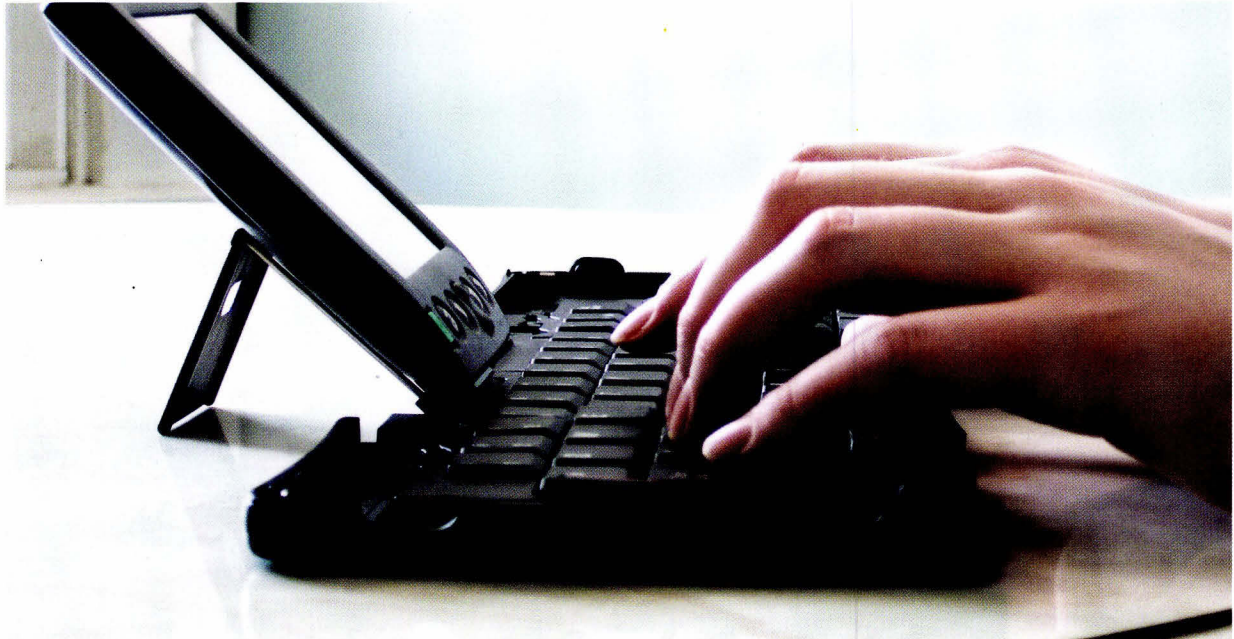
The electronic co-operation between authorities and businesses is a focus of the new E-Government 2.0 programme of the Federal Government, which further concretises the overall strategy of the Government programme on “Future-oriented administration through innovation”. It is planned here through the project eSTATISTIK.integration to develop or extend further components for integrating statistics into eBusiness and XÖV processes. Standards, methods and applications are intended to allow the linkage between the information flows of electronic business and administration processes and the processes of official statistics.



Part of extending the E-Government 2.0 programme is a stronger commitment of the Federation, together with the Länder, to implement the Germany-Online projects. Official statistics is involved in the following projects:

As part of the sub-project on “Online statistics”, an all-encompassing offer of electronic data collection is set up at the Federal and Land levels, using the form-based online data collection system IDEV and the procedure to retrieve statistical data from business accounting systems (eSTATISTIK.core).

As part of the sub-project on “Online data collection from the municipalities“, the technical and organisational framework conditions for integrating statistics into electronic administration processes are further examined. By creating jointly defined standards, the Federation, Länder and municipalities can set up efficient communication and transaction structures. Official statistics thus actively participates in the projects on XML standardisation in the administration (XÖV) and will obtain statistical data by connection to the data exchange procedures of the specialised administrations of the municipalities and Länder.



In another sub-project, it is planned to establish data exchange among enterprises as well as between enterprises and the public administration (XBRL, Financial Reporting). For official statistics, access to such information would provide another possibility to obtain micro-data in an up-to-date and quality-assured manner.

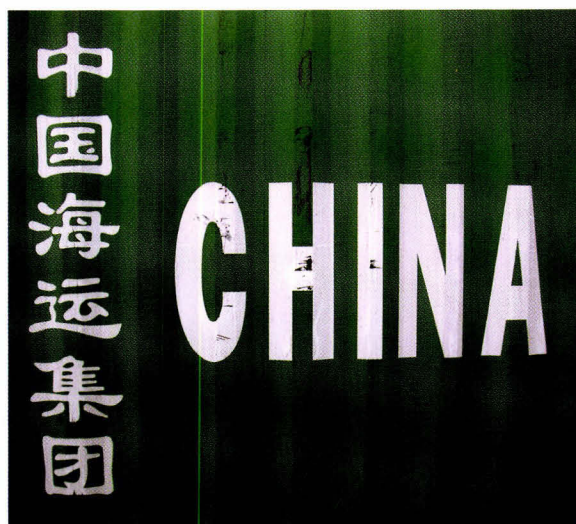
Interlinkage between the German economy and foreign countries

Selected aspects of the interlinkage between the German economy and foreign countries were studied by the Federal Statistical Office and the Institute of Economic Structures Research (GWS) and the results were presented at a joint press conference in Berlin on 18 September 2007.

Using input-output analysis methods, the Federal Statistical Office showed that the expanding German foreign trade gave a strong impetus to employment in the period from 1995 to 2006: 8.9 million persons in employment in Germany depended directly or indirectly on exports in 2006. That was almost 23% of all persons in employment. In 1995, only about 15% of the persons in employment participated directly or indirectly in the production of goods and services to be exported. Today, the exportation of goods creates more and more jobs also in service businesses. The exportation of cars, machinery and chemical products – those three product groups alone account for more than one third of German exports – involved 1.4 million persons in employment in service branches such as transport and financial services, research and development, commercial services and trade.

In another example of analysis, the effects of the strong import price rises for mineral oil and natural gas (+40%) and for mineral oil products (+36%) – in 2005 compared with 2004 – on the German economy were examined. If those price increases had not occurred, the prices of goods consumed by households would have been lower by 0.8%, the value development of the goods of government final consumption expenditure by 0.3% and the prices of capital formation in construction by 0.5%.

The GWS showed the direct and indirect effects of increases in oil and gas prices on the German economy in two projections up to 2010.

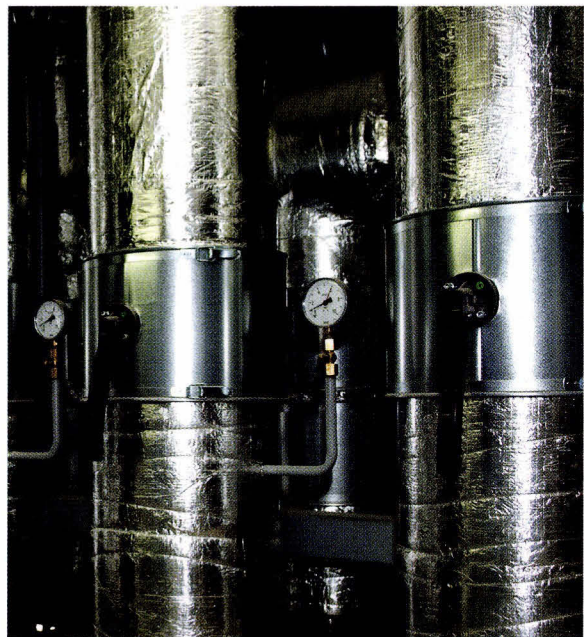


New statistics on water and waste water charges

What is the average price of drinking water in Germany? What are the shares of the variable costs of receiving drinking water and of a monthly basic charge? What are the components of waste water charges in Germany and what are the total costs of waste water disposal? With the new survey of water and waste water charges, official environmental statistics now has a tool to answer those frequently asked questions.

The data obtained are used to support political decision-making regarding water protection measures and the further development of water supply and waste water systems. The focus here is on analyses regarding charges and costs of water use and on relevant ideas of how to make efficient use of the water resources. At the same time, those economic analyses play a major role in the national implementation of the Water Framework Directive of the European Union.

The survey on water and waste water charges will be conducted every three years by the statistical offices of the Länder, starting with reference year 2007. Variables of the survey in the area of water catchment are the consumption price per m^3 of water and the so-called basic charge, which is the monthly charge typical of households and independent of consumption, put in relation to the households' typical meter size or annual consumption class. What is mainly collected with regard to waste water disposal is the waste water charge or sewage water charge per m^3 , put in relation to the receipt of fresh water, an area-related sewage water charge per m^2 or a precipitation or surface water charge per m^2 of sealed or other area, and the households' typical annual basic charge, which is independent of quantities and areas.



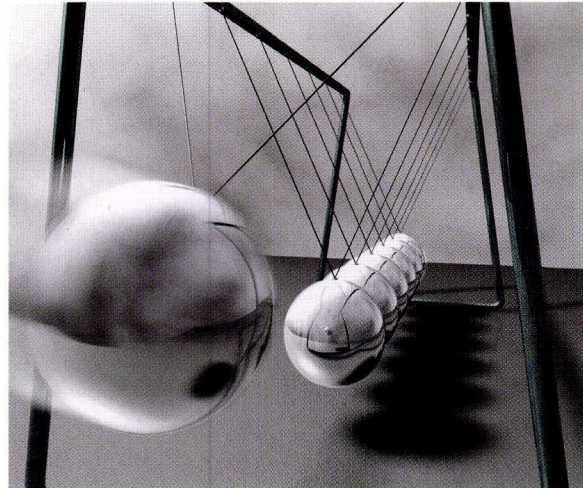
Modernising official statistics



Statistical Advisory Committee recommends better access to administrative data for statistical offices

With its recommendations, the Statistical Advisory Committee – the body of users, respondents and producers of federal statistics – gives important impetus to federal statistics. Some of the recommendations given by the Statistical Advisory Committee at the beginning of the current parliamentary term were implemented by official statistics in 2007: Data collection for the statistics of construction work completed has been performed only annually instead of monthly since reference year 2007, the statistics of day care for children has been extended and has also been switched over to an annual periodicity. Also, the results of the special survey on “births in Germany”, which had been recommended by the Statistical Advisory Committee, were presented by the Federal Statistical Office in late 2007. Last but not least, official statistics makes good progress in preparing the 2011 population census, thus meeting a major recommendation of the Advisory Committee.

In its 54th meeting on 26 June 2007, the Statistical Advisory Committee dealt especially with the possibility of statistical offices to reduce information obligations for citizens and businesses by using administrative data instead of collecting data directly. For example, the standard business identification number, which is currently being introduced by the fiscal administration, could contribute to abolishing multiple reporting and to efficiently obtaining information from existing reporting duties: All enterprises in Germany (“economically active units” according to Art. 139a of the Taxation Code) will get a number allowing to identify them in various registers (tax administration, labour administration, statistics).



The question of whether administrative data are suitable to replace surveys depends on several criteria: The quality requirements of a specific statistics, the business structures in the sector examined, and the quality of the administrative data themselves. Depending on the constellation, the same sources may or may not be suitable. In practice, this can be found out only through time-consuming studies. Such studies require at least a test access to administrative data for statistics.

Consequently, the Statistical Advisory Committee advocated the early involvement of official statistics, also including independent and competent researchers, in the setting up of such registers by the administration. According to the Committee, the interests of official statistics should more often be taken account of when designing administrative registers that might be relevant for official statistics.

Tax statistics winning the Innovation Award 2007

In 2007, the Innovation Award of the Federal Statistical Office was given to the work team “panel data of tax statistics”. With that decision the jury, consisting of members of the Statistical Advisory Committee, rewarded the fact that the team has set new standards in turnover and income tax statistics regarding the range of longitudinal data offered, thus making a major contribution to increasing the usefulness of official data. Panel data are highly important for politics and science because adjustment reactions to changes in tax law and other socio-economic issues can be examined only on the basis of official longitudinal data.

The Innovation Award was handed over by the President of the Federal Statistical Office on the occasion of the annual meeting of the Statistical Advisory Committee.



President Radermacher (left), Prof. Dr. Wagner (right) with the award winners of the Innovation Award 2007.

New concept of the system of tax statistics ...

The results of tax statistics are an indispensable information basis for politics, the administration, businesses, the scientific community, and the general public. At the same time, with the calculation of the municipalities' share in wage and income tax, for example, fiscal policy tasks are integrated, too. Up-to-date and reliable information is required for necessary tax law reforms, fiscal policy planning and decision-making, and relevant model calculations. As the demand for tax statistics data has strongly changed in terms of quantity, quality, and up-to-dateness of the data, the overall system of tax statistics – consisting of wage and income tax, corporation tax, trade tax, turnover tax as well as inheritance and gift tax – will be reformed.

Possible synergy effects will be used and especially the following goals should be achieved:

- Improving up-to-dateness through annual tax statistics,
- ensuring the required quality and reliability,
- creating a uniform and plausible data basis, and
- rapid and flexible provision of information oriented towards user needs, while ensuring confidentiality.

It is intended to achieve those goals, where possible, in a cost-neutral way by performing the processing and analysis activities according to the concept of centralised production and data storage and by exclusively electronic data supply.

... and new requirements to be met by statistics of public finance

In the federal structure of the Federal Republic of Germany with its largely autonomous public budgets, public finance statistics have the important task of producing a consistent and detailed overall picture of government finance. Currently that task is complicated by the facts that switching public budgets to new double-entry accounting systems is done only gradually and that more and more public institutions are separated out from the core budgets of the Federation and the Länder.

In 2007, the Federalism Commission and the Standing Conference of Land Ministers of Finance underlined the great importance of data bases on the public finance situation that are reliable and comparable between the Länder; the Conference of Ministers of Finance suggested the following concrete measures to assure data quality:

- consistent application of the budgetary classification by the Federation, Länder and municipalities,
- creating better framework conditions to link data from double-entry and cameralistic Land and municipal budgets,
- integrating the public core budgets and the finances of separated-out public institutions to form an overall picture,
- more quality controls by the statistical offices,
- accelerating the production of annual statistics of expenditure and revenue of public budgets of all public levels.

The statistical offices of the Federation and the Länder are developing an implementation concept for concrete measures to improve and accelerate the municipal annual statistics of expenditure and revenue of public budgets and the annual balance sheet statistics of public funds, institutions and enterprises, which will be presented to the Conference of Ministers of Finance in spring 2008.

New concept of agricultural statistics from 2009/2010

By preparing a new concept of agricultural statistics, official statistics has reacted to changing information needs resulting from the reforms of the Common Agricultural Policy of the European Union and from the growing importance of climate protection.

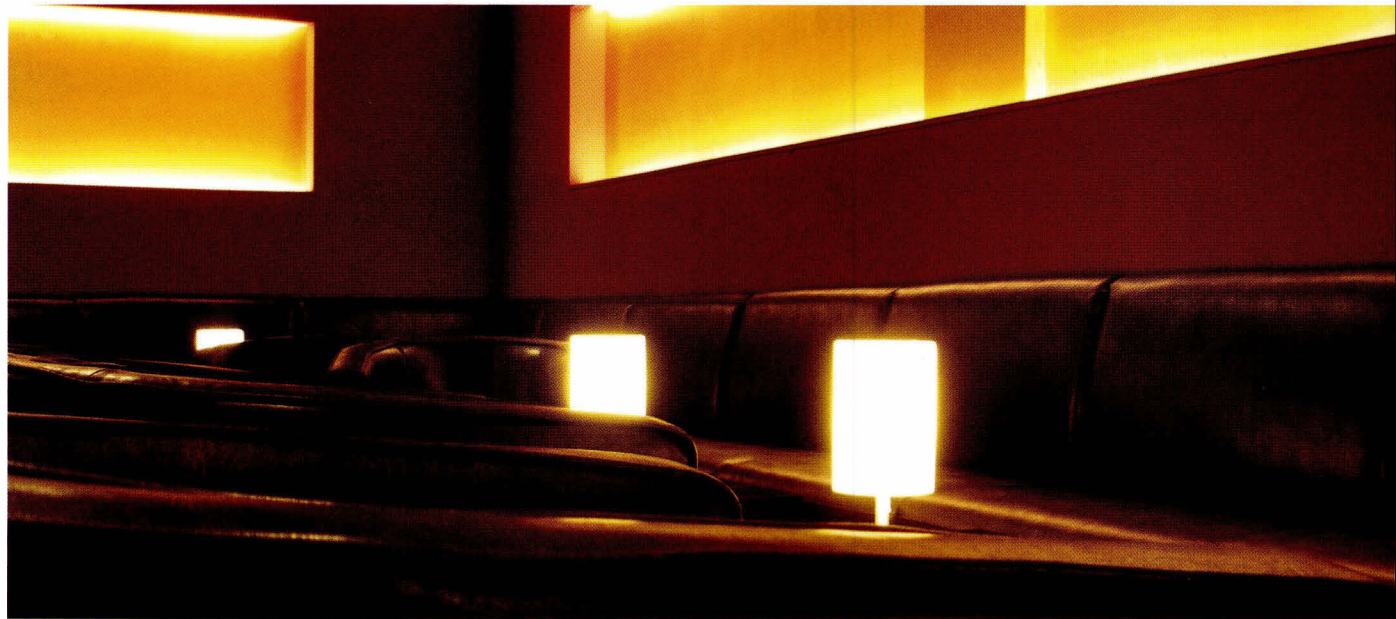
The goal is to further develop the system of agricultural statistics, starting with the 2010 census of agriculture and the survey of agricultural production methods also envisaged for 2010, so that the data required in the next decade for political decision-making and market monitoring can be provided in a timely and high-quality manner. Also, existing data gaps should be bridged while, at the same time, reducing both the burden on respondents and the efforts required at the statistical offices.

The reorientation of the Common Agricultural Policy, which is advanced at the European level, increases the importance of environmental and socio-political aspects in agriculture. This results in new data needs regarding the creation of alternative income sources for farmers, the quality of agricultural products, the environmental impact of the production methods applied, and the development of rural regions. In addition, most of the variables of the existing programme of agricultural statistics on agricultural production and the holding structures must continue to be provided.



It is checked to what extent the agricultural holdings obliged to provide information can be disburdened (by reducing the group of respondents, increasing the utilisation of sample surveys or making more use of suitable register data) without major loss of information. As another contribution to reducing statistical response duties, it is planned to establish longer periodicities between agricultural structure surveys.

The overall concept for the 2010 agricultural census and the survey of agricultural production methods should be implemented by the end of 2009. This will be followed by adjustments in the statistics on crop and animal production.



Modernising the statistics of domestic trade and the hotel and restaurant industry

The statistics of domestic trade and the hotel and restaurant industry provide information both on the structure and on the short-term development of those important economic sectors. Retail trade turnover is one of the most important indicators of the development of private consumption expenditure in Germany. The purposes of modernising those business statistics are:

■ **Improving the representativity by including new units**
Trade and the hotel and restaurant industry are dynamic branches. The relevant enterprises often modify their fields of activity and attempt to attract additional clients by innovation. Since 2003, the business register has been used as a sampling frame. Including into the sample every year the information contained there on new units can be done with reasonable efforts. At the same time, using the business register allows to

abolish time-consuming complete counts to determine the population of enterprises in trade and the hotel and restaurant industry.

■ **Improving data quality**

The up-to-dateness of short-term statistics in retail trade must meet high standards. As not always all responding enterprises provide their data in time, lacking data must be estimated. New and more efficient methods of estimating lacking business data are intended to further enhance the reliability of short-term statistics from 2008.

■ **Further reducing the burden on responding enterprises**

Since May 2007, the monthly short-term statistics in domestic trade and the hotel and restaurant industry have been part of the statistics where data from the business accounting systems can be used through eSTATISTIK.core. This permits businesses to compile their monthly data practically “at the push of a button” and transmit them via the internet. The time-consuming and costly completing and sending of paper questionnaires is no longer necessary.

Simplifying intra-Community trade statistics

The statistics on the trading of goods between member states of the European Union (intra-Community trade statistics) causes considerable work in businesses and authorities. Currently, some 70,000 companies must declare their intra-Community trade – separately by direction of trade – on a monthly basis and in a detailed breakdown by commodities, combined with partner countries and Länder. A study commissioned by the Federal Ministry of Economics and Technology showed that more than 40% of the reporting work done for official economic statistics are caused by intra-Community trade statistics. This is similar in other European Union (EU) member states. Considering those facts, and against the background of the political initiatives to reduce administrative burdens, it is understandable that an intensive discussion is going on at the national and international levels on how the burden on respondents can be reduced. Due to their high reduction potential, the focus currently is on two options. As a short-term measure, further raising the declaration threshold is considered. Already today, 87% of the approximately 530,000 businesses engaged in intra-Community trade in Germany are exempted from reporting. Doubling the declaration threshold could reduce the number of enterprises obliged to provide information by another 30%. As a long-term alternative, the so-called “single-flow method” is considered, which means that only one direction of trade is covered, while the other one is derived from the mirrored results of the EU partner countries. This requires, however, that the collection and processing systems of the member states are fully harmonised.

What could also contribute to reducing the response burdens on respondents is a reduction of the commodity classification and the abolition of optional survey variables. In addition, the suppliers could be obliged to indicate the commodity codes to the consignees.

However, the sustainability of the system of intra-Community trade statistics cannot be ensured by such rationalisation alone. What is equally important is quality improvement measures, as is demonstrated by the asymmetries between mirrored results of member states. The Federal Statistical Office is currently working on various quality assurance measures such as

- the further extension of checking the data received,
- modernising the plausibility checks (applying selective and output-oriented methods),
- improved supplementary estimation methods, and
- early revisions of results.

Switching the statistics on vocational training to individual data

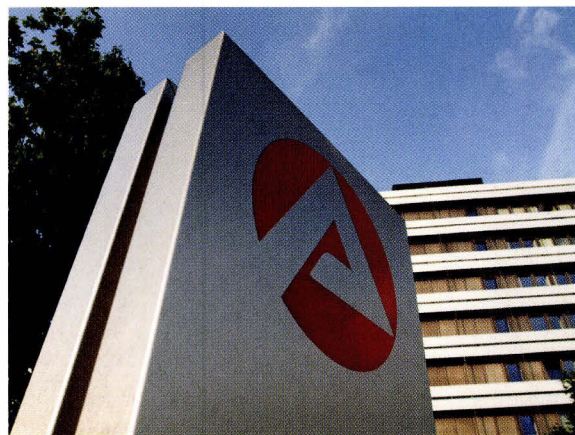
Dual vocational training is a special feature of the German educational system. For juveniles not undergoing higher education, a qualification in the dual vocational training system generally is a fundamental requirement for finding a job.

For the statistics on vocational training, data on vocational training in the dual system (apprentices, advanced training, training staff) are collected from the competent agencies or chambers. The vocational training reform law of 23 March 2005 allows to collect individual data instead of aggregated data for the first time for reference year 2007. Information on the approximately 1.6 million apprentices is available in electronic form at the large chambers. The smaller chambers can report their data electronically through survey forms (IDEV – internet-based data collection of the statistical offices of the Federation and the Länder) or through a user database. The latter has been designed specifically for the statistics on vocational training and has been financed by the Federal Ministry of Education and Research to make the change-over easier for the respondents.

Switching to individual data clearly extends analysis possibilities because the survey variables can be combined in any way so that, for example, the connection between previous school education and successful vocational training can be examined for all apprentices and for German or foreign apprentices.

In addition, new variables improve the information value of the statistics: For the first time, data on the training institution have been collected (economic branch, the fact of whether or not the institution belongs to the public service, and place of training), which also allow a detailed regional breakdown of the training data. Also, data on the previous vocational knowledge are collected, not least of all for international educational statistics.

The data are stored in an anonymised form for a longer period and can thus be used for special analyses.



Online evaluation of the database of the Federal Employment Agency

The provision of data of the statistics of employees subject to social insurance contributions has been rearranged: The statistical offices can now have online access to a database of the Federal Employment Agency and evaluate statistical data. This is a new approach to make the utilisation of administrative data (in this case some 28 million individual data records) efficient and effective for official statistics by using modern IT methods.

Based on the data reported to social insurance funds, the Federal Employment Agency stores – and updates on a quarterly basis – data on employees fully subject to social insurance contributions and on marginally remunerated employees as extremely small aggregates in a multi-dimensional central database, starting with reference day 30 June 1999. Through encrypted and certified internet access, the statistical offices can compile results from four data cubes (by place of employment, place of residence, local unit size classes and commuters).

By using the centralised data basis, which is checked by the Federal Employment Agency, and by applying a powerful analysis software, the preconditions have been created to ensure consistent results for the Federal Employment Agency and the statistical offices. The structured database and an easy-to-use graphical analysis in-

terface allow quick, comprehensive and flexible analysis of the vast data material of the statistics of employees subject to social insurance contributions, covering several reference dates. Within a data cube, all variables can be combined with each other and can individually be retrieved immediately.

As results from the statistics of employees subject to social insurance contributions are used in many statistical systems and publications, a transition period of several months is planned for the complete replacement of the current heterogeneous processing procedure. After the complete changeover to the online procedure, the current cost-intensive processings of the individual data and the maintenance of the co-ordinated standard programs in the statistical offices can be abandoned.

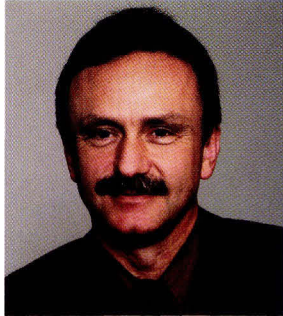
New edition of the Classification of Economic Activities

In the past few years, various international, European and national economic classifications have fundamentally been revised. This includes the German Klassifikation der Wirtschaftszweige (Classification of Economic Activities), whose 2008 edition (WZ 2008) will replace the current version of 2003 (WZ 2003). The changeover to WZ 2008 involves considerable methodical and structural changes.

The methodical changes compared with WZ 2003 include especially changes in the allocation of enterprises which cover several subsequent stages of production and a modified classification of enterprises which have separated out the physical production. The structural changes are reflected, among other things, in a much more detailed breakdown of services.



Switching to WZ 2008 requires co-ordination, both between the European Union member states and between the various statistics. According to the EU specifications, the WZ 2008 will be applied to structural surveys from reference year 2008 and to short-term economic surveys as well as the calculation of the labour cost index from reference month January 2009. In national accounts, the changeover to WZ 2008 will occur in 2011.



Interview with Peter Weigl, Vice-President of the Federal Statistical Office

After finishing his legal studies, Peter Weigl joined the Federal Ministry of the Interior in 1989. Before being appointed Vice-President of the Federal Statistical Office, he was Vice-President of the Federal Police Command South in Munich.

Mr. Weigl, you became Vice-President of the Federal Statistical Office in March 2007. Are there areas with which you are familiar from previous activities?

Professional experience from previous activities have made it much easier for me to become acquainted with official statistics. There are similar features between the staff and administration units of any authorities. During my time at the Federal Police Command in Munich, I acquired experience with restoration and construction work, which is useful for the issue of the complete restoration of the main building of the Federal Statistical Office.

Since taking over this function, you have had opportunity to become acquainted with the many aspects of official statistics. Have your expectations been met regarding your new area of responsibility?

From today's point of view, I do confirm the position of the Federal Statistical Office as a leading and innovative information provider in Germany. The staff members are aware of their responsibility to maintain confidence in official statistics by keeping neutrality, objectivity and scientific independence and maintaining statistical confidentiality. When considering the various statistical fields, I was somewhat surprised by the strong economic character, the largely international orientation and the interlinkage of many statistics.

In official statistics, much importance is attached to statistical confidentiality. Are there current examples for that?

With its decision of 18 July 2007, the Mannheim Regional Court explicitly stated that individual data on personal and material circumstances which are provided for federal statistics must not be used in preliminary criminal investigations against the person concerned without his or her prior consent. What had happened before is that individual data from intra-Community trade statistics were seized due to a judicial decision. The Federal Statistical Office successfully resisted that by way of appeal. The importance of statistical confidentiality was thus confirmed.

The management tasks of this Office include the pursuit of strategic goals. What are the main issues you have dealt with?

The medium and long-term strategic orientation of the Office can be broken down into various tasks. This includes the updating of our strategic goals called "fit 2012", the further development of staff forecasts, work-sharing with other authorities and a new communication and dissemination strategy. Developing a structured procedure to abandon statistics which are no longer absolutely needed so that capacities for new important tasks can be created also means that negative priorities must be set. Another important focus is preparing and holding the European elections and the elections to the German Bundestag in 2009.

What wish could be fulfilled for you by the staff of the Office?

They could take necessary changes as a good investment in the future and get actively involved in shaping them.

International activities of the Federal Statistical Office



Successful German EU Council Presidency in the statistics area

In the first half of 2007, the central issue at the Federal Statistical Office was the German EU Council Presidency. From January to June 2007 the President of the Federal Statistical Office, Walter Radermacher, was chairman of the Council Working Party on Statistics. A special unit had been established at the Federal Statistical Office for the term of the presidency which was entrusted with planning and implementing meetings of the Council Working Party on Statistics and with co-ordinating and revising draft regulations in the statistics sphere at European level.

All in all, the German EU Council Presidency in the statistics area was a success: Several important regulations could be adopted in the field of statistics, for instance the new Community Statistical Programme for the years 2008 to 2012 and the Regulation on Community statistics on migration and international protection. The draft regulation for the envisaged EU-wide census round 2010/2011 was also discussed under German chairmanship and a new standard article on quality was prepared to be integrated into all future regulations pertaining to statistics.



In the first half of 2007, 22 legislative EU projects in the statistics area were administered and their adoption by the Council and the European Parliament was furthered. 13 of these legal acts were deliberated under German chairmanship in the Council Working Party on Statistics, the others with the European Parliament and the jurisconsults and linguists of the institutions.

Information on the statistical legal acts which were deliberated under German chairmanship is contained in a final report to be accessed on the internet at www.destatis.de/EU2007

The Federal Statistical Office will continue to co-operate closely with the Presidencies of Portugal and Slovenia (first half of 2008) under the first "Triple Presidency".



President Walter Radermacher and the Presidency Team of the Federal Statistical Office.

Recent developments at the European level

Not least due to the Krakow Action Plan, the European Statistical System has set ambitious goals for its modernisation and further development. This has some influence also on the legal bases of European statistics. The Federal Statistical Office was in a position to further these developments substantially especially during the German EU Council Presidency in the first half of 2007.

Revision of the European Statistical Law

On the basis of preliminary considerations by a Task Force to modernise the European Statistical Law in which the Federal Statistical Office participated, the EU Commission drafted a revised regulation on Community statistics and submitted it to the Council and the European Parliament in mid-October 2007.

By the new regulation, the European Statistical System (ESS) and European statistics have been enshrined in law for the first time. It also defines the tasks and competences of the partners within the ESS. An increased division of labour within the ESS is to be furthered and an appropriate financial framework is to be created. In addition to a definition of the basic principles and quality dimensions of statistical work, quality reports are made obligatory and the definition of quality criteria become an option.

The deliberations of the legal act are presently continued on the level of the Council Working Party on Statistics and the European Parliament.

Multi-annual statistical programme 2008 to 2012

As the multi-annual programme for the period 2008 to 2012 shows, the ESS will have to deal with numerous new requirements in the various fields. Some of these requirements have already been considered in European regulations which have just been or will shortly be adopted.

Against this backdrop, well-balanced priority-setting which accounts for present concerns of users is of increasing importance. Germany managed to concentrate on this issue during the Presidency: all fields of the multi-annual programme will be analysed with regard to their cost-effectiveness by 2012, the same holds for new statistical projects. So the way has been paved for better programme planning at European level in the future – above all with a view to the planning periods following the year 2012.

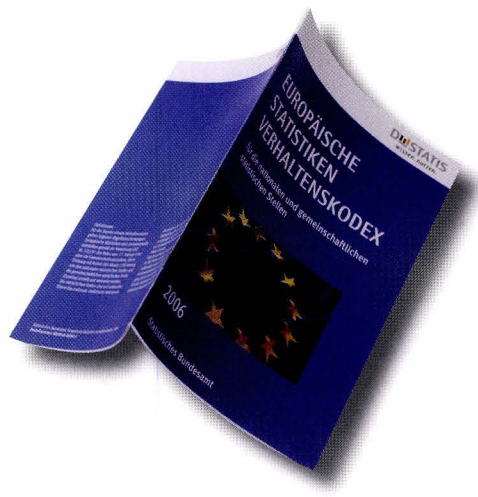
Other important cornerstones of the new multi-annual programme are:

- a reasonable distribution of costs between the EU and the member states,
- a simplification of the present grants procedure of the Commission,
- an increased division of labour between the statistical institutes in Europe (e.g. in the form of Centres and Networks of Excellence (called ESSNet),
- the meeting of new data requirements where possible with existing data,
- a simplification of the INTRASTAT system,
- the further improvement of microdata provision to the scientific community.

Implementation of the European Statistics Code of Practice

The European Statistics Code of Practice is to ensure that the production and dissemination of official statistics is not under any influence from politics and in keeping with recognised scientific methods in all 27 member states and at the Statistical Office of the European Communities (Eurostat). There are a number of measures ensuring that the Code is observed, in addition to self-assessments of the statistical institutes these include mutual checks by experts called peer reviews. The results are included into a report on the implementation of the Code of Practice in the European Statistical System (ESS) to be presented to the Council of Economic and Finance Ministers in November 2008.

At this stage, Eurostat and the statistical institutes of the ESS have to undergo checks by external experts. These peer reviews, as they are called, are carried out by two or three experts from other national statistical institutes and from Eurostat. Adherence to the Code of Practice is checked in personal talks with executives and staff of the respective statistical institute, with users and sometimes also with executives of other European statistics producers of the respective country. Ini-



tially, the peer reviews deal only with principles of the Code of Practice which refer to the institutional frame and the dissemination of European statistics.

At the beginning of 2008, the peer reviews will have been completed for all EU member states. Germany was reviewed from 3 to 5 December 2007. A report on the results will be provided on the website of the Federal Statistical Office.



Interview with Hervé Carré, Director-General of the Statistical Office of the European Communities (Eurostat)

Hervé Carré has been Director-General of Eurostat since May 2006. In 1973 he joined the Directorate-General for Economic and Financial Affairs of the European Commission. In 1991 he was seconded to the Federal Reserve Board in Washington D.C., from 1992 to 1993 he worked as adviser to the finance minister of the Portuguese government. He returned to the European Commission as Director for Monetary Matters in 1994 and in 1999 became Director for the Economy and the Euro area of the Union. From 2002 to September 2005 he was Minister for Economic, Financial and Development Affairs at the Delegation of the European Commission in Washington D.C., then he returned to Brussels as Deputy Director-General of the Directorate-General for Economic and Financial Affairs.

What is your vision for the European Statistical System (ESS), where do you see it in ten years' time?

We have just specified in our statistical programme for 2008 to 2012 what is to happen in the next five years. Much also depends on the political development of the European Union. The ESS is still geared strongly towards the needs of European policy. Just as national statistics have become more and more European, the role of European statistics will have to change, too. It will be entrusted with the comprehensive task of contributing to a better understanding of economy and society in Europe, i.e. not only supply the bases for economic decisions but make accessible a great number of societally relevant statistics so that political decision-making processes can proceed in an appropriate, transparent and participatory manner at all levels, or in one word, democratically, and that there will also be room for comprehensive European discourse.

I should like to add some more specific comments to these “global visionary” remarks. In the last few years, we have noted an increasing convergence of national statistical institutes (NSIs) as regards their operative business, which was furthered by technological development, common tasks and common legal bases. In the years to come this will probably lead to an increased operative integration of official statistics across borders, not that there will be a wave of NSI mergers but maybe a specialisation and possibly also an integration of areas. I hope for a special contribution of German official statistics – and here I would like to address both the Federal Statistical Office and the statistical offices of the Länder – that they will contribute their experience in this matter to the European discussion in the next few years.

Now that nearly all peer reviews have been completed, what is your impression of the outcome and how can the ESS as a whole profit from the exercise?

We had to realise in the past few years that the official statistics agencies cannot ascertain their claim to authority and credibility through national measures alone, and this is not only because national statistics are used globally today but also because the national agencies are part of the ESS. There already is so much we do together that we do well to show more interest in our partners, in the way they are organised, positioned in operative terms and integrated politically or societally. This is exactly what manifests itself in the peer reviews.

In contrast to earlier partial reviews by internal auditors, by supervisory authorities for administrative matters, courts of auditors or lately increasingly by consulting firms, peer reviews help us to look at the entire system of official statistics. We see our own institution through the eyes of our colleagues from the partner institutions. In my opinion this is particularly fruitful and all I have heard so far about the peer reviews seems to confirm my point of view.

Now everyone knows more about his own strengths and weaknesses, but also about those of the partners, and that is the difference to even the most critical of self-assessments. The peer reviews enable us to learn from each other. This makes it possible to set benchmarks and spread "best practices", which I hope will increasingly be observed in the future thanks to the peer reviews. I think that the peer reviews contribute considerably to strengthening our authority, to ensuring our credibility and not least to improving our operative efficiency.

On the one hand, the demands on the programme and the quality of official statistics are increasing while on the other the statistical institutes are supposed to make do with reduced means and in addition to that lower the burden on respondents. How can the ESS resolve this contradiction?

It is true that the official statistics agencies are in a rather uncomfortable situation due to conflicting requirements, and this holds more or less for all member states. But even when the burden on respondents is exaggerated, the demands on official statistics are excessive and the progress made is under-appreciated, we should not lament with resignation but face the challenges together.

Thanks to the success we have had so far we can be optimistic: technology helped us a lot in the past and will continue to do so. The contribution of methodological innovation has not been that spectacular but we should not underrate its potential. The use of data from different sources or the matching of data from different member states as part of European sample surveys will for instance help us to work more cost-effectively and with a lower response burden. In addition to that the ESS offers a great number of opportunities to exploit economies of scale. The preconditions for cross-border statistical work have improved considerably and will continue to do so through an intensified co-operation under ESSnet projects or through sponsorships. We only have got to want it, and I assume that the pressure we all are exposed to will strengthen this will.

With Germany, Portugal und Slovenia, three member states have joined in a triple presidency for the first time. What is your experience so far?

The triple presidency is very positive in my opinion. On the one hand I realised that the triple presidency had a positive impact on joint priority setting. As a trio, the three presidencies committed themselves to implementing a legislative programme. So projects could be bundled, which surely made it easier to find compromises. This proved very useful especially as the legislative procedure in the EU is very complex and lengthy.

However, the advantages for the atmosphere should not be overlooked, either. I believe that the triple presidency has strengthened the position of the national statistical institutes; they are more interested over a longer period of time, they are under a joint obligation and so bear the responsibility together. It would not have come to this if each member state or its statistical institute had continued to compile the legislative programme with the respective representatives according to national priorities. The triple presidency has brought about more discipline and continuity in the legislative process, the set-up costs have been lowered and last not least the set-up time has been reduced. In fact the question is why the idea of a triple presidency has not occurred to us much earlier.



Selected international conferences

The Federal Statistical Office closely co-operates with the statistics divisions of international organisations and supports also superior political goals such as implementing the internationally agreed millennium goals of the United Nations with regard to environment and development.

Major topics of the United Nations Statistical Commission meeting in 2007 were the revision of the System of National Accounts (SNA 1993) and environmental-economic accounting.

The updated SNA-93 is to be adopted as a recommendation by the United Nations Statistical Commission in spring 2008. In his function as chair of the Committee on Environmental-Economic Accounts (UNCEEA) established two years ago, President Walter Radermacher reported about the progress of work on the further de-

velopment and harmonisation of environmental-economic accounting. It is planned to implement the System of Environmental Accounting (SEEA 2003) step by step in the member states and make it an international standard by 2010. As in the year before, another major topic of the meeting were development indicators and the related statistical capacity building in the developing countries.

In addition to the statistical work programme of the United Nations Economic Commission for Europe, two seminar topics were again in the focus of the 2007 plenary session of the Conference of European Statisticians (CES). As part of the first seminar entitled "Increasing the efficiency and productivity of statistical offices", President Radermacher chaired the session on the "Effectiveness of statistical programmes". Here the Federal Statistical Office presented in particular the planning instrument "product portfolio". The second seminar was dedicated to the issue of "Measuring capital – Beyond the traditional measures". Here Presi-



dent Radermacher gave an introduction to the subject of “The Capital Boundary in the 1993 System of National Accounts”.

For a period of two years, President Radermacher was elected member of the CES Bureau, which prepares the statistical work of the CES.

The Federal Statistical Office also contributed intensively to the Conference of Directors General of Institutes of National Statistics (DGINS), which was held in Budapest in 2007 on the subject of globalisation. President Radermacher chaired the session on the environmental dimension of globalisation. He emphasized the importance of the Kyoto Summit and the fact that environmental monitoring and environmental statistics have progressed differently in the individual countries. With the results of environmental-economic accounting on embodied energy consumption, carbon dioxide emissions and goods transport performance, very innovative work from Germany was presented. In

a final roundtable discussion, the major statements of the DGINS Conference were analysed and proposals were made on how to proceed. President Radermacher pleaded in particular for more standardisation and an improved quality management. He said that European legislation in the statistics sphere should concentrate on regulating the output and focus less on the input.

The heads of the member states’ statistical institutes also meet regularly at the level of the Organisation for Economic Co-operation and Development (OECD) to discuss important strategic and subject-matter issues. The OECD Committee on Statistics meets once a year (alternating between Geneva and Paris). At present, the chair of the Committee on Statistics is Dr. Ivan Fellegi (Canada). President Radermacher has been vice chair of its Bureau since June 2006.

At OECD level, Germany wishes to be more involved especially when it comes to important new statistical issues. In June 2007, President Radermacher participated in the OECD World Forum on “Statistics, Knowledge and Policy“ in Istanbul. The Conference centred on indicators for measuring the progress of societies. The OECD Committee on Statistics recommended that a Friends of the Chair Group be set up to accompany the implementation of this OECD global project. President Radermacher agreed to participate in the Friends of the Chair Group.



Early estimation of selected European short-term indicators

Improving the timeliness of major short-term indicators for the presently 27 member states of the European Union (EU-27) and the 13 countries now belonging to the Euro area is an important strategic goal of the European Statistical System and is demanded by many users, especially by political decision-makers and the European Central Bank. For this reason the Statistical Office of the European Communities (Eurostat) put out to tender the project "Flash estimates for certain PEEIs" in 2006 under which the feasibility of flash estimates for certain short-term indicators was to be analysed. The aim was to supply the monthly industrial production index (IPI) for the Euro area and the EU-27 after 30 days (presently 45 to 48 days), the quarterly gross domestic product (GDP) for the Euro area and the EU-27 after 30 days (presently 40 to 45 days), the quarterly labour cost index (LCI) for the Euro area and the EU-27 after 45 days (presently 75 to 80 days).

A consortium of four national statistical institutes (France, Italy, the United Kingdom and Germany) was successful in applying for this project.

The project is implemented in two phases: in phase 1 (January 2007 to September 2007), timely information sources supposed to be helpful in preparing early estimates were compiled and descriptions were collected of the procedures followed by member states which already prepare early estimates. For that purpose, the Federal Statistical Office surveyed the national statistical institutes and the national central banks. In phase 2 (October 2007 to October 2008), simulation calculations are made of promising models for early estimation of the above indicators.

Five years of twinning projects at the Federal Statistical Office

In summer 2007 the Federal Statistical Office was awarded two new twinning projects of the European Union (EU) with Croatia and Bulgaria. Twinning projects are partnership projects between administrations funded by the EU. These projects aim to instruct partner administrations especially in the EU accession countries as to how to apply Community legislation. The Federal Statistical Office is among the most active EU statistical institutes in the statistics sphere. Since 2002 it has implemented partnership projects with Bulgaria, Latvia, Macedonia, Poland, Slovakia and the Czech Republic and has had experts participate in another four projects. Twinning projects are of great significance politically. The Federal Ministry of Economics and Technology co-ordinates the twinning projects on behalf of the Federal Government and supports the German authorities in their implementation.



New co-operation project with Tajikistan

Together with the statistical institutes of Sweden, Denmark, the Czech Republic and Slovakia, the Federal Statistical Office is carrying out a co-operation project with the State Statistical Office of the Republic of Tajikistan. The aim of the project is to strengthen the Tajik statistical system in all areas of official statistics. Included are traditional key topics such as economic statistics, national accounts or agricultural statistics. There also is guidance in cross-sectional areas on the institutional and organisational further development of the State Statistical Office, which will last until 2011.

Annual ranking of labour costs for all European member states

The amount and the composition of the costs caused by the production factor labour are determined every four years according to identical rules as part of the labour cost surveys conducted in all EU member states.

As the amount of labour costs arising plays an important part in internationally operating enterprises' choice of location, the Federal Statistical Office developed an estimation procedure enabling annual comparisons to be made of the labour cost level in the countries of the European Union. The labour cost index calculated according to uniform European rules mirrors the quarterly trend of labour costs in relation to an hour worked. The rates of change of that short-term statistics are used to update the labour cost survey results. The Federal Statistical Office estimated the labour costs of all EU-27 member states for the year 2006 with the help of that transparent and easily comprehensible method and published the first Europe-wide comparison in June 2007:

■ As regards the level of labour costs in the private economy, Germany ranked sixth in the European Union with EUR 28.70 in 2006 after Denmark, Sweden, Luxembourg, Belgium and France. Bulgaria had the lowest labour costs amounting to EUR 1.80, the highest labour costs were recorded for Denmark with EUR 33.80.

■ International competition is particularly strong for enterprises in manufacturing. Here the employers in Germany paid an average EUR 32.00 per hour worked in 2006. So Germany was fourth in the European Union after Belgium, Sweden and Denmark.

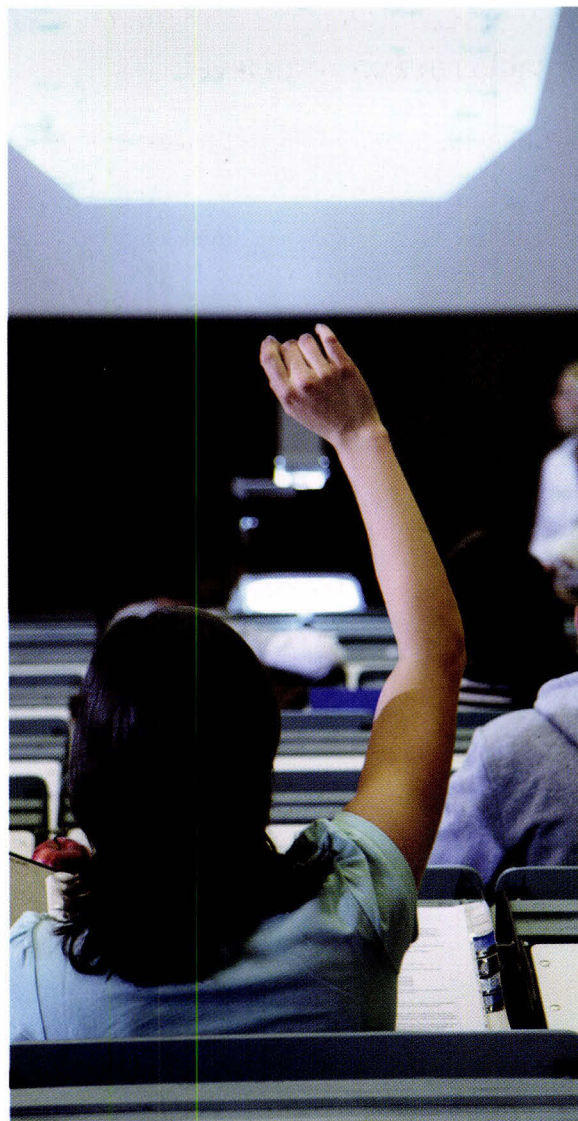
The next labour cost survey will be conducted for the reporting year of 2008. The use of new software (eSTATISTIK.core) is expected to simplify the reporting procedure considerably for the enterprises.

Data on in-company continuing vocational training in Europe

According to results of the Third Continuing Vocational Training Survey (CVTS3), which was held in all member states of the European Union (EU) and in Norway in 2006, 69 % of German enterprises offered their staff some kind of continuing training measures in 2005. Continuing vocational training includes both teaching in the form of courses and seminars and other forms of continuing vocational training such as informative events, job rotation, study groups and quality circle meetings. In 54 % of enterprises there was the opportunity to attend traditional courses and seminars. So the share of enterprises offering continuing vocational training was around six percentage points lower and that of enterprises relying on teaching activities to qualify employees was even 13 percentage points below the figures of the latest survey (CVTS2) taken for the year 1999.

The rate of participation in teaching events, however, was slightly above the figures for 1999 (38.8 % compared with 36 %). This means that in enterprises which offered teaching events at all, the staff took part more often in such measures than in 1999. Women (35 %) on average still participate less frequently in continuing vocational training than men (41 %) and spend less time on them (ten against twelve hours). The lowest participation rate of the age groups covered was recorded for older employees from the age of 55, which amounted to 27 %.

The costs of teaching events borne by enterprises which offer such measures were an average EUR 651 per staff member and EUR 1 697 per person participating in teaching events. Related to all enterprises, the costs per employee amounted to EUR 504 in 2005 and were lower than in 1999.



New procedures for disclosure control of tables at European level

To ensure the confidentiality of aggregates in tables of European production statistics (PRODCOM) and of structural business statistics, the Statistical Office of the European Communities (Eurostat) traditionally uses cell suppression procedures. To make sure that aggregates which were marked as confidential by member states of the European Union (EU) under statistical disclosure control cannot be disclosed by working out the difference between the EU aggregate and the contributing results released by the other member states, the EU aggregate is suppressed if necessary. A relatively great number of EU aggregates is affected by such suppressions. Therefore Eurostat has entrusted a project team with developing and testing disclosure control concepts based on data modifying approaches as an alternative to this suppression procedure. Members of the project team are Statistics Netherlands (leader), the Federal Statistical Office and for structural business statistics also the Polytechnic University of Catalonia. Disclosure control based on data modification means that some of the exact original values are replaced in the release by altered, for example rounded figures or a (rounded) interval.

It is assumed that a modified/rounded value or interval is far more helpful for a data user than a symbol indicating that the figure has been suppressed.

The project team has developed special rounding procedures; in contrast to traditional classic deterministic or random rounding these fulfil also the data protection requirements applying to tables containing values which are stricter than those for tables showing case numbers.

EDS European Data Service providing comparative European figures

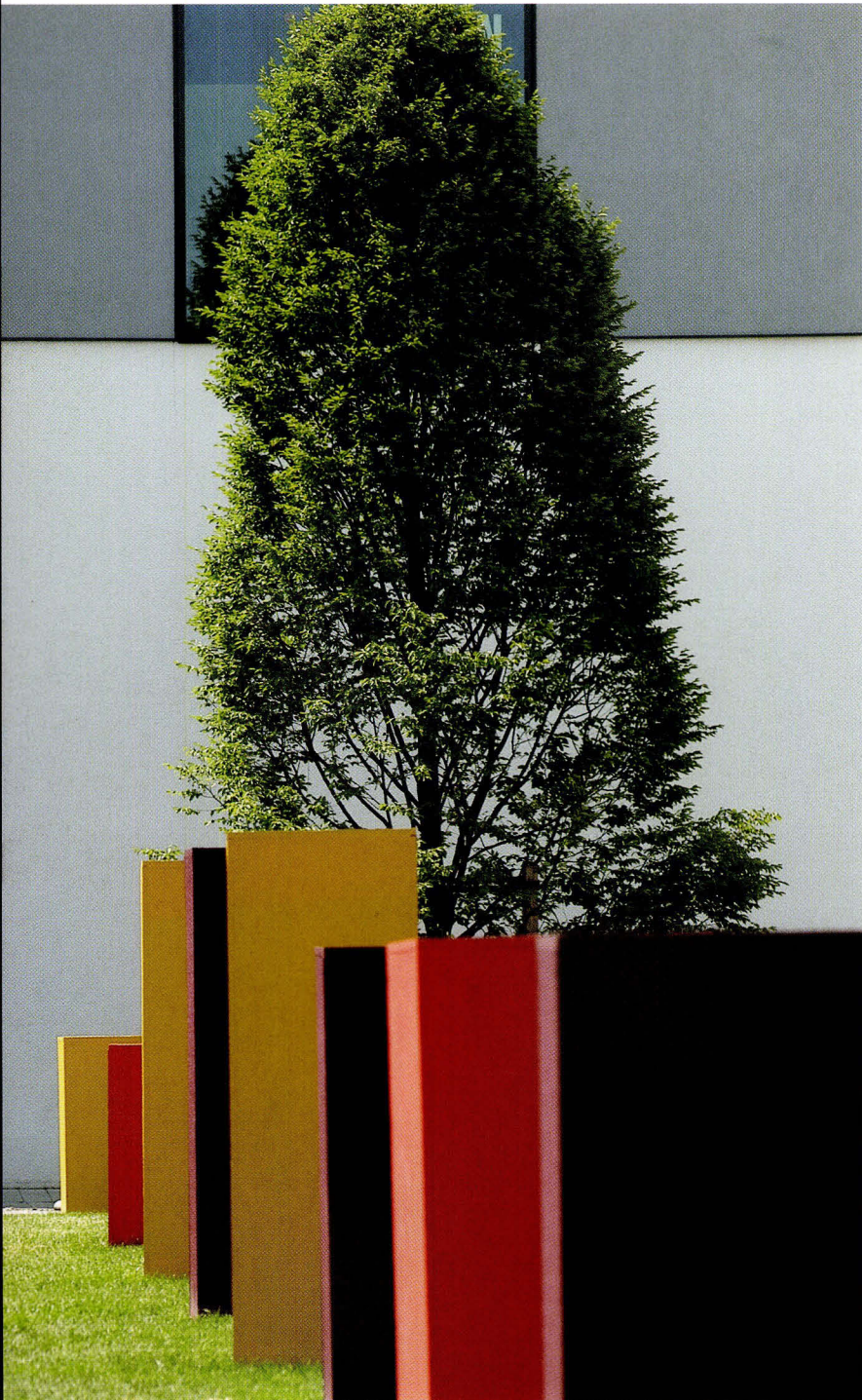
The EDS European Data Service is part of a Europe-wide network of advisory services co-ordinated by the Statistical Office of the European Communities (Eurostat). That network is called European Statistical Data Support (ESDS). It gives citizens in almost all member states of the European Union (EU) the chance to ask questions about EU statistics in their national language and receive answers relating to national and EU statistics from one single agency. The EDS of the Federal Statistical Office deals with more than 9,000 of such inquiries every year for the location of Germany etc.

The EDS website (www.eds-destatis.de) enables direct access to the entire data stock and to all Eurostat publications and press releases. More than 300 million data are available here for download free of charge and without registration.

In consultation with the ESDS network partners, Eurostat presently develops a new user-friendly database interface which offers charts and maps with all tables, thus enriching the presentation of statistics by an additional dimension. A first version can already be accessed on the EDS website.

Since October 2007 the EDS European Data Service has co-operated directly with the Federal Statistical Office's information service for worldwide statistics – the International Information Service. Both information services now belong to the Berlin Information Point (see p. 19).

Milestones of statistical work in various areas



Data on the population with a migration background

So far, German official statistics have provided selected demographic and socio-economic data in a breakdown by nationality (German or not German) and – regarding persons without German citizenship – by citizenship.

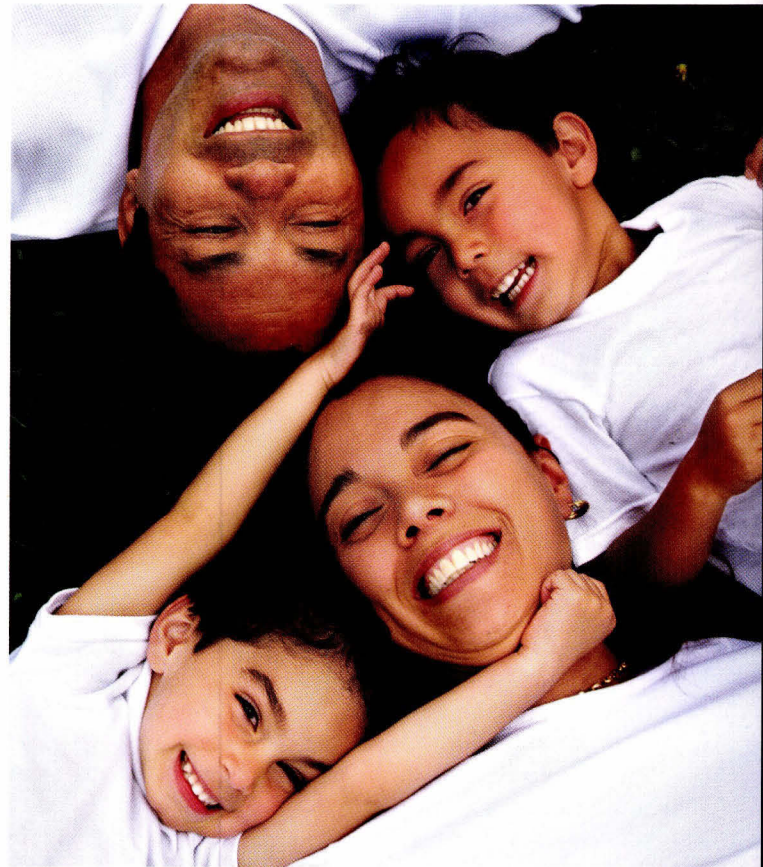
The data of the 2005 microcensus for the first time allow a valid and coherent classification of the population with a migration background beyond the criterion of being a foreigner. In line with the underlying definition, which covers immigration, citizenship and naturalisation, the following groups of the population have a migration background:

- all foreigners irrespective of whether they were born in Germany or abroad,
- all immigrants, irrespective of their citizenship, who have migrated into the territory after 1949, and
- German nationals born in Germany who have at least one parent who immigrated into the country (in or after 1950) or was born as a foreigner in Germany.

The above definition covers more than immigration. It also considers the fact that immigrants and foreign persons pass on their migrant status to their children and that, due to the status of their parents, German nationals born in the territory may have a migration background. However, the latter will not pass on their migration background to their children.

In 2005, the number of people with a migration background was approximately 15.3 million in Germany. That was a share of nearly 19% in the country's population. Immigrants formed the largest group (10.4 million). They made up more than two thirds of the population with a migration background. A total of 4.9 million persons with a migration background were born inside the country. However, their number is expected to rise substantially in the next few years as can be concluded from the disproportionately large share of this population group in the current total of school and preschool children.

Regarding immigrants as a whole, the share of foreigners (5.6 million) is larger than the proportion of German nationals (4.8 million). The situation is different as far as the group of persons born in Germany is concerned. The number of foreigners born in the territory amounts to 1.7 million, while German nationals with a migration background total nearly 3.2 million.



Projects reflecting the process and effects of globalisation

■ Increasing international economic integration is reflected, among other things, by the trends observed in the number of foreign-controlled enterprises. Information on the type, structure and extent of control is of great interest to both the political and the scientific community. In 2007, a Regulation of the European Union ordered the compilation of Community statistics on the structure and activity of foreign affiliates – FATS. The Federal Statistical Office has additionally engaged in a feasibility study to provide structural information on foreign-controlled enterprises (inward FATS) in a breakdown by employee size classes. The study covers the branches of trade and industry inclusive of the financial services sector. It does not place a burden on the businesses concerned since the information and data required for analyses are taken from continuous structural surveys and the business register. The FATS Regulation is to be implemented in the same manner. First results are expected to be transmitted to the Statistical Office of the European Communities in autumn 2008. The pilot study report is scheduled for release in the first quarter of 2009.

■ In accordance with Art. 7 (Surveys for special purposes) of the Federal Statistics Law, a survey was conducted to show the relocation of economic activities to foreign countries between 2001 and 2006. The survey focused in particular on the resulting employment effects. It was designed to study the number of and the qualification requirements linked to the jobs that were cut in Germany and, at the same time, newly created abroad. In addition, the reasons for relocating business functions to other countries and the obstacles experienced were of interest. Furthermore, the effects of relocation on the enterprises concerned were studied, too.

The survey, which was carried out together with the Land statistical offices of Hesse, North Rhine-Westphalia and Thuringia, covered enterprises in industry and the service sector.



The results provided information about the way in which the different sectors of economic activity are structured. And the effects of corporate affiliation were shown, too. In late 2007, first results were transmitted to Eurostat, while the project report was scheduled for April 2008. Another project-related goal is to find out whether adequate indicators to measure the extent of international corporate affiliation can be developed on the basis of existing surveys and registers.

■ The effects of both expanding foreign trade flows and an increasing transport performance in international passenger and goods transport on the environment and its resources were studied in the context of environmental-economic accounting. Energy consumption and carbon dioxide (CO₂) emissions related to the above transactions and activities were estimated for the period 1995 to 2004 (transport analyses: until 2005).

The analysis was based on data of input-output accounting and environmental-economic accounts data on energy consumption and CO₂ emissions in the individual branches of production. The production of export goods accounted for almost half (about 46%) of the energy

consumption of the domestic branches of production. It turned out that, in 2004, the extent of energy consumption and CO₂ emissions caused by the production of export goods as a whole by far exceeded the relevant values recorded for the production of import goods. As for CO₂ emissions, the export surplus amounted to approximately 100 million tonnes in 2004. Considering the total of CO₂ emissions in Germany, which amounted to 900 million tonnes, that was quite a considerable amount. In 1995, CO₂ emissions regarding imports and exports were still largely balanced.

The analysis of both international goods and international air passenger transports yielded astonishing results, too. In 2005, the transport performance (tonne-kilometres) recorded in carrying our import and export goods outside Germany was nearly five times as high as the overall transport performance registered inside the country. This caused CO₂ emissions of more than 60 million tonnes, which was about five million tonnes more than the emissions produced by domestic goods transports. CO₂ emissions in international air passenger transport from and to Germany showed a rapid increase between 1995 and 2005, too. Their amount climbed to just under 35 million tonnes. These results are of major importance as the CO₂ emissions generated by international transport have so far not been considered in the context of Kyoto reporting. The latter has only included national transports (i.e. within Germany).

Germany as the world export champion: Is it just a temporary title?

According to provisional data, Germany's foreign trade – i.e. both exports and imports and the trade surplus – reached a record result in 2007. The value of German exports amounted to EUR 969.0 billion, which was an 8.5% rise on a year earlier. Exporting more goods than any other country in the world, Germany defended its title as world champion in exports for the fifth year in a row. The value of German imports amounted to EUR 770.4 billion, which was an increase of 5.0%.



In 2003, Germany took the title of export champion of the world from the United States. The main reason for Germany's top position was the rise in the euro against the US dollar in 2003 and 2004. The real increase in the value of German exports alone would not have been sufficient for the country to overtake the US export economy in 2003.

Germany maintained its leading position in 2007. In terms of US dollars, the value of its exports amounted to US-\$ 1,329.0 billion. Germany was followed by the People's Republic of China which exported goods to the value of US-\$ 1,218.0 billion and thus relegated the United States (US-\$ 1,163.3 billion) from second to third place.



As a result of the stunning growth rates the country achieved in its international trade of goods, the People's Republic of China not only left Japan as the fourth largest trading nation far behind. It has also come ever closer to the world champion. In view of the dynamic economic development in China, it seems to be only a matter of time before Germany will no longer be in a position to defend its title of world champion. In the long term, the People's Republic of China whose population totals 1.3 billion will have to be placed on par with the European Union rather than Germany in international economic comparisons.

Real estate prices: for the first time data on both newly constructed and second-hand residential property

The crisis in the US real estate market has clearly shown the great importance of the trends in real estate prices for both monetary policies and the stability of the financial markets and hence national economies as a whole.

To improve price monitoring in the real estate area, the Federal Statistical Office has engaged in a European pilot project on surveying the prices of owner-occupied housing. In addition to the house price index, which has been developed in the context of the project to reflect the price trends for newly constructed residential buildings and dwellings, a price index for second-hand residential property was for the first time presented in autumn 2007. So far, retrospective calculations have been made to obtain quarterly results for the house price index and the price index for second-hand houses and dwellings for the period 2000 to 2006.

The results obtained for the relevant period have revealed quite different trends in the prices of the two market segments. In 2006, the house price index for newly built residential property was 1.2% above 2000 levels. After declining prices between 2000 and 2003 (-1.2%), the house price index increased again from 2004 (2006 on 2003: +2.4%). However, the prices of second-hand residential property declined a total 3.0% between 2000 and 2006.

Irrespective of the future progress of the European pilot project, the Federal Statistical Office intends to use the results achieved so far for continuous calculations at the national level which, for the time being, will be restricted to the house price index for newly constructed residential property.

Producer price indices for services

Another focus of work in the context of price statistics is the development of producer price indices for services. Since the Regulation concerning short-term statistics of the European Union (EU) was amended in 2005, it has stipulated the compilation of quarterly producer price indices for various service sectors from 2006. The aim is to compile EU-wide price indices for about 20 sectors of business services.

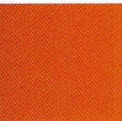
After several years of work, German price indices on base 2006 could be issued for the areas of legal activities, accounting, book-keeping and auditing activities, tax consultancy, business consultancy activities, market research, freight transport by road and cargo handling for the first time in autumn 2007. Results for further sectors such as telecommunications, post and courier activities, freight transport via railways, engineering services, and industrial cleaning will be published in 2008.



Households' entitlement to old-age benefits

Like in many other European countries, the old-age pension system in Germany is based on the pay-as-you-go scheme. This means that the current generation of persons in employment funds the pensions of current pensioners. Sustainability of an old-age protection system based on the pay-as-you-go scheme becomes a major issue in an ageing society where the ratio of contributors to pensioners declines. Judging the effects of demographic change on a well-founded basis requires complete information on the households' entitlement to benefits of the old-age pension system. Recently, this subject was therefore taken up in the context of national accounts.

Since, from a sustainability perspective, entitlements to benefits of old-age pension systems based on a pay-as-you-go or tax-financed scheme were not presented exhaustively, a new approach to the pension entitlements of employees and public officials was agreed in the context of revising the worldwide national accounts methodology, that is the System of National Accounts. Thus, in addition to capital-funded old-age pension systems, pension systems of private employers that are not based



on a funded scheme are to be covered in the core system of national accounts, too. Furthermore, all old-age pension systems inclusive of social insurance (statutory pension insurance) and the public officials' pension scheme are to be presented in a table.

In the context of a pilot project, a model of accrued pension rights was developed for the statutory pension insurance, and the accrued pension rights were calculated for 2004 and 2005. They amounted to EUR 5.7 and 5.3 trillion (256 % and 235 % of the gross domestic product), respectively. The actuarial calculations were based on data of the German Pension Insurance and on forecasts regarding the development of various frame parameters. To the extent they were relevant for determining the level of accrued pension rights, related provisions under pension law were considered separately for each of the subgroups. The result largely depended on the underlying assumptions relating to discount rate, wage growth and trends in life expectancy. As a matter of fact, the extent varied to which changes in the assumptions affected the level of accrued pension rights. To shed light on the impact of changes in both the assumptions and framework conditions, they were indicated separately in the table.

The calculation of pension rights accrued in the pension insurance system constituted a first step in developing a detailed system of presenting all old-age pension schemes. In a next step, the national accounts table will be supplemented by calculations of the accrued pension rights of public officials.

Current results regarding day care for children and parental allowance

In 2007, too, the issue of childcare was often discussed by politicians and the public at large.

Since 2006, official statistics have provided data on the type and extent of the demand for childcare in day care centres or by childminders. Supplementing the education and care provided by parents themselves, day care centres and professional childminders in Germany cared for a total of about 3 million children under 14 years of age in March 2006. The major part of the children (98 % or 2.95 million) attended day care facilities, while 2 % (about 60,000 children) were cared for by childminders.

As regards the little ones under the age of three, the parents of approximately 287,000 children took their offspring to day care centres or professional childminders to supplement the education and care they provided themselves. Hence the share of children in day care in all children of that age group (attendance ratio) was about 13.6 %. The proportion of children under three years of age who were in day care in the new Länder (excl. Berlin) amounted to approximately 40 %, while their share was about 8 % in the former territory of the Federal Republic (excl. Berlin).

The parents of about 1.95 million children aged three to five years made use of the education and care programmes offered by day care facilities and professional childminders. The relevant attendance ratio amounted to 87.1 % in Germany as a whole. In the former territory of the Federal Republic (excl. Berlin), the ratio was slightly lower (86.2 %) than in the new Länder (excl. Berlin) where it amounted to 92.5 %.

On 1 January 2007, the former federal child-raising allowance was replaced by what is called the federal parental allowance. The latter, which is received by working mothers or fathers for fully or partially reducing their working hours, amounts to 67 % of the average net wage or salary of the previous 12 months. The minimum amount



received is EUR 300, while the maximum amount totals EUR 1,800 per month. People who are not in employment receive the minimum amount of EUR 300. Depending on the family situation, an allowance is added for siblings and/or multiples.

A total of about 200,000 parental allowance applications were accepted in the first half of 2007. After a total of approximately 60,000 applications had been accepted during the first quarter of the year, the number of applications approved rose to 140,000 in the second quarter. Between January and June 2007, parental allowance applications of about 17,000 fathers were accepted across the country as a whole, which was a proportion of 8.5%.

The proportion of fathers was highest in Berlin (11.1%), followed by Brandenburg (10.0%), Bavaria and Ham-

burg (9.7% each). In the Saarland, 5.6% of all fathers took paternity leave while in Mecklenburg-Western Pomerania and Saxony-Anhalt, the proportion of fathers was 6.4% and 6.8%, respectively.

All in all, 108,000 mothers and fathers (54%) received the minimum parental allowance in the whole of Germany in the first six months of 2007. In more than every third case (37,000; 34%), an allowance for siblings and/or multiples was added to the minimum amount.

There were large regional differences, too, in the number of persons receiving the minimum amount in the first half of 2007. While less than half of all mothers and fathers received the minimum allowance in Saxony (44.6%), Brandenburg (46.4%) and Bavaria (46.9%), their share amounted to more than three quarters (77%) in Bremen.

Development of study process indicators

In addition to data reflecting the trends in the numbers of new entrants at and graduates from institutions of higher education, information about the study process is of increasing interest to researchers, politicians and the public at large. In this context, the focus of interest is on questions such as:

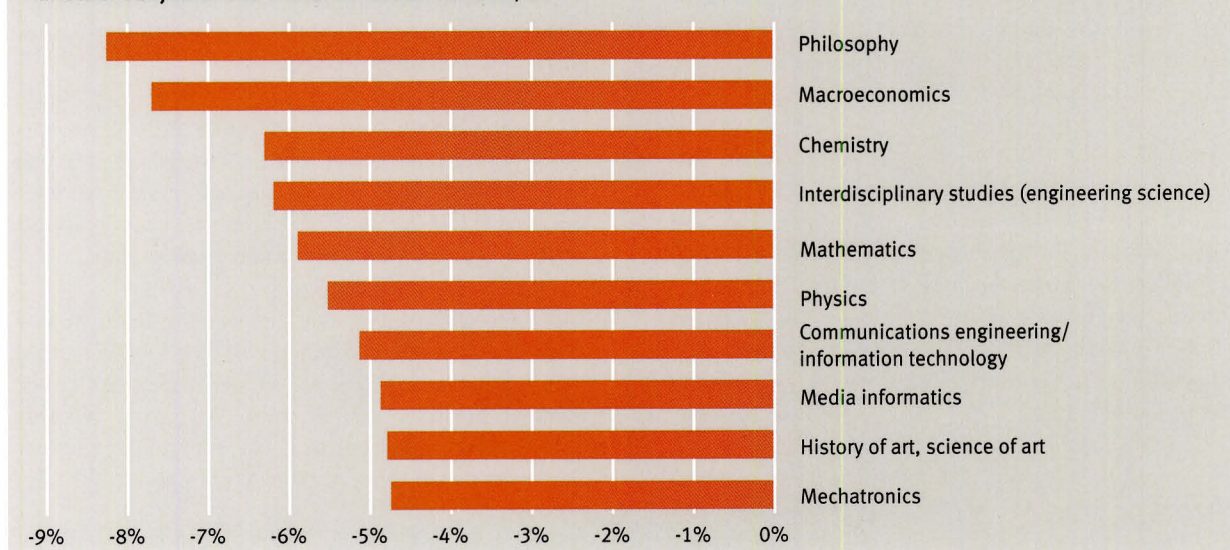
- In what fields do students particularly often change to another subject or transfer to another institution of higher education?
- How many percent of the new entrants of a year do complete their course of study successfully? or
- How much do the above study success rates vary between subjects and where is the rate especially high?

The above questions cannot be directly answered based on the statistics of students and examinations as there is



no identifying characteristic that would apply across several reference years and thus allow a longitudinal linking of data records of different survey dates. To bridge this gap of information, the Federal Statistical Office has engaged in a project on the Further development of indicators in health reporting, which was commissioned by the Federal Ministry of Education and Research (BMBF). In its context, the Office has sought to design adequate procedures for calculating indicators to describe the study process. First

Major subjects of study which, in percentage terms, were most frequently changed for another subject in the winter semester of 2006/07





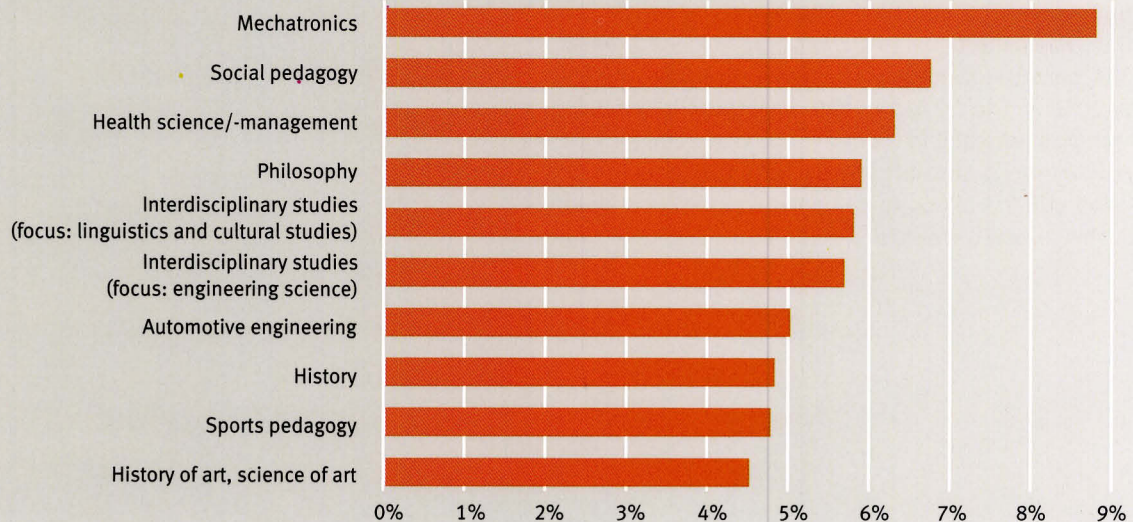
results of analysis provide information about changes to other subjects. Actually, a total of 45,800 students in the first course of study changed to another subject at the beginning of the winter semester of 2006/07. This was nearly 3 percent of all students in the second or a higher semester (the total of students in the second or a higher semester represents the number of students who could potentially have changed to another subject compared with the previous semester).

As regards the subjects of individual courses of study with above-average numbers of students, the chart on the left-hand side shows the subjects which, in relative terms, were most frequently changed for another subject, while the chart on the right-hand side shows the subjects which were most frequently changed to.

The subjects of mechatronics and social pedagogy were most frequently changed to (in percentage terms), whereas philosophy was most frequently changed for another subject.

The above analyses reflecting changes to other subjects or transfers to other institutions of higher education are currently being supplemented by studies both on subject and institution-related success rates among students and on continuation rates, as they are called. The latter rates refer to students who continue with a master course after completing a bachelor course at a German institution of higher education. The study process indicators are planned to be published in a specific subject-matter series upon completion of the project.

Major subjects of study which, in percentage terms, were most frequently changed to in the winter semester of 2006/07



Development co-operation

The Federal Statistical Office, commissioned by the Federal Ministry for Economic Co-operation and Development, has processed the data of the statistics of development co-operation in the context of a pilot project since 1 January 2006.

The statistics are designed to reflect the official development co-operation activities and other public and private benefits provided to developing countries. Its results are above all used in the context of international reporting to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD). The Official Development Assistance (ODA) expenditure mainly includes the expenditure for technical and financial co-operation with developing countries, food aid, emergency and refugee aid, contributions to international institutions for development co-operation (such as the United Nations, European Union, World Bank, regional development banks) and also debt relief. In addition to public benefits, private contributions for development purposes (e.g. benefits based on private donations or membership fees, direct investment) are covered, too.

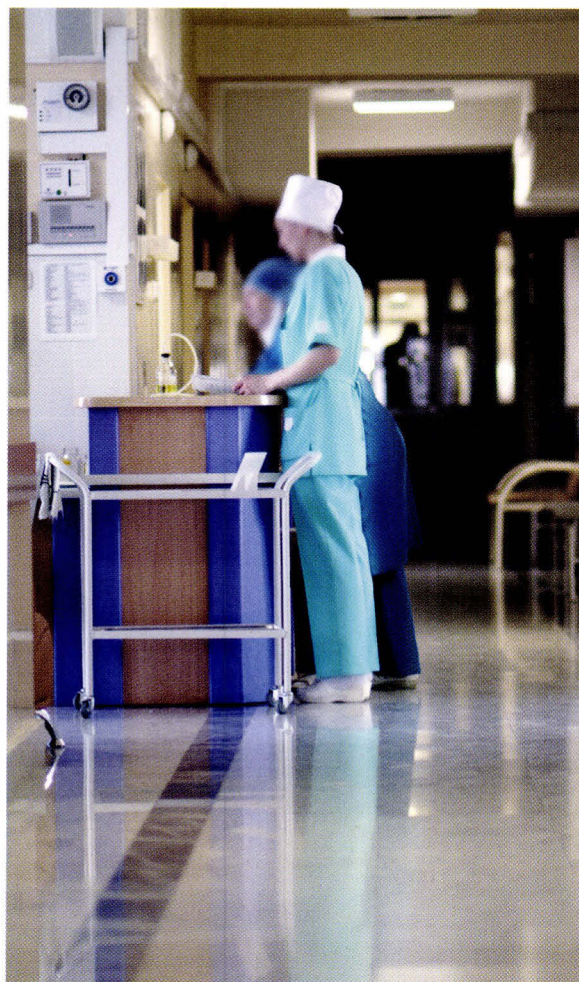
In May 2005, the EU Council of Ministers adopted a multi-stage ODA plan in the framework of which Germany has undertaken to increase the share of German ODA benefits in the gross national income to 0.51% by 2010 and to 0.7% by 2015. An ODA rate of 0.36% each was obtained in the reference year 2006 and the year before. In absolute terms, these ODA benefits totalled EUR 8.3 billion (previous year: EUR 8.1 billion). In this context, bilateral co-operation accounted for

EUR 5.6 billion, while multilateral co-operation amounted to EUR 2.7 billion. Debt relief and debt rescheduling totalled EUR 2.4 billion. More than half of the funds (EUR 4.3 billion; 51.1%) were provided by the Federal Ministry for Economic Co-operation and Development (+21.3%). The Federal Foreign Office funded benefits to the amount of EUR 0.3 billion (4.2%). And the share of the German Länder in development assistance amounted to EUR 764.2 million (-2.4%) in 2006. This amount also included the costs of studies of students from developing countries which totalled EUR 717.0 million (-3.7%). The Länder contributions exclusive of the costs of the above university/college places amounted to EUR 47.2 million and hence were at a level similar to the one recorded in 2004. Private development assistance (e.g. by the Deutsche Welthungerhilfe e.V., MISEREOR e.V.), which was funded from the bodies' own resources and donations, amounted to EUR 1.1 billion in 2006. The total of private direct investment in developing countries was approximately EUR 9.9 billion.

New case flat rate-related hospital statistics

In the context of reforming the financing system for hospital care in 2000, the legislator decided to introduce a case flat rate-based DRG (Diagnosis Related Groups) system for the reimbursement of costs of hospital treatment. Since 1 January 2004, all general hospitals have been obliged to apply the DRG system. Pursuant to Art. 21 of the Law on the payment of services provided by hospitals, the Federal Statistical Office has received detailed structural and service-related data based on this system via the Institute for the Hospital Remuneration System.

In April 2007, detailed data on in-patient treatment in 2005 were for the first time published on the above basis in a new subject-matter series issue on Case flat rate-related hospital statistics (DRG statistics). This publication has supplemented and enlarged considerably the range of information provided by official hospital statistics. Particularly in the context of the statistics of procedures and diagnoses, information can be provided for instance on surgeries and medical processes and the main diagnoses be supplemented by the relevant secondary diagnoses in a much more detailed and faster way for all cases of full in-patient treatment in the calendar year. In addition to data on the morbidity situation and morbidity trends in in-patient treatment, DRG statistics supply information on the volume and structure of the services requested and hence contribute to an improved transparency in the healthcare system. The new statistics do not place an additional burden on the hospitals responsible for providing information as the data pool available in accordance with Art. 21 of the Law on the payment of services provided by hospitals can be used for the relevant purposes.





Staff and budget of the Federal Statistical Office

2007 staff survey “Let us compare!”

Since 2005, staff surveys have been conducted at two-year intervals to consider the valuable opinions of the staff of the Federal Statistical Office in modernising official statistics. Nearly three quarters of all staff members participated in the 2007 survey which, for the first time, was conducted online. The motto of this year’s survey was “Let us compare!”. The results of the survey were on the one hand used to assess the current situation in the different departments. On the other hand, changes over time could be reflected and comparisons be made for the first time. The results of the staff survey were discussed in depth between staff members, their superiors and staff representation bodies.

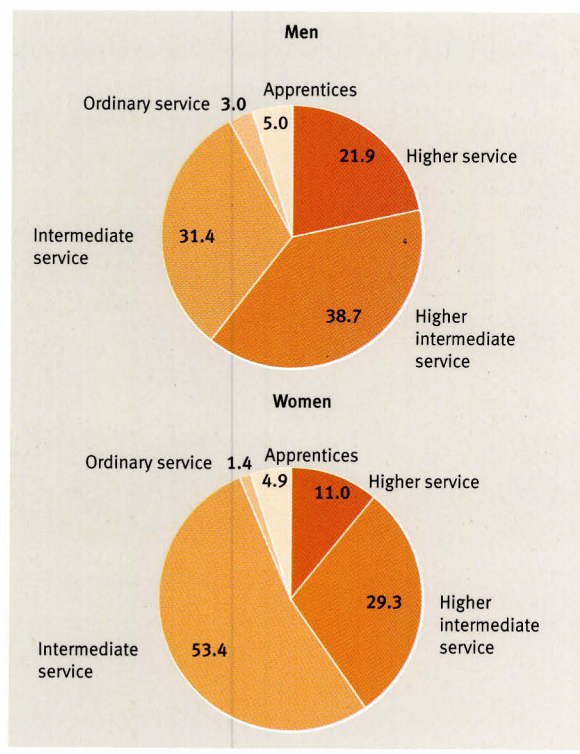
The revised questionnaire again covered a wide range of issues such as the level of “general satisfaction”, “qualification and career opportunities”, and “the Federal Statistical Office as an employer”. In general, the feedback from the staff was more positive than in 2005. For instance, satisfaction with the work of the immediate superior and with the working conditions/environment improved on the previous survey. In the view of the staff, co-operation between different units, too, was smoother compared to two years ago. Furthermore, the survey indicated valuable opportunities for further improvement regarding, for instance, the communication of the Office’s strategic goals. The heads of the Office took these hints into consideration. As a result, the Office’s strategic goals are now outlined more concisely and clearly in “fit 2012”. The success of these and other measures of improvement will be measured in the context of the next staff survey in 2009.

Changes in the personnel structure

In October 2007, the Federal Statistical Office had 2,804 employees.

A total of 2,028 staff members were employed at the Office’s main location in Wiesbaden and 754 at the branch office in Bonn. A team of 22 statisticians worked at the Berlin Information Point (i-Punkt) of the Federal Statistical Office, which encompasses the European Data Service (EDS) and international statistics. More than half (54.7%) of all persons employed by the Federal Statistical Office are women.

Employees of the Federal Statistical Office by sex and service category





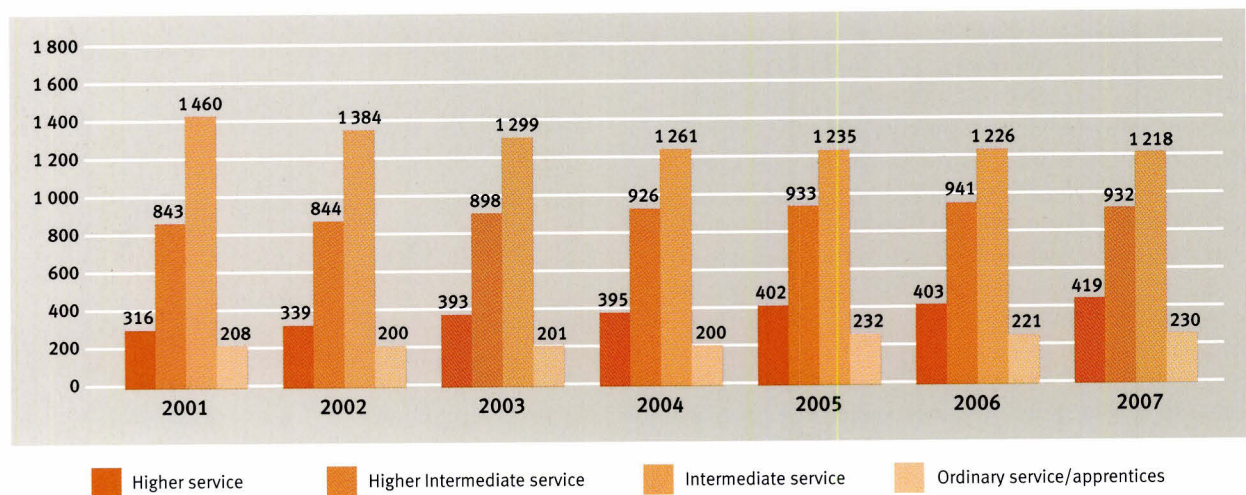
Between 2000 und 2007, the number of employees of the Federal Statistical Office decreased by 209 persons or 6.9%. The reduction did not affect all service categories to the same extent. Being increasingly faced

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 higher service employees in the total number of employees rose from 10.6% to 15.0% during the mentioned period, whereas the proportion of employees in the intermediate service fell from 52.8% to 43.5%.

The Federal Statistical Office continues its commitment to vocational training:

Currently, a total of 137 young people are trained to become office communications or information technology specialists.

Employees of the Federal Statistical Office by service category, 2000 – 2007
(as of January of the respective year)



Employees of the Federal Statistical Office by sex and service category
(October 2007)

Service categories	Total		Men		Women	
Higher service	447	100%	278	62.2%	169	37.8%
Higher interm. serv.	942	100%	492	52.2%	450	47.8%
Intermediate service	1 218	100%	399	32.8%	819	67.2%
Ordinary service	59	100%	38	64.4%	21	35.6%
Apprentices	138	100%	63	45.7%	75	54.3%
Total	2 804	100%	1 270	45.3%	1 534	54.7%

Education and training

In the context of fulfilling the “fit 2012” catalogue of goals, the staff of the Federal Statistical Office have undertaken to develop their skills actively and at regular intervals. A wide range of in-service training measures are offered to the Office’s employees in order to assist them in developing their qualifications to cope with new requirements. These measures at the same time constitute one of the main elements of human resources development. Further training focuses both on the rapid changes observed in information and communication technologies and on gender and other equality issues. It includes introductory training for new staff, measures aimed at raising the level of staff qualification, a specific programme for junior executive staff, further training for executive staff and foreign language courses.

The Federal Statistical Office is particularly committed to the vocational training of young people. Currently, the offices in Wiesbaden and Bonn employ nearly 140 ap-



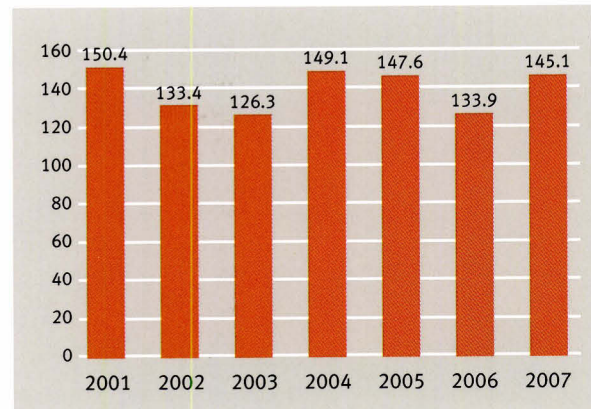
prentices who are trained to become office communications or information technology specialists. In addition, they acquire supplementary commercial skills.

The budget of the Federal Statistical Office in 2007

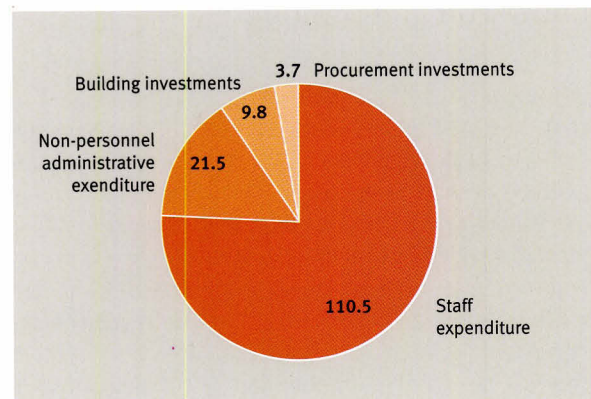
Despite general budgetary consolidation, the budget of the Federal Statistical Office was noticeably raised to fulfil a number of new tasks. The Office's budget estimate (target budget) amounted to EUR 145.1 million in 2007. Like a year earlier, a politically determined "global reduction in spending" of EUR 8 million caused the target budget to be reduced to approximately EUR 137 million. About EUR 10 million of that amount were earmarked for the measures taken in the context of the complete restoration of the Office's building over a period of several years.

Compiling, processing and disseminating statistics is a labour intensive task in spite of the increased use of information technology. That is why staff expenditure, by tradition, is the largest spending block of the Federal Statistical Office. In 2007, the staff sector accounted for 76% of estimated expenses. Non-personnel administrative expenditure had a 15% share in the budget, while building and procurement investments together accounted for 9%.

Estimated budget of the Federal Statistical Office (EUR million)



Estimated expenses of the Federal Statistical Office, 2007 (EUR million)



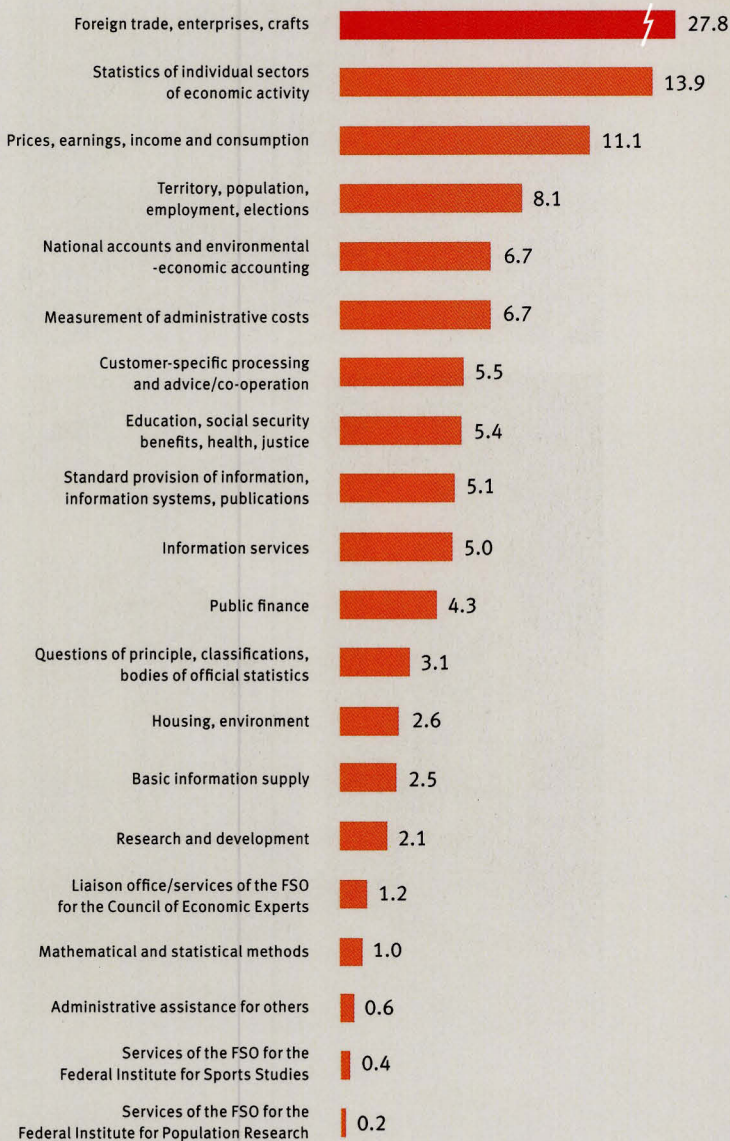
Consumption of resources by product groups in 2007

The product budget of the Federal Statistical Office is an important steering instrument. It provides information on the purposes the resources are used for, thus improving transparency of the relations between the targets set and the means used to achieve them. The product budget reflects the costs incurred and the receipts achieved in compiling external products.

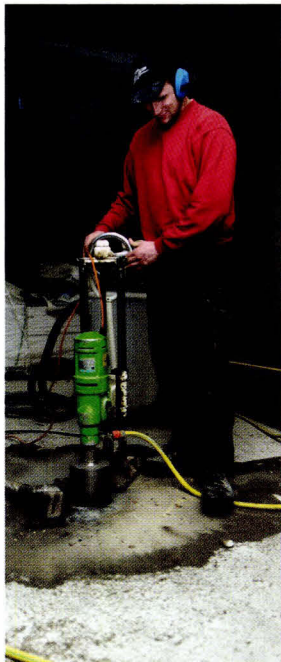
The bar chart shows the costs incurred, in a breakdown by product groups, during the first three quarters of 2007.

The major part of the resources, that is more than EUR 27 million, were spent on the product group "External trade, enterprises and crafts" during the above period. This product group includes the external trade statistics (intra-Community trade and extra-Community trade), the largest statistical survey conducted by the Federal Statistical Office in a centralised manner. Ranked by the consumption of resources, it was followed by statistics on various economic sectors (e.g. industry, distributive trade, and hotels and restaurants) (EUR 13.9 million), statistics on prices, earnings, income and consumption (EUR 11.1 million) and statistics on population and employment, etc. (EUR 8.1 million). The measurement of administrative costs based on the Standard Cost Model (SCM) aimed at determining the bureaucratic burdens caused by federal information obligations in Germany required resources of EUR 6.7 million.

Consumption of resources Q1-Q3 by product groups in 2007 (EUR million)



FSO = Federal Statistical Office



Complete restoration of the office building in Wiesbaden

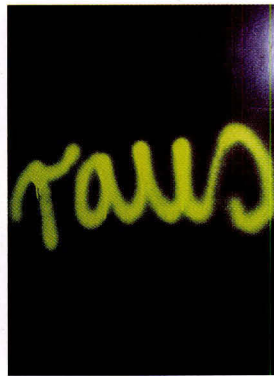
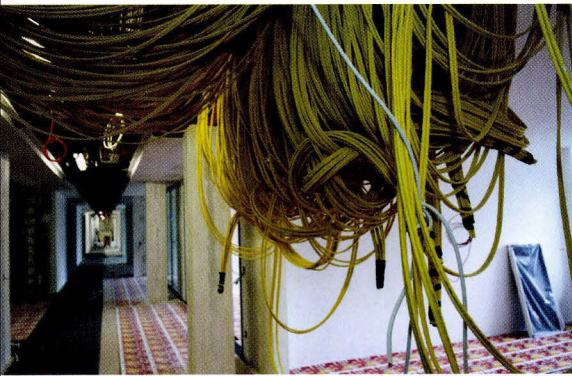
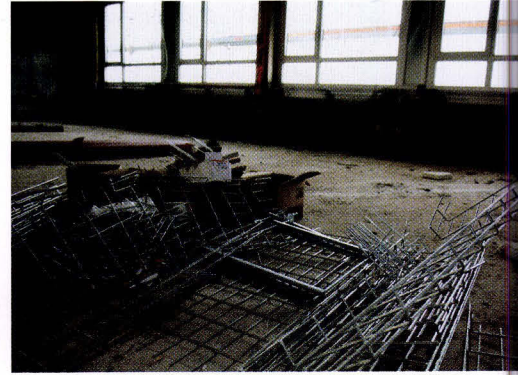
The complete restoration of the Federal Statistical Office's building in Wiesbaden began in November 2005. The multi-storey building and the adjoining structures as well as the computer centre will be reconstructed in two stages in the next few years.

At the beginning of 2007, the preparatory demolition work was largely completed so that repair, new installation and completion could start. In that context, comprehensive static reinforcement measures requiring massive interference with the basic structure were carried out.

As part of extensive restoration, the building's facade will be altered and an attractive work environment be created for the staff. At the beginning of 2009, part of the staff will move back into the first newly reconstructed buildings.

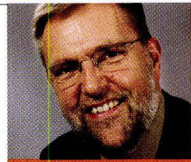
As long as reconstruction work continues, about 1,000 employees are accommodated in seven alternative buildings located in the Wiesbaden town area. The Federal Statistical Office's library, print shop and post office also moved to other places. Currently, the more than 2,800 employees of the Federal Statistical Office work in 13 locations. Eleven of them are situated in Wiesbaden and one each in Bonn and in Berlin.



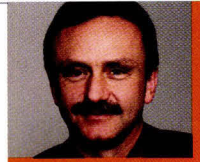




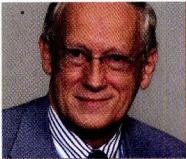
Current organisational structure of the Federal Statistical Office
April 2008



President and Federal Returning Officer
Walter Radermacher



Vice-president and Deputy Federal Returning Officer
Peter Weigl



Department Z

Administration

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

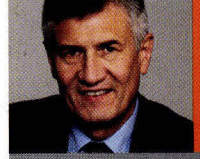
Dieter Sarreither



Department III

National and Environmental Accounts, Labour market

Wolfgang Strohm



Department IV

Business Register, Industry, Domestic Trade

Dr. Roland Gnos

Organisation,
Quality Management,
Controlling

Budget, Cost and
Performance Accounts,
Internal Service

Project Group
Complete restoration

Human Resources,
Advanced Training

Legal Questions

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 In-
formation Services, Library

Co-operation with other
Countries, Language Service

Berlin Information Point
Service for the capital,
International Statistics,
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

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



Department V

Prices, Foreign Trade,
Transport, Earnings

Sibylle von
Oppeln-Bronikowski



Department VI

Education, Public Sector

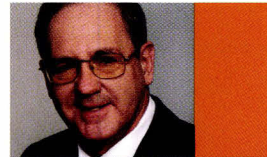
Dr. Sabine Bechtold



Department VII

Services, Agriculture,
Environment

Hannelore Pöschl



Department VIII

Health, Social Statistics,
Households

Karl Müller

Prices
Foreign Trade
Transport
Earnings and
Labour Costs

Population Census,
Population Development
Education, Research
and Development,
Culture, Justice
Public Budgets and
Enterprises
Taxes

Administration incl.
Advanced Training
Information Technology
Agriculture and Forestry,
Fisheries
Environment
Services, Cost Structure,
Iron and Steel

Health
Social Statistics
Microcensus, Labour
Force Sample Survey,
Households and
Families
Household Budget
Surveys and Time Use

Information and addresses

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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 Länder, we produce statistics on the economy, society and 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 are given access to anonymised microdata of official statistics via the Research Data Centre of the Federal Statistical Office and the Research Data Centre of the statistical offices of the Länder.

About us:

- 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 have offices in Wiesbaden (head office), Bonn (branch office) and Berlin (Berlin Information Point).
- Providing job-oriented training to the staff is part and parcel of our human resources development.

Our framework conditions:

- In 2007, the federal budget made available about EUR 137 million for statistical purposes.
- We use the latest information technology, and our internet-based services and innovations are an important contribution to the eGovernment initiative of the Federation.
- We actively participate in the further development of the European Statistical System and in international statistical co-operation.

Imprint Annual Report 2007

Published by:
Federal Statistical Office,
Wiesbaden
Germany

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Layout:
Federal Statistical Office/KOOB

Published in July 2008
Order number: 0000040-07700-1

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