

Paper from Mr Walter Radermacher, Director General, Eurostat

Economic statistics at the service of financial markets' participants

Discussant note by Ms. Adelheid Burgi-Schmelz¹

- First, I would like to congratulate Mr. Radermacher for very practical observations and for an excellent paper. The paper brings out important practical issues that are facing public statistical systems globally.
- **The financial crisis has heightened the demand for detailed financial statistics produced with high frequency and timeliness.** It also triggered demand for new statistics to enhance the supervisory framework for financial institutions and the management of monetary policy. These are pertinent issues which are well aligned to the recommendations in the G-20 Report on the Data Gaps Initiative coordinated by the Inter-Agency Group on Economic and Financial Statistics (IAG).
- **The paper persuasively advocates for balance and coherence between financial and nonfinancial statistics.** We cannot agree more. The crisis has severely undermined the lucid balance between financial and nonfinancial statistics by focusing on strengthening financial statistics, with special emphasis on issues relating to risk measurement and the rapidity of data availability. However, the close linkage of financial and nonfinancial statistics underlines the need for global coherency. To this end, as noted in the paper, national accounts certainly offer the best illustration of complementarity between financial and nonfinancial statistics because the accounts framework requires global coherency between both types of statistics.
- The paper highlights a very important point that **financial flows are subject to strong trends dependent on influences outside the financial sphere such as competitiveness of businesses and behavioral habits of households, the changes in real income and its concentration** influence saving-investment ratios. This therefore calls for a global framework to sustainably ensure a satisfactory balance between financial and nonfinancial statistics is maintained.
- **The paper highlights the increasing role of non-resident agents in financial intermediation and points that data collected on a compulsory basis by the public supervisory authorities as part of their responsibility are insufficient due to problems accessing data from non-resident financial institutions.** This is a major constraint particularly in undertaking global analysis to understand spillover

¹ The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management

effects from cross-border transactions. Perhaps the paper could usefully expand the discussion to highlight the key constraints especially relating to data confidentiality.

- **In particular to undertake macroprudential analysis, including developing network models to understand the transmission channels, tail risks and emerging vulnerabilities in the system, access to more granular data is essential.** Financial data disaggregated by country, sector, instrument, maturity, and currency denomination would facilitate the identification of interest-rate and exchange-rate risks. To the extent national laws do not adequately address the balance between confidentiality and data access in the post global crisis environment, authorities may need to consider revising such laws to facilitate closing of data gaps under the G-20 Data Gaps Initiative.
- **The paper rightly points out the need to use modern tools to communicate statistical information as well as the need to promote dialogue between statisticians and users of statistics.** There is no doubt that availability and coherence of statistical indicators must be supported by further improvements in terms of accessibility and communication. Making information readily available through mobile devices facilitates the use of data and many statistical agencies are moving in this direction. Indeed, the Principal Global Indicators website (PGI) now allows accessibility of data through the iPad and iPhone. Similarly, given the many sources of data, it is important for statisticians to give a clearer sense of the sources, methodological strengths/weaknesses of the data being used.
- **Finally, the paper highlights the need for statisticians to have a wider perspective consistent with the changing economic dynamics and increasing demands from financial market economists as identified by Ashley and Larsen.** Indeed, monitoring progress out of the crisis is a long-term undertaking that requires that sufficient data (both financial and nonfinancial) are available to track key indicator systems and related procedures. Examples include the Principal Global Indicators (PGI); their godmother, the Principal European Economic Indicators (PEEI); the Excessive Deficit Procedure; the Macro-economic Imbalances Procedure, etc. All require a long-term perspective in planning for the supply of required data. But this raises questions like the following: Are official statistical systems resourced adequately to meet these demands? What are the implications of budgetary cuts on official statistical systems? Is there a case to safeguard statistical systems from budgetary cuts? I believe that the answer to these questions is straight forward: It is strategically essential to ensure that adequate budgetary resources are maintained for the increased importance of statistical work.

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