



**Welcoming remarks by Paul Van den Bergh at the Fifth IFC Conference on
“Initiatives to address data gaps revealed by the financial crisis”
Basel, 25th August 2010**

Good morning ladies and gentlemen. On behalf of the BIS Management I would like to welcome all of you to Basel and to the Bank for International Settlements for the fifth biennial conference of the Irving Fisher Committee on Central Bank Statistics. We are very pleased that you return every two years to your home here in Basel for your so-called independent conference. The continued high turnout for this conference testifies to the importance you attach to your gatherings at the BIS and to the excellent choice of topic made for this event.

How time flies. The first IFC conference here in 2002 reflected on the challenges to central bank statistical activities. Interestingly, it noted the growing importance of financial stability issues in central bank statistical activities. Two years later, in 2004, the focus was on issues regarding National and Financial Accounts, the key traditional statistical framework that has allowed us to measure and monitor economic, monetary and financial developments across different countries for decades. The measurement of the financial position of the household sector, surely an area in need of improvement in the financial accounts, was discussed in more detail in 2006.

Then in 2008 discussions were on the measurement of financial innovation and its impact. There could not have been a better topic at that time since the first phases of the financial crisis had by then already highlighted a number of areas where lack of information and transparency, often as a result of innovations, had contributed to the build-up of unsustainable stress in the financial system. The panel discussion at the conference two years ago focused on data issues in the context of the financial turmoil: this was one of the first public discussions amongst experts from central banks and international organisations on the topic. That discussion stimulated further reflections and initiatives in international fora, including at the IMF, UN, OECD and, of course here in Basel, on what could be done to address particular information gaps.

- The Committee on the Global Financial System, for instance, reviewed its data on credit risk transfer, in particular its OTC derivative statistics, and is now investigating improvements to the BIS international banking statistics.
- The IMF set up an InterAgency Group on Economic and Financial Statistics on which the most important international organisations interested in improving economic and financial statistics after the financial crisis are represented.
- More visibly perhaps, the Financial Stability Board, which also has its secretariat here at the BIS, worked with the IMF to spell out a number of recommendations to the Group of Twenty regarding data gaps revealed by the financial crisis. A report was published in October 2009 and a more detailed progress report setting out practical steps and timeliness was issued in June 2010. The FSB/IMF work was carried out with active input of other international organisations and many national statistical agencies represented at this conference.

The conference here today and tomorrow is a nice complement to the various international initiatives that have been taken to address data gaps. It does not



duplicate the other discussions that are taking place but focuses instead on the ways in which central banks, in particular, have already addressed particular data gaps during the crisis. The conference programme reflects that specific initiatives were taken to improve data compilations from banks, to improve external statistics, financial accounts, housing statistics as well as data on debt markets and securitisation. Moreover, a number of broader approaches seem to have been taken, including the use of surveys to remedy data gaps and reliance on micro data to complement the more traditional macro statistics.

All these initiatives and approaches are very useful avenues of work. Combined with the various international proposals to close data gaps they should take us a long way towards improving our statistical apparatus to support financial stability analysis. The question can be asked whether this will allow market participants, policy makers and other analysts to better measure and monitor various forms of financial risks. At the BIS we have recently spelled out five principles that we believe should guide future statistical activities to support financial stability analysis and policy. They include

- better data on quantities;
- focus on financial intermediaries and banks in particular;
- more consistency in various datasets;
- attention to maturity and currency breakdowns; and
- last but not least, joint residency and consolidated data.

Here in Basel we are convinced that using these five principles can move us significantly in the direction of producing a kind of global risk map showing exposures and funding relationships that would allow the measurement of virtually any vulnerability in the financial system. My colleague, Claudio Borio, will address some of these principles further in his keynote speech tomorrow.

With all these proposals and ideas circulating in various fora, there will plenty of food for thought during the forthcoming deliberations. Before closing, I would like to thank you, on behalf of the Management of the BIS and of the economists and statisticians of its Monetary and Economic Department, where the secretariat of the IFC is located, for your participation in this conference. Many of you will be chairing sessions, presenting a paper, and participating actively in the general discussions. And all of you will benefit, I am sure, from the networking opportunities this global conference provides. I trust that you will make the best out of your participation at the conference and your presence at the BIS. And, of course, we at the BIS already look forward to your return in two years. Thank you.



**Opening remarks by Manuel Marfán at the Fifth IFC Conference on
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Good morning ladies and gentlemen. Thank you, Mr Van den Bergh for your welcoming remarks. It is also a pleasure for us to be back in Basel for our biennial conference, this time on the theme of “initiatives to address data gaps revealed by the financial crisis”. What better proof is there of the popularity of our conferences in Basel than that we have again over 140 participants from more than 60 countries from all regions around the world and more than 50 papers being presented! And on this occasion we even turned down a number of papers.

Before I say something more about the conference I would like to thank the BIS for its ongoing interest in the activities of IFC. I contacted the BIS General Manager and Economic Advisor in the course of last year to share some thoughts on how we might further strengthen the governance of the IFC, in particular by involving the members of the IFC Executive more closely in its activities. We held a physical meeting of the Executive here in Basel at the end of January, which helped us to implement this and to start an in-depth discussion on the priorities for future IFC work. The BIS, in turn, helped us in clarifying the accountability of the IFC to central bank Governors. Indeed, in the course of 2009/10 the BIS Board of Directors agreed that the IFC could report on a regular basis to the BIS All Governors’ Meeting and seek its guidance and support as needed. Since all BIS shareholding central banks are institutional member of the IFC and form the core of the IFC membership, this is the best possible solution for us. We intend to submit a first formal report to the Governors in the coming months and to do so on a regular yearly basis in the future.

Further with respect to IFC governance matters, I would like to say a few brief words on the outcome of the IFC Committee meeting yesterday.

Firstly, we elected some new members to the IFC Executive. They are Mrs Katherine Hennings from the Central Bank of Brazil and Mr Rimantas Vaicenavicius from the Central Bank of Lithuania.

Secondly, we reviewed past and future IFC activities. With respect to the past events, last year was particularly active with the meetings at the ISI Congress in Durban, regional workshops on inflation measurement, a conference here in Basel on property price indices, a workshop on the use of business surveys by central banks in Kyiv and a training event organised in Brussels by the National Bank of Belgium on national accounting. The Secretariat and other experts at the BIS in particular, did a great job coordinating and organising all that with the active input from many IFC member central banks.

Looking forward, we discussed the finding of a survey that we carried out of the IFC membership with respect to data initiatives related to financial stability. The survey yielded some interesting insights in what the central banks collectively are doing, or plan to do, to address data gaps revealed by the financial crisis. Much, of course, is centred on the various international initiatives that have been launched from Basel, Washington and Frankfurt. But central banks clearly expressed an interest to learn from one another as to how to prioritise the actual improvements to their collection,



compilation, analysis and dissemination of statistical information. That is what we intend to do today and tomorrow as well as next year in Dublin at the next ISI Congress. But there is also a forthcoming conference organised with the People's Bank of China on Data Requirements for Monitoring Derivative Transactions and a possible co-sponsoring with other international groups of a conference on Residency vs Consolidated Balance Sheet Data. I am pleased to note that the latter activity addresses directly one of the five key principles for future statistical activities that were just mentioned by Paul.

So what is on our agenda for the coming two days?

The first session will set the stage by providing an overview of international and national initiatives to address data gaps. This will be followed by a plenary session on examples to improve data compilations on banks. We will then split up in smaller groups to review some general approaches that seem to have been taken by central banks to address data gaps:

- the use of surveys to remedy data gaps;
- the use of micro-data to complement statistical information;
- and efforts to better marry analytical methods and frameworks with data sources.

Tomorrow there will also be breakout sessions to review specific initiatives to improve external statistics, financial accounts, housing data, and information on debt markets and securitisation.

Our plenary sessions tomorrow will consist of a keynote presentation by Claudio Borio, Head of Research and Statistics at the BIS and recently appointed Deputy Head of its Monetary and Economic Department. He will be sharing his view on what the implications are for new statistics resulting from the financial crisis. Some of you may know that Claudio has spearheaded thinking on financial stability issues at the BIS for more than a decade. I am sure that we will pick up some of his views in our closing panel discussion on the future international and national initiatives to close data gaps. I have asked [] to chair the panel in which I will also be happy to participate. By the way, I am pleased to note that all the sessions at the conference are chaired by members of the IFC Executive. That way you will all get a chance to know them better. Feel free to share directly with them the views you may have on the conference and on future IFC activities.

Before opening our proceedings, let me say a word about some innovations at the conference.

At its last meeting in August 2009, the Committee discussed a proposal by the International Statistical Institute to increase involvement of young statisticians in the ISI and its sections. Many young central bank statisticians are interested in attending IFC Conferences, but it is difficult for central banks to send a large number of statisticians to the biennial IFC Conferences because of limited travel budgets. It was decided that the IFC would organise a back-to-back training session before its Basel conference, for which travel would probably be more readily available. Then the young statisticians could participate in both the training as well the Conference. With the assistance of the ECB, the IFC's first training event for Young Statisticians took place in Basel yesterday. Around 30 statisticians discussed "European System of



Central Banks' Statistics - new challenges, 2010-2015". I assume that most of those who participated are also present at the conference. On behalf of all of us I would like to thank Aurel Schubert and his ECB colleagues for organising the training event.

The second initiative that was taken to encourage the involvement of young statisticians in our activities, was the introduction of an award for the best paper presented by a young statistician at the biennial conferences in Basel. More than 20 entries were received from young statisticians for this conference from which the Executive has made a shortlist. We will be announcing the winner of the Award in the closing ceremony tomorrow afternoon. Though there is no prize money, the winner will receive a certificate declaring his/her contribution the "IFC Best Paper by a Young Statistician".

That concludes my opening remarks, ladies and gentlemen. Let me thank the BIS again for its hospitality. Past experience tells me we will be very well looked after. I trust we will have active discussions and networking. I hope to talk to many of you personally in the coming two days. Make the best of the meeting here today and tomorrow. This is your meeting, after all.

Thank you and let's get started.