Discussant comments on session STCPM52: Lessons learnt for statistics from the current financial crisis

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The papers presented at this session are an illustration of the high degree of coordination and responsiveness of the international and national statistical agencies charged with producing macroeconomic statistics. The responses outlined in the IMF, ECB and Eurostat papers represent their commitment to meeting policy and business needs for up-to-date and relevant statistics that accurately monitor the evolving state of the economy and provide information on emerging risks and imbalances.

The responses outline a complete five-step programme for responding to the financial crisis: (i) coordinating and improving access to critical data through tools such as the Principal Global Indicators (PGI) website, the Principal European Economic Indicators (PEEIs) and the quarterly economic accounts of the euro area; (ii) improving timeliness, consistency, and coverage of existing data as part of reinvigorated implementation efforts for the System of National Accounts (SNA), the Balance of Payments and International Investment Position Manual, the Government Finance Manual (GFS) and the IMF's General Data Dissemination System (GDDS) and Special Data Dissemination Standard (SDDS); (iii) fully exploiting existing data through leverage and other ratios as presented in the IMF's Financial Soundness Indicators (FSI); (iv) monitoring and assuring key estimates which reflect changes in the economy and accurately portray its state: although this is largely the responsibility of national statistical agencies, by developing micro databases and leading change in the international statistical system, the international organisations can play an important role; and (v) initiating work on the next steps in improving timeliness and coverage by identifying gaps in coverage such as those discussed in the papers and those to be identified by the G20 exercise.

All of these efforts are clearly important, but from the perspective of the financial (and housing) crisis, the last three are key. Response (v) is well covered by the IMF and ECB reports, which highlight that one of the biggest gaps identified by the financial crisis was the absence of consistent and comprehensive data on the institutions that played a large role in the crisis. Major gaps include coverage of hedge funds, private equity funds and structured investment vehicles. There is also a critical need for more detailed data by type of instrument, maturity, valuation by type of instrument, by ultimate owner rather than counterparty, as well as detailed data on leverage by institution and by type of instrument. Hopefully, these new data needs can be addressed in a coordinated fashion with new regulatory requirements to maximise the utility of the data to regulators interested in individual firms and to macroprudential regulators and investors interested in emerging aggregate and industry-specific trends and risks.

Responses (iii) and (iv) were alluded to, but less well covered, in this session's reports. These include using ratios and other existing information to identify bubbles and assess the sustainability of trends. Such information ranges from GDP and profits to financial asset and price data, business and household sector leveraging, sources of saving and net investment. Also, in assessing economic recovery, as households rebuild their balance sheets it will be

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important to have more complete data on the household sector including data that will help in understanding households' capacity to spend and consumer confidence. Such data include cash income, discretionary income, detailed leveraging ratios, asset value to income ratios, data on the distribution of income, and more comprehensive and consistent data on housing and other household assets.