

Paul A Acquah: Workshop on the general data dissemination systems (GDDS)

Opening address by Dr Paul A Acquah, Governor of the Bank of Ghana, at the Workshop on the general data dissemination systems (GDDS), Accra, 17 August 2005.

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Mr. Chairman,
Distinguished Stakeholders,
Ladies and Gentlemen,

I deem it an honour and at the same time necessary to be part of this important workshop and I appreciate the opportunity to give the opening address. You would agree with me that the appetite for statistics and other information on the economy has increased considerably in this country and that users have become more resourceful in the analysis and use of data. This growing interest has been motivated by a desire to make assessments of how far we are from our national objectives, be they on growth, inflation, income distribution and incidence of extreme poverty or how distant or close we are to the Millennium Development Goals. All this requires a robust and responsive statistical system to monitor developments and to allow policy changes to meet changing demands.

Mr. Chairman, statistics do not only serve national purposes but they have global implications and it is a significant development that Ghana has become part of the GDDS platform. The GDDS requires a good set of principles for routine data dissemination. Adherence to its guidelines should enhance the usefulness of the data and provide users with valuable information to plan their work and programs. It also serves as a yardstick by which Ghana can judge its performance in the field of statistics. One important outcome of the GDDS platform is the collaboration with other statistical providers, and the fostering of a network among institutions. Ghana's adherence to the GDDS should ultimately lead us to a strengthened statistical system.

I am very sure we all agree on the usefulness of data and there would be no need to run you through that. However, we should acknowledge that good statistics as collected according to agreed international best practices, using appropriate methods for data collection, processing and dissemination are crucial as a tool for national development. Accurate and timely data would allow us to formulate sound policies, effectively compare our progress over time and space and also set benchmarks for measuring progress in the future.

Ladies and Gentlemen, it is however of paramount importance that the data generation process is thoroughly understood so that the appropriate interpretations could be made. Economic statistics are often only an approximation of the underlying reality they are attempting to measure. Even where the data can be perfectly measured there is often discrepancy between the economic concept that we would want to measure and the real phenomenon that the statistics attempts to measure.

For example Gross Domestic Product seeks to measure the total economic activity, the value added that takes place in the economy over time. It is almost impossible to measure this directly. Instead much of the data is estimated from surveys. This gives rise to measurement issues relating to coverage, sampling and non-response, but not such as to undermine their integrity. It is therefore normal to have revisions as new information that improves the accuracy of the data is received.

GDP growth and inflation (as measured by changes in CPI) are two of the most important indicators that are closely watched. They do have both economic and political significance, as they have become the standard tools for assessing performance.

In fact, ease of access to official statistics has become a hallmark of open and democratic societies, making it imperative for ensuring its accuracy and timeliness. The only way we can measure our short-to-medium term macroeconomic performance would be to effectively and accurately measure trends in monetary aggregates, balance of payments, debt sustainability and fiscal performance in addition to GDP and inflation. Sound statistics are necessary to monitor these trends closely and accurately because of the economic costs that can accrue from imbalances and deviations of these indicators from sustainable levels.

Mr. Chairman, a conscious effort on our part to improve upon data collection in terms of timelines and accuracy has an international dimension of interest. Data are essential for investors, international organisations, financial institutions, banks and fund managers who rely on data of various countries to evaluate their investments. We all agree that data can be unreliable and prone to different interpretations or too dated to be useful.

Improving upon the reliability and timeliness of data enhances the chances of attracting foreign direct investment and allowing better assessment of various risks associated with investment decisions. Absence of data closes the door to any access to financing from the international capital markets in a globally interdependent world.

There is a need for proper funding and adequately resourcing our official institutions in charge of generating data, not only to ensure that disseminated data are accurate and reliable but also to ensure that they are current and not dated.

Mr. Chairman, notwithstanding the significance of accuracy and timeliness of data in our national building efforts, our official institutions that have responsibility for collecting, collating and analyzing data have not received the prime support in terms of resources. It is caught up in a vicious spiral of under-funding and under-performance and in most cases their best efforts given the limited resources are under-appreciated. There is no doubt that we need to support increased investment in our main statistical agency and also improve upon its capacity. Ladies and Gentlemen, acknowledging this is a first step in solving this endemic problem. Information is invaluable not only for policy making but for the benefit of the financial markets. Adhering to the GDDS should provide an impetus to transform our institutions charged with the statutory responsibility to generate statistics so that they can meet international best practices.

The GDDS framework is built around four pillars; data characteristics, quality, access and integrity. Its main objectives are to encourage countries to improve upon data quality, provide a framework for evaluating needs for data improvement and setting priorities and providing a guide for countries in the dissemination to the public of comprehensive timely, accessible and reliable economic, financial and socio-demographic statistics.

Today's event is one evidence that our statistical agencies go beyond their limited resources to ensure that data disseminated are reliable. Ghana's participation in the GDDS ensures a common platform and allows international data comparison due to its standard international best practices methods of collecting these data.

Mr Chairman, Distinguished Ladies and Gentlemen, I am very sure that this workshop will be very useful and productive with discussions guided by the pillars and principles on which the GDDS is built. The workshop would enable us, even as we showcase and demonstrate the potential benefits to be gained as a country in joining the GDDS, resolve to mobilize national support in terms of resources and cooperation with official agencies responsible for collecting and analyzing data in this country.

Thank you.