

Njuguna Ndung'u: Workshop on the compilation of banking statistics in Kenya

Address by Prof Njuguna Ndung'u, Governor of the Central Bank of Kenya, at the opening of the workshop on the compilation of banking statistics, Kenya School of Monetary Studies, Nairobi, 12 June 2007.

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Mr. Kevin O'Connor, Consultant IMF

Mr. Oliver Chinganya, Regional Advisor, GDDS Project

The representatives of:

Kenya Banker's Association (KBA),

Institute of Certified Public Accountants of Kenya (ICPAK) and

Central Bureau of Statistics

Distinguished Participants,

Ladies and Gentlemen,

Let me first and foremost welcome you all to the Kenya School of Monetary Studies and to this very important workshop on the compilation of banking statistics. I must thank you for taking time off to attend this function.

I wish to thank the IMF consultant in particular for finding time to participate in this workshop as a resource person. As you may be aware, the IMF has played a major role in the development of monetary statistics in Kenya and in countries around the world. In particular, the Fund, in collaboration with the Department for International Development (DFID), continues to support the General Data Dissemination System (GDDS) project which aims at improving the availability and quality of data in developing countries to conform with international standards. Kenya, as a country, being part of the GDDS project, provides an important avenue for database improvements. This workshop is therefore part of the greater plan towards the improvement of statistics in Kenya with the support of these organisations. I thank them for this contribution.

Ladies and Gentlemen,

My task today is to open this workshop but before I do that let me draw your attention to the importance of this workshop and statistics in general. You will recall that the financial crisis that hit the Asian economies in the early 1990s was partly occasioned by lack of sufficient statistical information on what was going on in the banking system. I am glad therefore that thereafter, the world economies have taken initiatives to ensure that statistical capacities and developments are at the forefront so as to inform decision making at all levels. We at the Central Bank have not been left behind. Over the past few years, the Bank has been working on the improvement of monetary and financial statistics to meet the international compilation standards guided by the recommendations of the IMF mission on Report for Observance of Standards and Codes (ROSC), and Plans for improvements under the GDDS project. Implementation of some of the recommendations cannot be done without a joint effort with statistical officers in the financial sector, most of whom are present here today.

Ladies and Gentlemen,

There are varied uses of the banking data. The Government uses it, among other data, for economic planning. The Central Bank uses it for the formulation and implementation of monetary policy and monitoring of the financial system. The challenge currently for example is to monitor portfolio capital flows and disentangle from remittances. I am sure all the institutions represented here make use of data in one way or another. For example, consolidated banking statistics are normally shared with the banking industry. This is not to mention other users of our statistics including the private sector, international investors and researchers.

With such an immense use, it is important that the data collected is accurate and reliable. Secondly, the dynamic nature of our economies necessitates that we become dynamic in our approach to data compilation. New innovations, for example, new financial instruments, which impact on the monetary policy formulation and implementation, continue to come up. It is in this regard that the Central Bank has produced a revised draft data reporting form which will be discussed in this workshop.

Ladies and gentlemen,

Besides the accuracy, and reliability time is of the essence in data compilation and dissemination. Data must be up to date and accurate. I therefore urge you all to observe CBK deadlines for the submission of the various returns as indicated in the various Banking Circulars. As far as having accurate and reliable data is concerned, we are all together, not just as a country, but with the rest of the world.

As I conclude, let me welcome you once again to KSMS. To get maximum benefits from this workshop I urge all the participants to actively contribute in discussions and raise with the resource persons any issues that you think present grey areas.

It is now my pleasure to declare the workshop officially open.

Thank you.