

## IFC / ECCBSO / CBRT Conference on “Uses of Central Balance Sheet Data Offices’ information”, CBRT Premises, Özdere-İzmir, 26 September 2016

### Opening remarks by Erkan Kilimci, Deputy Governor, Central Bank of the Republic of Turkey

Welcome to the Central Bank of the Republic of Turkey premises in our beautiful city İzmir for the conference on “Uses of Central Balance Sheet Data Offices’ information”. It is a great pleasure for us to organize this conference jointly with the BIS-Irving Fischer Committee on Central Bank Statistics (IFC) and the European Committee of Central Balance-Sheet Data Offices (ECCBSO). I would like to congratulate these three organisations for the successful collaboration in organizing this event, which is extraordinary in the sense that it precedes the traditional ECCBSO annual plenary meetings and has the opportunity to connect both sides of the table: statistics producers and statistics users. The Central Bank of the Republic of Turkey aims to extend partnerships with distinguished researchers and encourage the usage of CBSO databases. So, I would like to extend my appreciation to all guests for contributing to this important conference.

The Great Financial Crisis of 2007-09 revealed the importance of a system-wide approach in sustaining financial stability and emphasized the role of non-financial institutions in the system. The financial system is global and the crisis showed the importance of cross-border linkages in today’s closely integrated economies. This systemic orientation should focus on network effects and spillovers from advanced economies to emerging markets and within the country as well. International comparisons are crucial to understand the recent issues such as prolong growth slowdown in emerging markets. There are structural and cyclical factors that can be reasons for our current problems, such as weak world trade, low commodity prices, tightening financial conditions, access to credit problem for small and medium-sized enterprises or slowdown in productivity growth.

To overcome these problems, we need to better understand the reasons behind them and hence we need better and more comprehensive datasets. Conventional indicators for the macro understanding of the financial system, which employ macro statistics are insufficient in that framework. For in depth analysis of the systemic risks and assessing fragilities, more research is needed using granular datasets. National authorities – and here the central banks have a key role to play – should develop adequate frameworks to integrate granular data into a macro perspective. In this context, ECCBSO is a very important organization in the management of non-financial companies’ databases harmonized across countries at the micro-level. Thanks to its study groups, financial information of non-financial companies that are commonly used for statistics or risk assessment purposes are investigated in more detailed way. In this understanding, CBRT will continue its full support to ECCBSO activities by actively participating the study groups, harmonizing and sharing its firm level data.

The conference is mainly organized in three parts. The first session introduces some CBSO databases and addresses several important issues such as how they are

provided for research, matched across several data sources and consolidated in the company-group level. Second and third sessions consist of studies which assess the creditworthiness on the micro and macro levels by employing company's financial reports. Bank-firm relationship is under detailed investigation since the latest crisis. Excessive credit growth, credit concentration in some sectors and access to credit problem for SME's are also on our research agenda for more efficient allocation of credit risk in the entire banking system. Finally, the fourth session analyzes exchange rate risk in the sense of currency mismatches, implications of uncertainties firms face and the ownership structure role in firm performance. We are eager to watch fruitful discussions on these issues during the conference today.

The conference will be succeeded tomorrow with a trip to Ephesus, in which I hope you will enjoy the wonderful ancient city while extending the good networking opportunity.

While concluding my remarks, I especially thank João Matos, the chairman of the ECCBSO, and Bruno Tissot, the head of statistics at BIS, for their continuous belief and support to our local organizing team in pursuing this conference happen in Turkey. Finally, once again I would like to thank all participants here today for your support. I wish you a pleasant time for your entire stay.