

International Seminar on Big Data “Building Pathways for Policy-Making with Big Data” Bali, 26 July 2018

Welcoming remarks by Claudia Buch, IFC Chair and Vice President of the Deutsche Bundesbank

1. Welcoming address

Good morning ladies and gentlemen,

It is my great pleasure to welcome you on behalf of the Irving Fisher Committee to the second seminar on big data.

Big data provides a big opportunity for central banks both in terms of analytical work and statistical work. So I am very pleased that the Central Bank of Indonesia is hosting this event.

2. Reference to IFC work

The BIS All Governors meeting last year discussed big data and implications for Central Banks. Part of the discussion was based on the 2015 IFC survey.¹

There are a couple of areas where central banks are interested in dealing with big data issues:

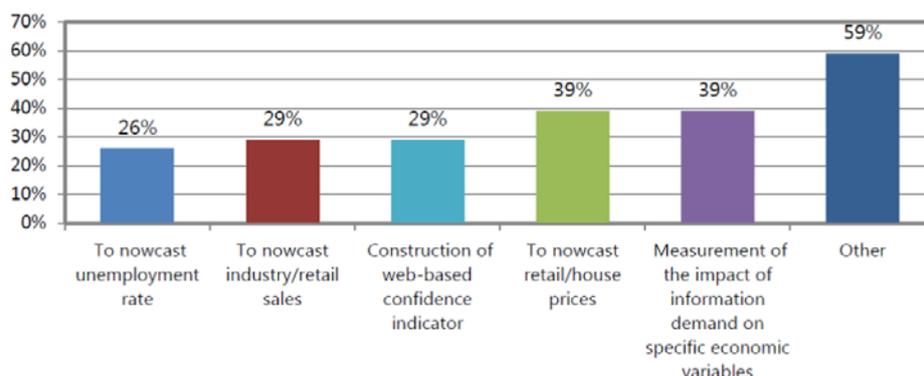
- The most important one for the statistics community is the collection and the provision of statistics.
- In addition, big data techniques are useful for analysis of monetary and financial market developments in line with central banks' mandates for price stability and financial stability.
- Many central banks are also involved in the supervision of the banking system and the financial system. This is another area where big data and new technologies can be useful.
- Central banks provide (financial) infrastructures and are big institutions which provide in-house services such as IT and human resources. All these are areas where we also rely on data, technologies, and where big data can be important.

So more specifically, what did the IFC survey tell us about interest of the central bank community in big data issues?

¹ See Irving Fisher Committee on Central Bank Statistics, “Central Banks use of and interest in big data”, October 2015.

What kind of outcomes are you expecting as a result of exploring big data sets?

Note: multiple responses possible.



Roughly 40 % of central banks use big data sets to measure specific economic variables such as retail and house prices. And 60% of respondents use big data for other issues. This includes nowcasting, not only of prices but also economic activity, output, understanding credit risk, and understanding risks to financial stability. Another result of the survey was a high demand for qualified personnel to do the work and carry out the analysis.

3. All Governors' meeting, September 2017

In the BIS All Governors' meeting in September last year, Professor Roberto Rigobon (Massachusetts Institute of Technology, MIT) talked about his experience with big data and new technologies. One of the implications of his discussion was that we should start small. Even though we are talking about big data, we should start with small projects that we can implement and then go step-by-step. In addition, the importance of international cooperation and the exploitation of large administrative data sets have been stressed at the meeting.

4. What needs to be done?

In my opinion, central banks should also make better use of existing data infrastructures.

We should work hard on improving data sharing internationally and nationally. The recommendations on data sharing in the framework of the second phase of the Data Gaps Initiative needs to be implemented in practice. The G20 leaders, Financial

Ministers and Central Bank Governors welcomed these recommendations and are looking forward to receiving progress reports.²

Of course, central banks have to develop and test new analytical tools for the big data sets, and eventually, share the experience with each other.

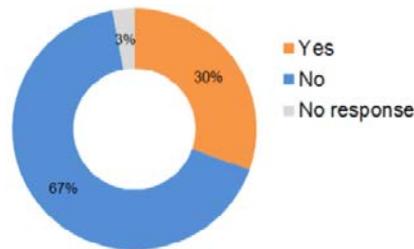
5. Closing

I would like to close with a last reference to the recent IFC big data survey.

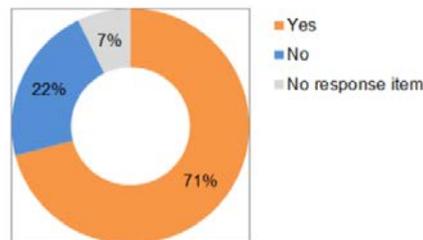
IFC members were asked if they already use big data sources. 30 % of the participants answered "Yes", while 67 % answered "No", the rest gave no response.

The other question asked if participants are willing to cooperate with other IFC members and engage in the area of big data. This question was answered with "Yes" by 71 % and with "No" by 22 %, the rest gave no response.

Are you already using big data sources?



Would you be willing to cooperate with other IFC members and engage your central bank in the area of big data?



So in that sense, I think this is exactly what the conference is supposed to do. It is hopefully a fruitful and stimulating exchange and I wish you the best of success in further shaping your ideas. Thank you very much for your attention.

² See G20 Hamburg Action Plan (2017). Retrieved 7 May 2019, from https://www.g20germany.de/Content/DE/Anlagen/G7_G20/2017-g20-hamburg-action-plan-en_blob=publicationFile&v=4.pdf

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