

Anita Angelovska Bezhoska: The Republic of Macedonia has accessed the highest statistical data dissemination standard of the IMF - SDDS Plus

Address by Ms Anita Angelovska Bezhoska, Governor of the National Bank of the Republic of Macedonia, at the event marking the adherence of the Republic of Macedonia to the IMF's Special Data Dissemination Standard (SDDS) Plus, Skopje, 1 February 2019.

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Dear ladies and gentlemen,

It is my great pleasure that the idea which at the national level was initiated by the National Bank of the Republic of Macedonia several years ago, and accepted and actively supported by the State Statistical Office and the Ministry of Finance, today is already a reality. On 28 January this year, the Republic of Macedonia officially became a member of the highest statistical standard of the International Monetary Fund – SDDS Plus. We have jointly succeeded our country to become part of an international data dissemination initiative, which so far included only seventeen countries, including the United States, Canada, France, Germany, Austria, Italy, Sweden, Japan... The Republic of Macedonia is the eighteenth country in the world, the second from Southeast Europe, and the first among the countries of the region that are still not members of the European Union. This successful project is a clear confirmation of the commitment of the three institutions for the continuous upgrading of national statistics and their harmonization with the latest, highest international statistical standards.

What actually does this standard represent? As emphasized by the Director of the State Statistical Office, Mr. Apostol Simovski, the Republic of Macedonia has long been integrated into the system of the so-called IMF's Data Standards Initiatives. This system is extremely dynamic and started to develop since the mid-1990s, in response to the then international financial crisis, in order to promote transparency of both economic and financial data. I say dynamic, given that its construction blocks have been continuously changing and increasing. Its last, third construction block is the SDDS plus which reflects the weaknesses identified in the statistical data infrastructure that surfaced with the latest global economic and financial crisis from 2008.

It is a fact that the genesis of the crisis was not located in the lack of data, but fact is also the identified need for an enriched data set for conducting more effective economic policies. This crisis has clearly shown how inadequate regulation and excessive risk-taking can lead to a collapse of the financial system. It has shown how the underestimation of the strength of the links of the financial system with the real sector, as well as the underestimation of cross-border exposures of economies and financial integration, could lead to inadequate assessment of macro-financial links and underestimation of risks. The SDDS plus is actually a response of the international financial community to these statistical gaps. This initiative means enrichment of statistics, in both scope and quality, in order to timely recognize and appropriately react to vulnerabilities that may arise in an economy.

Our cooperative journey to the SDDS Plus began in 2013, when, after the achieved national consensus on the usefulness of the accession to this standard, we officially informed the IMF of the efforts that we will make in the medium-term period to meet the membership criteria. Then, in the next years, we worked on the production, promotion and publication of the required data.

We faced the challenge to prepare and submit nine new or appropriately adjusted categories of data, out of which seven are within the competence of the NBRM, and two within the competence of the Ministry of Finance:

-real sector data - statistics of sectoral financial accounts which is actually an overview of the structure of financial assets and liabilities of individual sectors, their mutual exposure, financial flows and, accordingly, possible accumulation of risks;

- financial sector data – statistics of non-bank financial institutions (more detailed data not only for the banking system, but also for the pension funds, insurance companies, investment funds, financial companies, leasing companies), statistics of debt securities and seven financial stability indicators that enable better identification of the risks in the financial system;

- external sector data – data on the currency structure of the foreign reserves, the coordinate direct investment questionnaire and the coordinate portfolio investment questionnaire which provide more detailed findings for cross-border links and the

possibility of transfer of the effects from the external shocks to the domestic economy, and

- fiscal sector data – general government statistics and data on gross debt of the general government.

Aware of the challenges that the countries faced with and the need for making extremely great efforts to produce them, the IMF allowed, at the time of application for this standard, fulfillment of the dissemination requirements of at least five from the nine mandatory indicators. For the other four indicators, an adjustment period is envisaged, for their fulfillment in a period of five years from the date of accession.

As a result of all these activities, by providing the necessary five from nine indicators, in April 2017, the NBRM officially launched the initiative to join this highest data dissemination standard. At that time, we were already sure that we passed the right path and that we came within an ace of attaining our goal – to the moment that we mark with today's event.

Dear ladies and gentlemen,

On a global scale, it has long been resolved that quality data dissemination is key to use the benefits of statistics. Therefore, I can say for certain that 28 January 2019 is a date of historical significance for the Macedonian statistical system. But also for the Macedonian economy, because it now has an opportunity to be one of the eighteen economies in the world that have a set of statistical indicators according to the highest international data dissemination standard.

Our cooperative journey to the SDDS Plus does not end here. We will have to fight off more challenges. We need to continue to work with the same commitment as so far to deliver the other four indicators. We are already actively working in this field and some of these data, in particular the data on the sectoral financial accounts produced by the NBRM, have been experimentally submitted to Eurostat.

I am sure that we will successfully reach our final destination. We have a vision, we have teams of responsible professionals who work every day to achieve the goals set by the SDDS Plus, we have excellent interinstitutional cooperation... And all this, which is also necessary to build and develop modern and quality statistics, guarantees us that we will succeed to the end.

Thank you.