Anita Angelovska Bezhoska: Increased availability and use of official statistics in the Republic of North Macedonia

Introduction speech by Ms Anita Angelovska Bezhoska, Governor of the National Bank of the Republic of North Macedonia, at the marking of the European Statistics Day, Skopje, 19 October 2021.

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Your Excellency Ms. Forsgren Bengtsson,

Dear Mr. Simovski and Mr. Stymne,

Dear State secretary Ms Gaber,

Distinguished speakers, representatives of the non-government sector, colleagues and participants-

For a second year in a row, we are marking the European Statistics Day in specific circumstances, shaped by the global pandemics. The health crisis has infiltrated itself into every single pore of our societies disrupting the world we know. Statistics has not been an exception whatsoever.

At the time the crisis hit, statistics area in global terms was already facing many challenges. Producers of statistics were coping with lingering tasks that came as a side effect of the global financial crisis in 2008. Although the lack of statistics was not a cause of this crisis, still it revealed significant data gaps and underlined a need of more frequent, comprehensive and granular data to strengthen policy-making infrastructure. The second challenge rested in unprecedented digitalisation and data proliferation, by both private and public entities. It challenged official statistical producers, which serve as the primary source of data, to innovate their data and data sources, but even more to work intensively on setting proper data governance frameworks. Also, one of the lessons from the crisis was the need for higher financial literacy and awareness of financial risks, which among other things, required better tailored communication of statistics to different interest groups in society.

Thus, in fact pandemics occurred in the midstream of our strivings to address the flaws in statistics revealed during the GFC. At the very beginning of the crisis, the official statistical process was threatened by a basic risk of disruption, so preserving continuity of statistics production was vital. Last year the World Bank conveyed a survey among National Statistical Offices to assess the initial impact of the health crisis on their functionality[1]. The key findings can be pinned down to several conclusions: 1) around 65% of the offices were fully or partially closed, and face to face data collection was stopped; 2) the ability to collect essential statistics and to meet international data reporting requirements was impacted, particularly in low income countries; 3) approximately two out of three national statistical offices altered their calendar of publication and data dissemination; and very importantly 4) many offices were adapting

and responding to new data needs by changing collection modes, using alternative data sources, adding Covid related questions, as well as reducing content and samples of Surveys.

These challenges have been equally relevant for central banks, being one of the pillars of the statistical production systems. We as a central bank also vested enormous efforts making many adjustments in data collection, production and communication process that helped us smoothing the pandemics effect on the production and dissemination of statistics.

The pandemic in the initial phase tested the resilience of the statistical system, i.e., the ability to continue with timely supply of statistical data. But it also created demand pressures for new data that was not produced by the official statistics. Data on the epidemiological curve became highly needed as they are leading indicator on how the economy will evolve and how economic and social policies should be calibrated. At the same time, there has been growing demand for real-time high-frequency data on the economy, as many of the historical systematic linkages that policy decisions were based on were broken. For instance, we have been intensively using google mobility data during the lockdowns to assess the behaviour of consumers. We have also leveraged on the private sector data for payment card transactions, as an indicator to assess the personal consumption dynamics and its structure.

Although highly useful, the abundance of data also poses a challenge for statisticians, as accentuated by the health crisis. As we go further down the road, the need for quick and granular data, for example on the changes of the economic behaviour of the agents, the longer term scarring to the economy, or the impact of the policy actions on economy will be a "must". But data from different decentralised sources are not structured, there is a lack of transparency in methodology, no representativeness, and no use of international standards, concepts and semantics. Hence, there is a need to streamline the wealth of information to structured, understandable, shareable and most of all, reliable data of the future.

The latter is prerequisite to preclude devaluation of the data, and statistics plays a critical role in preserving the value of data. In the new era when we have open access to multiple sources of information, it is not enough official statistics to be disseminated more effectively, but it has to be accepted, understood and trusted by the general public. Good official statistics, as dramatically shown during the Covid-19 crisis, can be crucial to provide a first line of defence against misinformation (Biancotti et al., 2020)[2]. High quality and reliable statistics is the "weapon" against fake news and divisive messages.

More than ever as policy makers we are faced with misinformation, fake news and speculations that can undermine our ability to act effectively. The digital environment, the growing role of social media and absence of clear regulatory framework propelled the dissemination of the so called "mal-information". For example, we as a central bank, faced ungrounded speculations against the exchange rate on a couple of occasions. Keeping us 24/7 alerted is the least damage that this type of irresponsible behaviour implies. But the social costs, the damage to the public and the confusion it creates, the harm to the integrity of the institutions and their credibility is enormous. Uninformed agent can base their financial decision on unsound grounds, thus incurring personal

economic losses. And we as institutions might suffer erosion of our credibility that could hamper us in delivering on our public goods.

What can be done to mitigate the impact of misinformation in the modern world? Let me refer on this note on the Study on "Societal Costs of Fake News in the Digital Single Market"[3] and transpose it to economics. First, it is the self-regulation of the industry – raising awareness of misinformation, costs that it can entail for the society and need of fact-checking. Second is the regulation – creating clear and transparent rules of game. Third, education - media and information literacy can lead to increased public awareness and capacity to critically asses the news, including fake news.

Against this background, how can we as producers of statistics contribute in this regard? It appears that adequate communication of our data to the public can help crowd out low quality statistics. We need to consider how to bring closer the statistical products of our work to the public. It is true, that we as central banks have provided to the public a vast portfolio of statistical data, with many dimensions, metadata and public explanations. However, the data, or the explanations may not count if they do not reach the public and do not influence their decisions. According to some estimates, by 2025, 463 exabytes of data will be created each day globally. This means huge generation of data that can blur the official statistical information making it difficult for people to read and understand it.

Obviously, to bring statistics closer to the public we need to place further focus on aspects such as putting numbers in perspective so that they can be easily understood by the wider public, language simplification, that sometimes is not an easy task for experts that are used to statistical taxonomy, segmentation of the audience (communicate not only to financial analysts and journalist, but to the broader audience, although through different channels), as well as creation of relatable content that considers what matters to the public and at the same time is educational and entertaining[4]. Along those lines, the National Bank, recognizing the importance of communication, engages in quite an array of activities.

At the end, I feel that it is appropriate to conclude my address with the motto of the European Statistics Day 2021 "Statistics, a vaccine to protect democracy and combat the virus of disinformation".

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[1] "Survey of National Statistical Offices (NSOs) during COVID-19", World Bank and the United Nations Statistical Division (UNSD), brief, July 6 2020.

[2] Biancotti C., Borin A., Cingano F., Tommasino P., Veronese G., "The case for a coordinated COVID-19 response: No country is an island", 18 March 2020

[3] Prof. Dr FRAU-MEIGS D., "Societal Costs of Fake News in the Digital Single Market", University Sorbonne Nouvelle, Paris, France, European Parliament's Committee on the Internal Market and Consumer Protection, January 2019

[4] Nunes L.M, Colaço A., Marques R., Oliveira M., "When reaching is no longer enough: 8 tips to engage with Central Banks' data users", Banco de Portugal, ISI, 63 World Statistics Congress, 2021