



**CONFERENCE ON STRENGTHENING SECTORAL POSITION AND
FLOW DATA IN THE MACROECONOMIC ACCOUNTS**

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Statistical Implications of the Global Crisis: G-20 Data Initiative

To be presented in Session 1, Item 1 by Robert Heath, IMF

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Statistical Implications of the Global Crisis: G-20 Data Initiative

Strengthening Sectoral Positions and Flow Data

February 28, 2011

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Background: Manifestations of the Recent Global Crisis

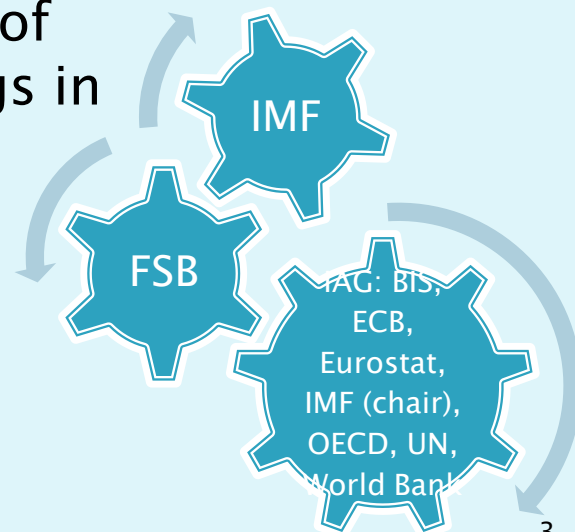
- ▶ Notably severe in terms of lost output and high unemployment.
- ▶ Affected all the industrialized, and a large number of emerging and developing economies
- ▶ Has a high speed of propagation worldwide revealing the interconnections across economies and markets.
- ▶ Involved systemically important global financial institutions (G-SIFIs), with operations spreading across many markets worldwide.

Contributing to the G-20 and IMFC Agenda



IMFC Spring 2010:
2. Financial sector... We support continued efforts to map systemic risks and transmission channels, and look forward to a report on addressing data gaps;

- Establishment of Inter-Agency Group (IAG) on Economic and Financial Statistics (BIS, ECB, Eurostat, IMF (chair), OECD, WB, UN).
- IMF and FSB Staff Reports to G-20 Ministers of Finance and Central Bank Governors meetings in November 2009 and June 2010. Another progress report requested for June 2011.



Some Background

- History has demonstrated that crisis create new demands for financial and economic data:
 - The recent crisis is no different.
- The IMF is working along two tracks:
 - To make data more accessible and timely through the Principal Global Indicators website; and
 - Addressing new data needs arising from the crisis.

Progress in closing gaps

Addressing Data Needs

- The IMF/FSB report to G-20 on the financial crisis and information gaps, presented at end-October 2009, with a progress report in May 2010, identified a need to address four main interrelated areas:
 - Build-up of risk in the financial sector;
 - Cross-border financial linkages;
 - Vulnerability of domestic economies to shocks; and
 - Improving communication.
- The two reports are available at:
 - <http://www.imf.org/external/np/g20/pdf/102909.pdf>.
 - www.imf.org/external/np/g20/pdf/053110.pdf.
- The data gaps can be classified into two broad areas (see next slide).

DATA GAPS

There Exist Conceptual/
Statistical Frameworks
and Ongoing Collection

Conceptual Statistical
Framework Needs Further
Development

Build-up of Risk in
the Financial
Sector

2 Financial Soundness
Indicators (FSIs)
#5 Credit Default Swaps
#7 Securities

3 Tail Risk in the Financial System
#4 Aggregate Leverage and Maturity
Mismatches;
#6 Structured Products

Cross-border
Financial Linkages

10, #11, #12 Coordinated
Portfolio Investment Survey,
International Banking Statistics,
International Investment
Positions

#8 and # 9 Global Network
Connections and Systemically
Important Global Institutions
13 and #14 Financial and
Nonfinancial Corporations' Cross
Border Exposures

Vulnerability of
Domestic
Economies to
Shocks

#15 Institutional Sector Accounts
17 Government Finance
Statistics
18 Public Sector Debt
#19 Real Estate Prices

#16 Distributional Information

Improving
Communication of
Official Statistics

#20 Principal Global Indicators
(PGIs)

Progress has been made in a short period of time

- Considerable progress is being made, with individual IAG agencies allocated to lead each recommendation.
- Already the outcomes of these efforts are yielding results, notably in credit default swaps, securities, CPIS, IIP, government finance statistics, public debt, real estate prices, and in the communication of statistics (the PGI).
- But more work remains.
- This will require coordination and collaboration—not only among IAG agencies, but also with and within national statistical agencies.

Progress with the PGI

PRINCIPALGLOBALINDICATORS.ORG - Microsoft Internet Explorer provided by International Monetary Fund

http://www.principalglobalindicators.org/ Live Search


Principal Global Indicators Sign In

Principal Global Indicators

Legal Disclaimer | Questions & Comments | Related Materials

Website of the Inter-Agency Group on Economic and Financial Statistics

The PGI website presents data for the Group of 20 (G-20) to facilitate the monitoring of economic and financial developments for these systemically important economies. Launched in response to the on-going financial and economic crisis, it is hosted by the IMF, and is a joint undertaking of the Inter-Agency Group on Economic and Financial Statistics: [Bank for International Settlements \(BIS\)](#), [European Central Bank \(ECB\)](#), [Eurostat](#), the [International Monetary Fund \(IMF\)](#), the [Organisation for Economic Co-operation and Development \(OECD\)](#), the [United Nations \(UN\)](#), and the [World Bank \(WB\)](#).



Principal Global Indicators | Data Mapper | Additional Data Sources

Table Selection

- Cross-country Concepts
 - Gross domestic product (GDP) volume
 - Gross domestic product (GDP)
 - Consumer prices
 - Producer prices
 - Unemployment rate
 - Industrial production
 - Retail turnover
 - Goods: exports f.o.b.
 - Goods: imports c.i.f.
 - Current account
 - International investment position

Current Query: Gross Domestic Product (GDP) Volume

data extracted on 2010/03/31 14:24 from IMF.Stat

Economic Concept		Gross Domestic Product (Volume)																						
Unit Of Measure		Percent Change over Previous Period, Seasonally Adjusted																						
Frequency		Annual										Quarterly												
Time		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2007				2008				2009			
												2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	
Country and Group	Data Source																							
Australia	OECD Main Economic Indicators	4.3	3.4	2.6	3.8	3.5	3.2	3.5	2.4	4.9	2.2	1.4	1.6	1.3	0.4	0.6	1.0	0.6	0.3	-0.9	0.8	0.7	0.3	0.9
Brazil	OECD Main Economic Indicators	0.3	4.3	1.3	2.6	1.2	5.7	3.1	3.9	6.1	5.1	..	1.9	1.1	1.1	2.5	1.8	1.0	1.1	-2.9	-0.9	1.1	1.3	..
Canada	OECD Main Economic Indicators	5.5	5.2	1.8	2.9	1.9	3.1	3.0	2.9	2.5	0.4	-2.6	0.9	1.0	0.5	0.3	-0.2	0.1	0.1	-1.0	-1.8	-0.9	0.2	1.2
Euro Area	OECD Main Economic Indicators	2.9	4.0	1.9	0.9	0.8	2.0	1.8	3.1	2.8	0.6	-4.0	0.8	0.4	0.6	0.4	0.8	-0.3	-0.4	-1.9	-2.5	-0.1	0.4	0.1
France	OECD Main Economic Indicators	3.3	3.9	1.9	1.0	1.1	2.5	1.9	2.2	2.3	0.4	-2.3	0.7	0.4	0.7	0.3	0.5	-0.4	-0.2	-1.5	-1.4	0.4	0.2	0.6
Germany	OECD Main Economic Indicators	2.0	3.2	1.2	0.0	-0.2	1.2	0.8	3.2	2.5	1.3	-5.0	0.3	0.3	0.8	0.1	1.6	-0.6	-0.3	-2.4	-3.5	0.4	0.7	0.0
India	OECD Main Economic Indicators	3.9	4.6	6.9	8.0	9.2	9.8	9.3	7.4	..	2.7	1.1	2.9	2.5	2.0	0.8	2.3	-0.3	1.4	2.5	3.1	..
Indonesia	OECD Main Economic Indicators	0.8	5.3	3.6	4.5	4.8	5.0	5.7	5.5	6.3	6.1	4.6	1.3	1.6	1.6	1.2	1.8	1.7	1.5	0.2	1.1	1.3	1.5	1.5
Italy	OECD Main Economic Indicators	1.5	3.7	1.8	0.5	0.0	1.5	0.7	2.0	1.6	-1.0	..	0.3	0.1	0.1	-0.5	0.5	-0.6	-0.8	-2.1	-2.7	-0.5	0.6	-0.2

Start | 6 Internet Explorer | gao33[1].pdf - Adobe Ac... | Inbox - Microsoft Outlook | 2:33 PM

Importance of Sectoral Accounts

Sectoral data matter

- ▶ Importance of sectoral data is evident across many of the recommendations. Including:
- ▶ Centrally relevant in rec. 15, and:
 - Rec. 12, international investment position; rec.17, government finance statistics; and rec.18, public sector (including general government) debt.
- ▶ In particular, the recent efforts of statisticians to improve balance sheet data by the sectors of the economy are reaffirmed, along with the importance of flow data.

Sectoral data matter

- ▶ Also, the reporting format for securities statistics (rec.7) includes a sectoral breakdown,
 - supporting the compilation of data on both the issuance and holdings of securities in sectoral balance sheets.
- ▶ The work on real estate prices (rec. 19) supports the production of data on nonfinancial assets, not least of the household sector.
- ▶ Users have placed a special emphasis on improving coverage of the nonbank financial sector, including in rec. 15

Financial Interconnectedness

- ▶ The importance of better understanding financial interconnectedness – both domestically and cross border.
- ▶ Domestically, rec.15 encourages the compilation and dissemination of balance sheet and flow of funds data to support counterparty risk analysis
- ▶ Cross-border: strengthening of the BIS' International banking Statistics and the IMF's Coordinated Portfolio Investment Survey
 - More sectoral data encouraged for both surveys.
- ▶ Over time, perhaps we can link the domestic and international, all based on the same reporting principles.

Financial Interconnectedness

- ▶ Development of templates for Systemically Important Global Financial Institutions (G-SIFIs)
- ▶ An institution to institution template – supervisory nature
- ▶ An institution to aggregate template – based on positions vis-à-vis individual economies and sectors– closer to economic and financial statistics.

Consolidated sectoral data

- ▶ The global crisis highlighted the risks arising from cross-border exposures of financial corporations and also nonfinancial corporations.
- ▶ Residence-based data do not provide a full picture of such exposures, highlighting the need to develop exposure measures based on consolidated data on a nationality basis (world-wide group consolidation) (rec. 13).
- ▶ Specially a call for more data on the cross-border exposures of nonbank financial institutions (rec. 14).
- ▶ BIS conducted workshop in January under the auspices of the Irving Fisher Committee.

Sectoral accounts

- ▶ For most of these initiatives, a good and consistent set of sectoral accounts is essential
- ▶ Lack of information on how income, consumption, wealth, and indebtedness are distributed within sectors, particularly households hampered the identification of vulnerabilities developing in the domestic economy (rec. 16).
- ▶ The importance of using consistent standards is also evident, reducing economies of production, strengthening the data for analysis, and supporting greater cross border cooperation.
- ▶ This highlights the importance of the conference's work over the coming days.

Way Forward

Next Steps

- The IMF is undertaking bilateral visits to all G-20 economies to discuss implementation plans and timetables including priorities (already completed over half the G20 economies).
- The outcomes from these visits will be reflected in the next progress report to the G-20 in June 2011.
- Among the lessons emerging from the visits so far are that:
 - improving data on financial interconnectedness is a priority; and
 - coordination among international and national agencies will remain important in taking this work forward.

Useful Links

<http://www.imf.org/external/np/g20/>

<http://www.imf.org/external/pubs/ft/fandd/2009/03/burgi.htm>

<http://www.imf.org/external/np/seminars/eng/2009/usersconf/>

<http://www.imf.org/external/np/g20/pdf/102909.pdf>

<http://www.imf.org/external/np/seminars/eng/2010/infogaps/>

<http://www.imf.org/external/np/g20/pdf/053110.pdf>

<http://www.imf.org/external/pubs/ft/fandd/2010/09/burgi.htm>

<http://www.imf.org/external/pubs/ft/survey/so/2010/new101310a.htm>

<http://www.principalglobalindicators.org/default.aspx>

Thank you!

