

Statistical Issues Arising from the Current Global Financial Crisis

The integration of economies and markets, as evidenced by the financial crisis spreading worldwide, highlights the critical importance of relevant statistics that are timely, and consistent within, as well as comparable across, countries. The recent events underline the importance to go beyond traditional statistical production approaches to obtain a set of timely and higher-frequency real and financial indicators at least for systemically important countries in more innovative ways. Also, to further help assess macro-financial risks and systemic vulnerabilities, there is a need to address certain data gaps at the international level. To address these issues, the IMF is working to develop internally a set of timely and higher-frequency indicators, and an interagency group on financial statistics, chaired by the IMF and comprising the ECB, the BIS, and the OECD, will be established.

1. *The integration of economies and markets, as evidenced by the financial crisis spreading worldwide, highlights the critical importance of relevant statistics that are timely, and consistent within as well as comparable across countries.* The emergence over the past several years of a consistent economic statistics system covering traditional datasets (national accounts, balance of payments, fiscal, and monetary statistics) and the data transparency initiatives, such as the IMF's Special Data Dissemination Standard, have advanced this agenda. Indeed, these datasets provided warnings, for instance in the surge in the ratio of gross cross-border assets and liabilities to GDP for industrial countries, as well as more broadly in global imbalances.

2. *The recent events underline the importance to go beyond traditional statistical production approaches to obtain a set of timely and higher-frequency real and financial indicators, at least for systemically important countries in more innovative ways.* Indeed, the speed at which the crisis developed highlighted the need for indicators that could support early warning efforts. This entails, among other things, a new perspective in assessing the trade-off between timeliness and completeness.

3. *Moreover, in order to further help assess macro-financial risks and systemic vulnerabilities, there is a need to address certain data gaps at the international level:*

- improve the timeliness of selected datasets and, in some instances, increase frequency;
- continue to increase the number of country reporters with the focus on those most systemically important;
- improve coverage of nonbank financial institutions, including those segments of the financial sector where the reporting of data is not well established, as well as that of institutions and markets where sizable risks may have developed;
- pursue the statistical work on derivatives markets that are used to bolster leverage in the system; special purpose vehicles; other off-balance sheet operations; and ultimate risk measures in order to monitor credit risk transfers; and

- have more systematic coverage of housing finance markets; house prices; and households' financial and nonfinancial assets and liabilities.
4. *The international agencies (the BIS, ECB, Eurostat, IMF, OECD, World Bank, and UN) already have a number of joint initiatives that address specific macro-financial risks and vulnerability issues.* These include the development of a framework that links sectoral balance sheets (Balance Sheet Approach) to provide important insights into mismatches (i.e., maturity, currency, and capital structure); the joint work of the BIS, IMF, OECD and World Bank to promote external and public sector debt data and cross-border position datasets covering bilateral (“from whom to whom”) datasets; and the work of the BIS, ECB, and IMF to improve data on the overall size and key segments of securities markets.
 5. *Each organization pursues its own area of specialization that helps shed more light on specific risks and vulnerabilities.* For instance, the IMF will begin, in 2009, to collect indicators of bank soundness that cover consolidated groups and will pursue its work on government's financial and economic conditions that will ensure appropriate recording of the flows and stocks arising from the various rescue operations.
 6. *Statisticians, economic analysts, and policymakers need to communicate* to promote analytical work that explores the potential interconnections among the interrelated datasets, both real and financial.
 7. *The IMF is working to develop internally a set of timely and higher-frequency indicators, as referred to above, at least for systemically important countries.* Also, to further help assess macro-financial risks and systemic vulnerabilities, there is a need to identify the data gaps and coverage of selected data sets.
 8. *Enhancing further statistical collaboration among international organizations to address macro-financial risks will initially be done through the establishment of an interagency group on financial statistics, chaired by the IMF and comprising the BIS, the ECB, and the OECD.* The group would draw on the statistical expertise of each international agency to address the range of information requirements listed above. Once this work is well-grounded, the scope might be expanded toward other macroeconomic statistics and include other relevant international organizations.
 9. *The information on this initiative will be made readily available so that other interested parties are kept informed.* We hope to have the first results by early-2009.

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