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IMF Executive Board Approves the Special Data Dissemination Standard

The Executive Board of the International Monetary Fund has approved the Special Data Dissemination Standard (SDDS) for provision of economic and financial statistics to the public by member countries. The SDDS sets norms for release to the public of data by IMF members that choose to subscribe. These are expected to be countries that participate in international capital markets or aspire to do so, and would include many industrial and emerging market countries. Subscription to the SDDS will be voluntary and the IMF will make public the list of subscribers. The SDDS was approved by the Executive Board following extensive consultations with members and after receiving comments on preliminary proposals from market participants and other interested parties. Invitations for subscription to the SDDS have been sent to all IMF member countries and a detailed package of subscription materials will be sent forthwith. For the information of the public, materials on the SDDS have also been released, and are available from the IMF on request. Members of the press will be able to obtain this information from the IMF's Information Division, telephone (202) 623-7100; and members of the general public from the IMF's Public Affairs Division, telephone (202) 623-7300.

In the aftermath of the Mexican financial crisis of early 1995, the IMF's Interim Committee emphasized at its April 26, 1995 meeting that timely publication by members of comprehensive economic and financial data would give greater transparency to members' economic policies. The Committee requested the Executive Board to work toward the establishment of standards to guide members in the provision of data economic and financial to the public and subsequently endorsed the establishment by the IMF of such standards at its meeting on October 8, 1995. At an early stage, it was decided that two sets of standards would be developed. Work is underway within the IMF on the General Data Dissemination Standard toward which the Fund would work with all its members. A proposal in this regard is expected to be considered by the Executive Board in late 1996.

The purpose of the newly-established SDDS is to guide IMF members in the provision to the public of comprehensive, timely, accessible, and reliable economic and financial statistics in a world of increasing economic and financial integration. The SDDS comprises four elements:

a) **Coverage, periodicity, and timeliness of data**

Comprehensive economic and financial data are essential for the transparency of macroeconomic policy and performance. The SDDS specifies dissemination of economic data covering the real, fiscal, financial, and external sectors with the components, periodicity and timeliness for the several data categories. For example, the SDDS prescribes the dissemination of GDP on a quarterly basis within one quarter, and of international reserves data on a monthly basis within one week.

b) **Access by the public**

Dissemination of official statistics is an essential feature of statistics as a public good. In this connection, ready and equal access is a principal requirement. To support ready and equal access, the SDDS calls for advance dissemination of data release calendars and the simultaneous release of data to all interested parties.

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c) **Integrity**

To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in the objectivity and professionalism of the agency producing them. Thus, transparency of practices and procedures is a key element in creating this confidence. The features of the SDDS that support the element of integrity in production of statistics comprise: dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information; identification of internal government access to data before release; identification of ministerial commentary on the occasion of statistical releases; and the provision of information about revision and advance notice of major changes in methodology.

d) **Quality**

A set of standards that deals with data coverage, periodicity, and timeliness must also address the quality of statistics. Although quality is difficult to judge, monitorable proxies, designed to focus on information the user needs to judge quality, can be useful. The SDDS prescribes the following practices to assist data users in their efforts to monitor data quality: the dissemination of documentation on methodology and sources used in preparing statistics; and the dissemination of component detail, reconciliations with related data, and statistical frameworks that support cross-checks and provide assurance of reasonableness.

As a cornerstone of the implementation of the SDDS, the IMF will establish and maintain an electronic Dissemination Standards Bulletin Board (DSBB) on the Internet, which will identify members subscribing to the SDDS and which will provide wide and easy access to information about their statistical practices (so-called "metadata") prescribed under the SDDS. The IMF is also looking into ways to establish easy electronic links from this bulletin board to sites where actual country economic data can be found.

IMF members that subscribe to the SDDS on a voluntary basis may communicate their subscription by a notification to the Managing Director of the IMF. No later than three months after its subscription, the member would be expected to provide most information describing its data dissemination practices. Such practices will be reviewed to ensure they are comprehensive and presented in a reasonably internationally comparable way.

The DSBB is expected to be open to the public by the end of August 1996. Thereafter, the information posted on the DSBB may be amended on the basis of information to be provided by subscribing members.

The SDDS will operate in a transition period running through December 31, 1998. During this period, an IMF member may subscribe to the SDDS even though it is not able to observe it in full. In these circumstances, the member would identify the elements on which its data dissemination practices do not meet the SDDS; and present a plan to bring its practices to the level of the SDDS by the end of the transition period. Members will of course also be able to subscribe to the SDDS after the transition period, on the basis of full observance of the SDDS. Members that subscribe to the SDDS will be expected to observe it, and during the transition the IMF will, in a dialogue with members, fully elaborate the procedures to deal with cases of severe and persistent non-observance.