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**Statement by Mr. O'Sullivan and Mr. St-Amant on Seventh Review of the Fund's Data
Standards Initiatives
(Preliminary)
Executive Board Meeting 08/108
December 10, 2008**

We thank the staff for an informative document on a very important subject. We find it encouraging to note the increase in the rate of participation in the SDDS and in the GDDS and support the proposals made by the staff. In this Gray, we emphasize a few points and ask one question about data revisions.

Recent developments make it clear that we need better quality and more detailed financial system data. This would allow for better research and analysis, including about the links between financial system and real economic developments. This is why we support the staff's proposal that some relevant financial indicators be identified and, eventually, incorporated, on an encouraged basis (which should address concerns about the additional burden this might represent for some countries), in the SDDS. We look forward to a staff paper presenting detailed ideas on this subject.

We agree with the staff that SDDS metadata should indicate where statistical practices deviate from internationally accepted statistical methodologies. Researchers and analysts need to be aware of deviations that could influence their conclusions. This is particularly important for multi-country quantitative studies (researchers often use Fund data for this type of study).

We also agree with the staff proposal that SDDS subscribers should be encouraged periodically to undertake and publish a data quality assessment. Having the quality of member countries' data assessed and, eventually, confirmed by a recognized data quality assessor would contribute to market confidence and facilitate the task of researchers using the data. These assessments would not need to be very frequent, particularly for those countries where data quality has already been recognized, so that it should be possible to minimize the impact, on Fund's resources, of such an initiative.

Much economic and financial data is subject to revisions. This is not, in itself, a negative phenomenon. Data is often published in a preliminary format and it is entirely appropriate that it be revised as more information is received by statistical agencies. Analysts and researchers have been paying more and more attention to these revisions. Studying the patterns in these revisions can inform about the nature of the data. Policymakers also need to know how data revisions are affecting the quality of the data and how reliable preliminary data is. This is particularly relevant for building early warning indicators. Consequently, we would like to ask the staff about its plans concerning data revisions. *Are there plans to encourage member countries to preserve and make available data revisions?* If not, we would like the staff to consider the possibility of doing this. Note that various institutions (U.S. Federal Reserve, Bank of England, Bank of Canada, etc.) are already publishing revisions for at least part of their data.