



- **Opening remarks by Dr Monde Mnyande, Chief Economist and Adviser to the Governor, at the Research Department Statistics Seminar, Forever Resort, Bela Bela
29–31 March 2011**
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Delegates, welcome

I would like to extend a very warm welcome to all of you to this important statistics seminar hosted by the Research Department of the South African Reserve Bank. In particular, I would like to welcome our international speakers who have travelled far to join in in the proceedings.

I believe that some of you have been to our shores before when you attended the seminar jointly hosted by the Bank and the Irving Fisher Committee (IFC) before the 57th Congress of the International Statistical Institute (ISI), which was held in Durban in 2009. I hope you had a chance to see some of the wildlife last night.

Equally, allow me also to welcome the local speakers and session chairs, as well as the staff members of the Research Department. Thank you to all of you for attending this seminar. This is one of the rare occasions where we are able to get everyone involved in compiling economic statistics that emanate from the Bank to learn and understand the importance of the quality of South

Africa's economic and financial statistics and, most importantly, to consider international experience and best practice in finding ways of continually improving the Bank's statistics.

New challenges for central banks' statistical collection and analytical roles

Even before the recent financial crisis had set in, the notion of globalisation was already placing enormous pressures on central banks' statistical collection and analytical roles. The newly emerging order and the so-called new normal in the global economy increasingly require central banks to adapt, and perhaps adjust their approach to statistics in order to sustain these roles while taking sound economic decisions.

The formulation and implementation of monetary policy, and, more recently, the newly formalised function of maintaining financial stability require a wider scope of good-quality economic and macro-prudential data. The world over, central banks need to gain a deeper and more comprehensive understanding of the new economic landscape.

The statistics collected and analysed have to be relevant and accurate across countries in order to ensure that economic policy decisions made are optimal and worthy to maintain a sustainable global economic order. Notably, the sources of data are also multiplying, exerting additional pressure on central banks to benchmark the various estimates they use.

For this reason, central banks should continually explore data gaps, and search for appropriate means of strengthening their data collection, analysis and dissemination. This is why it is important for us here to explore the data

and vigorously engage respondents at a sectoral level to ensure better understanding of their environment and the statistics they provide us.

As most of you may be aware, one of the objectives of the Outreach Programme of the Bank is to assist in facilitating this endeavour while aiming for the ultimate improvement in the response rate, and the accuracy, validity and reliability of data.

We do need to realise that it is not simply a question of collecting more and more data. As recently as last August,¹ it was noted in the keynote address at the 5th IFC Conference held in Basel that the lenses through which we view statistics need to be reconsidered. Understanding what our objectives as central banks are will assist in prioritising what to collect. The point was made in this keynote address that, clearly, better statistics alone will not prevent the next financial crisis, but better statistics must be accompanied by proper analysis, which will allow policy-makers to act more promptly and appropriately on anomalies observed in the statistics trail.

The Research Department of the Bank has been collecting, analysing and disseminating statistics for more than six decades. I will not argue in this forum on the rightness and wrongness of a policy-making body to have and continue to execute this function. That is a debate for another seminar, hopefully at Sun City.

We have, however, noted that some of our surveys require serious upgrades, for there is an ongoing need to keep abreast of international best practice and to comply with global standards. That is why meetings such as this one are

¹ Claudio Borio, keynote address delivered at the 5th IFC Conference, Basel, 25 August 2010.

critical to allow us to take stock, and to assess the relevancy and accuracy of our statistics and the integrity of the methods we use.

Content of the seminar

This seminar is a continuation of the ongoing reassessment of the quality of data used and disseminated by the Bank. It will provide a forum in which we can exchange views on domestic and other countries' experiences on specific statistical issues. Thus, the purpose of the seminar is (i) to explore views on pertinent improvements that can be applied to the Bank's data collection process, (ii) evaluate the contents of current Bank statistical publications and dissemination methods from users' point of view and (iii) establish a better understanding and treatment of statistical developments emanating from new financial instruments or the changing global financial and economic environment.

We have an impressive line-up of local and international speakers who will delve into the challenges faced by modern central banks in sourcing and using statistics to inform policy. It is my humble view that the recent global financial "disorder", and its recessionary impact on the real economy in our country and others, should heighten the need to understand the economic content of statistics.

In order to advance sound economic views and opinions, today's discussions will seek to explore views on data collection, data management, data quality assurance, collaborating with other official statistical agencies and the impact of regional statistics development. With the last-mentioned, I am referring to the three regional Southern African formations, namely, the Southern African Development Community (SADC), Common Market for Eastern and Southern

Africa (COMESA) and the Southern African Customs Union (SACU). Tomorrow we will try to make sense of the economic and financial statistics that we collect. This we will pursue by discussing data analysis, respondent management and consider whether we do, at all, understand our target market. Furthermore, we will assess the adequacy of the extent to which we collaborate with our statistics users.

On the last day we will look at internal operational gaps that exist, and highlight practical proposals that will form an action plan for improving our country's economic and financial statistics and above everything, we also need to identify ways of entrenching and enhancing our strong ties and collaboration with the main official statistics source institutions: Statistics South Africa and the South African Revenue Services.

I hope that the next two-and-a-half days will be very productive and invite all of you to participate actively so that we can obtain maximum benefit from the discussions.

Thank you.