

## **International data sharing: the example of the G-20 Data Gaps Initiative**

### **Globalisation calls for a global statistical framework**

In a world of continuing economic and financial integration policy makers, market participants and societies have an increasing demand for reliable and comparable data on economic developments. Appropriate indicators play a significant role in decision making. It is a major task of official statistics in all countries to contribute actively to improving the international data situation by collecting and disseminating on a regular basis high quality data built on sound methodologies in line with internationally agreed standards. In close cooperation with the international organisations continuous efforts are required to improve the availability and accessibility of data on countries and regions in an internationally comparable way.

### **The G-20 Data Gaps Initiative strengthens international cooperation to improve the availability of economic and financial data**

### **The financial crisis revealed data gaps**

The global financial crisis revealed a general underestimation of the spillover effects in increasingly interconnected financial markets and the vulnerability of domestic economies to external shocks. Information deficiencies were seen to play a role, in particular with respect to the behaviour of institutional investors like pension and hedge funds, to shadow banking, systemically important financial institutions, cross-border exposures of corporations and real estate prices.

### **Launch of the G-20 Data Gaps Initiative**

In 2009 the G-20 Finance Ministers and Central Bank Governors called on the IMF and Financial Stability Board (FSB) to explore information gaps and provide proposals for strengthening the data availability to enable a better, forward-looking and targeted identification of risks for the global financial stability. As a result, 20 recommendations were derived among them the recommendation to enhance the Principal Global Indicators (PGI) website.

The G-20 countries are the driving forces of the global economy and therefore have a particular responsibility. All G-20 countries together produce more than 80% of the global output and represent two thirds of the world population. It should be pointed out that besides France, Germany, Italy and the United Kingdom the European Union is also one of the G-20 economies, and thus all EU member states (MS) are involved in the DGI.

**Significant progress made since 2009**

Six years after the launch of the G-20 DGI the overall assessment of the state of play is that significant progress has been made in implementing the recommendations. However, more work is needed to close still existing data gaps and to ensure comparability and quality of datasets. Admittedly, significant differences in progress have been observed between statistically advanced countries and countries with a less developed statistical infrastructure. The European countries have largely met the implementation targets.

**Proposals for a second phase**

The G-20 DGI will now enter into a second phase with the general strategy to focus on consolidating the progress made. The main objective will be convergence of data availability across all G-20 economies in order to provide a full picture. Some recommendations were identified where implementation is considered a priority for all G-20 economies. The link to the IMF Special Data Dissemination Standard Plus (SDDS Plus) - the highest standard for the worldwide provision of economic and financial data - will be strengthened. International data sharing will be reinforced.

**Lessons learnt from a European perspective**

The European countries have contributed significantly to the success of the DGI to date. The strategy for the second phase – consolidation and completion of datasets across all G-20 countries – has full European support. There are several reasons why the DGI is highly welcome from the European perspective:

- (1) The DGI has mobilised the European data producers to present highly relevant economic and financial information in a globally standardised way, thus making better use of the existing rich datasets in Europe for the benefit of globally interested users.
- (2) The DGI has generated a close international cooperation, not only on data access and availability but also in areas where more conceptual work is needed. Stronger global thinking in the process of developing European Statistics will in the medium term create benefits for all parties concerned, namely data producers and users.
- (3) Enhancing international data cooperation will increase the overall efficiency of data dissemination at all levels, notably for the

European countries, and simultaneously promote the outreach to users.

### **International data sharing is a promising way to meet the increasing demand**

#### **Different approaches**

International data cooperation is highly important in the process of making timely and consistent data on countries and regions available at the national and international levels. The G-20 DGI is a promoter of the ongoing work on the global stage.

There are various modalities to address international data sharing. In the context of the G-20 DGI the following approaches are explicitly recommended:

#### **Data cooperation among international organisations**

Data cooperation among international organisations is the core of a recommendation calling on the Inter-Agency Group on Economic and Financial Statistics (IAG) “...to support timely standardized transmission of data through internationally agreed formats (e.g. SDMX), to reduce the burden on reporting economies, and promote outreach to users... “. The basic idea is that datasets should be collected from national data producers only once, e.g. by Eurostat from the NSIs, and subsequently be shared with other international organisations such as the OECD, IMF, World Bank etc. The international organisations will then disseminate the same information for any given country on their websites as well as on the PGI website. This requires in particular an agreement with all stakeholders on the concrete content and the IT environment.

#### **Data sharing between national data producers**

Data sharing between national data producers is a further recommendation encouraging the G-20 economies to exchange data and metadata among and within G-20 economies (1) to improve the quality of data (e.g. consistency) and (2) to enhance the availability of data for policy use by posting links on their websites referring to related data sources or even research of other national and international data providers. This requires special institutional arrangements, in particular with respect to the exchange of more granular data aimed at removing asymmetries in international flows.

#### **SDDS Plus – a ‘quick win’ for European Statistics**

The SDDS Plus was established in 2012 to supplement the SDDS (launched in 1996) in order to promote the dissemination of nine additional datasets that are relevant for monitoring risks and vulnerabilities in countries with systemically important financial sectors. The SDDS Plus was launched in November 2014 with adherence of eight countries: France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden and the USA. In content terms, the SDDS Plus data categories can be considered as a

subset of the DGI recommendations.

The SDDS Plus has strict dissemination requirements relating to coverage, timeliness, time series and metadata provision and to setting up a National Summary Data Page in a prescribed way and using the SDMX technology. Instead of transmission of data files from the national data producer to the IMF, the IMF hosts a website with links to the National Summary Data Page of the adhering countries.

The implementation of the SDDS Plus requirements needs some investment in the technical solution and in particular an intense cooperation between the involved institutions and the experts on the national level, and with the IMF staff.

### **Some suggestions from the point of view of a national data provider**

#### **Participation in the international work on concepts and standards**

Agreed international standards are the foundation and common ground to build up international data sharing. In Europe, we have reached a high degree of harmonisation of concepts and definitions (e.g. ESA 2010, HICP) and an elaborated transmission programme that is binding to all MS. On the global level, the work on standardization is more cumbersome given the even more heterogeneous preconditions in the individual countries. It is of utmost importance that European Statistics participate actively in the international expert bodies and bring in the European expertise on harmonization issues. From the point of view of the EU MS, the European transmission programme and data presentation should be in line with international data requirements in order to avoid parallel work.

The DGI has established working modalities involving a broad range of international and national institutions in a remarkable way and unique in its scope. An inter-agency group on economic and financial statistics (IAG) - comprising BIS, ECB, Eurostat, FSB, IMF (chair), OECD, UNSC and the World Bank - serves as a global facilitator. A DGI Contact Group with senior level national representatives of the G-20 economies ensures the dedication of the national data producers. The ongoing work on concepts and standards is a prerequisite for advancing the DGI.

#### **Coordinated position towards the DGI and the SDDS Plus**

On the European level the close cooperation between the ESS and the ESCB organised by the CMFB has already proven its importance in coordinating a European position towards the DGI and facilitating the adherence to the SDDS Plus, in particular by bringing about Clarification Notes with the IMF on the acceptance of the Maastricht debt concept for the SDDS Plus data category "Gross General

Government Debt”.

**Prioritising the implementation of the SDMX technology**

The parallel transmissions of similar datasets by the national data producers to Eurostat and the OECD, IMF etc. has to be avoided. Hence, the IAG is encouraged to go on with its work to set up the technical infrastructure for data sharing between international organisations, and to develop harmonised reporting templates and common data structure definitions for all domains relevant for international analysis. In the domain of national accounts, pioneer work has made good progress and has recently been applied to GDP main aggregates. The EU MS are encouraged to give priority to the implementation of the SDMX technology. Involving the national data producers in the further development work (e.g. testing) is recommended. The concerns of some national data producers regarding quality assurance throughout the whole delivery channel have to be addressed thoroughly and be resolved in a transparent manner.

**Support for the PGI website**

An enhanced PGI website as the global reference database pooling high quality statistical information on countries and regions is highly welcome. Providing appropriate metadata is indispensable (1) to help users to better understand economic and financial developments and positions and (2) to reduce user requests for explanations ending up on the desks of the national data providers. A user-oriented PGI is very much in line with the DESTATIS communication strategy “online first”. A promotion of the PGI website by the national data producers and the international organisations, e.g. via hyperlinks on their own websites, may be considered.

**Focus on the SDDS Plus**

The focus for the European countries should be on the SDDS Plus adherence to exploit synergies. European statistics are well advanced and therefore in a good position to meet the requirements of the highest tier of the IMF dissemination standard. Adherence to the SDDS Plus is the best way to strengthen the availability of macroeconomic information for international comparison, thus giving concrete and visible support to the DGI in the short term. The recently launched CMFB questionnaire aimed at collecting the experience of the European SDDS Plus adherents and the plans of the other EU MS will provide guidance on how to proceed. Eurostat and the ECB have already offered technical support to the MS and are ready to conduct a detailed mapping of the SDDS Plus data requirements against the regular European reporting framework. This will be a valuable input, together with the outcome of the CMFB questionnaire, in assessing the resources which have to be invested.

## Overview

### Link between the G-20 DGI and the IMF SDDS Plus

DGI recommendations (Phase II)		SDDS Plus
	II.1 Mandate of the DGI	
<b>Monitoring Risks in the Financial Sector</b>	II.2 <b>Financial Soundness Indicators (FSIs)*</b>	FSIs, including Real Estate Prices
	II.3 FSI Concentration and Distribution Measures	
	II.4 Data for Global Systemically Important Financial Institutions (GSIFIs)	Debt Securities
	II.5 Shadow Banking	Other Financial Corporations Survey
	II.6 Derivatives	
	II.7 <b>Securities Statistics*</b>	
<b>Vulnerabilities, Inter-connections, and Spillovers</b>	II.8 <b>Sectoral Accounts*</b>	
	II.9 Distributional Information	
	II.10 International Investment Position (IIP)	CPIS
	II.11 <b>International Banking Statistics (IBS)*</b>	CDIS
	II.12 <b>Coordinated Portfolio Investment Survey (CPIS)*</b>	Currency Compositions of Foreign Exchange Reserves
	II.13 Coordinated Direct Investment Survey (CDIS)	
	II.14 Cross-Border Exposures of Nonbank Financial and Nonfinancial Corporations	
	II.15 <b>Government Finance Statistics (GFS)*</b>	General Government Operations
	II.16 <b>Public Sector Debt Database (PSDS)*</b>	Gross General Government Debt
	II.17 Residential Property Prices	
	II.18 Commercial Property Prices	
<b>Communication of Official Statistics</b>	II.19 International Data Cooperation and Communication	
	II.20 Promotion of Data Sharing	
		<b>Real Sector</b> Sectoral Balance Sheets

\*) Priority recommendations