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**Institutional Cooperation Between Central Banks and the Statistical
Offices for Producing Macroeconomic Statistics**

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1. This paper discusses different purposes and forms of collaboration between central banks and national statistical agencies in the area of macroeconomic statistics. Cooperation agreements may serve to clarify a division of labor in producing data. Alternatively, agreements may concern the provision of specialized data to the central bank for policy purposes. Cooperation may also be motivated to help national statistical agencies develop statistical capacity, particularly in countries with relatively weak national statistical agencies. In many countries, cooperation between central banks and statistical offices has evolved from informal to more formal arrangements. The paper illustrates formalized cooperation agreements.

Reasons for formal cooperation and sources of information

2. Formal cooperation between central banks and national statistical offices can have different purposes. Table 1 presents an overview of various types of contracts and their main features. The information included in this table builds on a larger study (Dziobek and Tanase, 2007 forthcoming), which brings together results of a survey and experiences from the Fund's technical assistance work with member countries. The larger study presents country case studies of the various types of cooperation shown in this table.

3. When both central banks and national statistical agencies play a role in producing certain statistics, as is often the case for external sector statistics, cooperation agreements can serve to clarify the division of labor. An example of this is the memorandum of understanding between the European Central Bank and Eurostat. Generally, the aim is to specify what data are to be made available by each party and on what schedule, thus contributing to a smoother work process. They take on an added dimension when a country is

committed to disseminate data according to an advance release calendar as is the case for the 64 subscribers to the Special Data Dissemination Standard (SDDS). In some countries, such arrangements are supported by the central bank seconding staff to the national statistical agency. Secondment can help the national statistical agency in countries where the central bank has more experienced specialists. However, there are also examples where secondment of central bank staff serve to develop skills in the central bank.

4. Agreements between central banks and national statistical agencies can also be motivated by the central bank's need for more specialized data than what is currently produced by the national statistical agency. For example, a central bank following an inflation targeting framework may require more detailed data on price trends, such as data on core inflation, which the national statistical agency may not otherwise compile. Central banks generally refrain from developing such data themselves to avoid a conflict of interest. Under inflation targeting regimes, central bank performance is measured by the ability to achieve specified price targets, and hence the credibility of the regime requires that the relevant data be provided by an independent source. In some countries, such specialized price data are produced for the central banks against payment.

Different forms of cooperation agreements

5. Table 1 shows some examples of different types of contracts. In addition to Memoranda of Understanding, there are many different ways in which central banks and national statistical agencies cooperate in a formalized way. An interesting approach is the provision of services for reimbursement, which is practiced in industrial as well as in emerging market countries. This approach is relevant particularly when statistical agencies are not well funded, as is the case in many countries. The main features of service contracts are to: (1) indicate, where applicable, payments by a central bank for services provided by the statistical office; (2) set out the responsibility of each institution for producing macroeconomic statistics; (3) provide a framework for the exchange of data; (4) establish the forms of cooperation between institutions; and (5) establish procedures for monitoring the quality of exchanged data. Similar service or service level agreements also exist without direct compensation, although presumably compensation may be provided in a more indirect way through the budget process when the statistical agency can make a case for the need to produce specific data for policy purposes.

6. In one instance, the central bank is responsible for monetary and balance of payments statistics, and it has an annual service contract with the national statistical agency. The contract sets out the responsibilities of the national statistical agency to conduct various surveys for the central bank (such as on business confidence index, foreign direct investment, family confidence index, remittances, and tourism). This approach was taken in recognition that the statistical office has expertise in conducting surveys and has the necessary comprehensive legal framework for data collection. In return, the central bank provides payment for the surveys.

Table 1: Types of Contracts Between Central Banks and Statistical Offices on Data Provision

Type of Contract	Main Features of the Contracts Concerning Provision of Macroeconomic Statistics
Memorandum of Understanding	<ul style="list-style-type: none"> • guiding principles for defining primary and shared responsibilities • modalities of cooperation and exchange of information
Seconding of staff	<ul style="list-style-type: none"> • central bank seconds balance of payments statistics staff to the national statistical agency to learn about survey technology for the Foreign Direct Investment Survey
Annual Service Contract	<ul style="list-style-type: none"> • involves payment for service • statistical office to provide specialized data (e.g., core inflation) • statistical office to provide specific surveys to the central bank.
Shared responsibilities for statistical program	<ul style="list-style-type: none"> • central bank provides managerial and technical support to the national statistical agency • central bank is represented in the national statistical committee that develops the work program for the national statistical agency.

Source: Dziobek and Tanase (forthcoming, 2007).

7. There are also examples of cooperation on a higher level. In one country, national accounts and price data are compiled by the national statistical agency, but the central bank cooperates through managerial and technical level meetings and through joint commissions. The central bank also has a representative in the statistical commission, the government commission that oversees the national statistical agency.

8. Sometimes, both agencies cooperate on developing quarterly GDP estimates. While the central bank provides some research resources and a focus on up-to-date economic monitoring, the national statistical agency is responsible for producing and disseminating

national accounts statistics, as it produces the main data source and has the greatest familiarity with the data.

Conclusion

9. Central banks are proactive users of statistics and can thus play a role as catalysts of statistical developments of national statistical agencies. Cooperation agreements with national statistical agencies can be highly formalized. In some cases, national statistical offices provide special data services to central banks for a fee, which is an approach that is of much interest in many countries with relatively weak national statistical agencies. This approach can help both parties as the central bank obtain the data needed for policy and statistical agencies receive support from the central bank to develop their statistical capacity. The examples also highlight that central banks seem to prefer entering into arrangements with national statistical agencies rather than expanding their own data-producing activities.

References

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