

# **The Financial Crisis and Information Gaps**

## **Setting the context: Overview of the G-20 work and Recommendation 1**

Senior Officials Conference  
Basel, April 8 and 9, 2010

# Some Background

- **G-20 Working Group on Reinforcing International Co-operation and Promoting Integrity in Financial Markets**
  - **Asked the IMF and the Financial Stability Board (FSB) to explore gaps and provide proposals to address them to the Meeting of G-20 Finance Ministers and Central Bank Governors, in St. Andrews, Scotland, in November 2009**
  
- **IMFC (IMF Governing Body) welcomed the work of the IMF and FSB to provide better indicators of systemic risks and address data gaps (April 2009)**

# Some Background (cont'd)

- **Establishment of the Inter-Agency Group on Economic and Financial Statistics, IAG (2008)**
  - **BIS, ECB, Eurostat, IMF (Chair), OECD, UN, World Bank**
  - **Coordinate work to explore data gaps and strengthen data collection**
  
- **G-20 Meeting at St. Andrews:**
  - **Endorsed 20 recommendations to address data gaps**
  - **Asked the IMF and FSB to report back to the G20 Finance Ministers and Governors by June 2010 on progress, with a concrete plan of action, including a timetable, to address each of the outstanding recommendations**

## G-20 recommendation 1

- Staffs of FSB and the IMF report back to G20 Finance Ministers and Central Bank Governors by June 2010 on progress, with a concrete plan of action, including a timetable, to address each of the outstanding recommendations. Thereafter, staffs of FSB and IMF to provide updates on progress once a year. Financial stability experts, statisticians, and supervisors should work together to ensure that the program is successfully implemented.
- Lead agencies: IMF and FSB

# The Data Gaps

- **The IMF/FSB report to G-20, *The Financial Crisis and Information Gaps*, identified a need to address four main interrelated areas:**
  - **Build-up of risk in the financial sector**
  - **Cross-border financial linkages**
  - **Vulnerability of domestic economies to shocks**
  - **Improving communication of official statistics**

# Data Gaps: The 20 recommendations

	There exist conceptual / statistical frameworks and ongoing collection	There exist conceptual /statistical framework but not much ongoing collection	Conceptual/ statistical framework needs further development
<b>Build-up of risk in the financial sector</b>	# 2 (FSIs) # 5 (CDS) # 7 (Securities)	# 3 (Tail risk in the financial system)	# 4 (leverage and maturity) # 6 (structured products)
<b>Cross-border financial linkages</b>	# 10, # 11, # 12 (CPIS, IBS)		# 8 and # 9 (Systemic Inst.) # 13 and # 14 (Nonbank Financial Institutions Nonfinancial Corporat.)
<b>Vulnerability of domestic economies to shocks</b>	# 15 (Sectoral Accounts) # 17 (Government Statistics) # 18 (Public Sector Debt)	# 19 (Real Estate Prices)	# 16 (Distributional Information)
<b>Improving communication of official statistics</b>	# 20 (Principal Global Indicators)		

# Objectives of this Conference

## ➤ Objectives:

- Discuss each recommendation to identify the pertinent issues in developing the plans to implement them.
- Obtain your views on the modalities of implementing the G-20 recommendations, and the required timeline.
- Seek inputs toward the preparation of the progress report requested by the G-20 finance ministers and central bank governors for their next meeting in June 2010

# Modalities of this Conference

## ➤ Modalities:

- We have provided an overview note and preliminary short notes on each recommendation for discussion
- Presentations will be made on ongoing work at several international institutions working in coordination with the FSB and in the framework of the Inter-Agency Group on Economic and Financial Statistics, which is chaired by the IMF, and includes the BIS, ECB, Eurostat, IMF, OECD, UN, and World Bank.
- Break out groups will discuss challenges in implementing the G20 recommendations. The intention is to divide participants into three groups to discuss the plans presented for implementing the recommendations, and for each group to report back to conference
- We shall be creating a website for the conference