



RESERVE BANK OF FIJI



**Address to the Fiji Bureau of Statistics Seminar on
STRENGTHENING OFFICIAL STATISTICS IN FIJI
by the Governor, Reserve Bank of Fiji
Barry Whiteside
Friday 13 December 2013,
Holiday Inn, Suva**

Ms Karinda D'aloisio, Deputy High Commissioner for Australia

Mr Pita Wise, Permanent Secretary for Strategic Planning, National Development & Statistics

Mr Pio Tikoduadua, Permanent Secretary, Prime Minister's Office

Mr Brian Pink, Australian Statistician and CEO of the Australian Bureau of Statistics

Mr Epeli Waqavonovono, Fijian Government Statistician, Fiji Bureau of Statistics

Seminar Participants

Ladies and Gentlemen

Introductory Comments

Bula vinaka and a very good morning to you all!

Let me first thank the Fiji Bureau of Statistics for the invitation to be here today. It is a pleasure for me to participate in a function that relates directly, and carries such great importance, to our daily work activity at the Central Bank. We certainly will not get very far in setting critical policies without good statistics.

The Deputy High Commissioner has ably pointed out to us the importance of the need to get good information from a donor perspective, especially to be able to make the

best policy decisions regarding aid programmes. The Australian Statistician and keynote speaker further emphasised the importance of supplying the best data through a strong National Statistical System. We certainly have a lot to learn from the Australian Bureau of Statistics (ABS), one of the best Statistical Offices in the world. I am told that the ABS has indicated its willingness to provide technical assistance to FBOS over the next five years and that this will be formalised with the signing of a Memorandum of Understanding at the end of today's seminar.

At the Reserve Bank of Fiji, we have always shared a common and close working relationship with the Bureau. Your institution is one of our primary sources of economic and social statistics used for building monetary policy advice and decision making. At the same time, we reciprocate by providing FBOS with data towards the Balance of Payments and other Finance related statistics.

To support staff capacity and knowledge, the Reserve Bank also has provided technical assistance to FBOS. We thank you for inviting the RBF to contribute as a stakeholder in your review of work processes last year.

FBOS is also an active member of the multi-institutional Macroeconomic Policy Committee, which I currently chair and which is responsible for the forecasting of key economic indicators of the Fijian economy. As you can see, we are quite dependant

on each other. In fact, some of our staff at the Bank began their working careers at the Bureau!

Importance of Sound Statistics for Policy Development and Implementation

The title of this seminar is ‘Strengthening Fiji Official Statistics’ so, as a user and policy maker, I will focus the remainder of my presentation on the importance of having sound and reliable statistics in Fiji, which just so happens to be the brief I was given for this session.

The seminar and signing of the MOU is very timely given the huge demand for good statistics amidst the rapidly changing global and domestic economic environment. In fact, the Reserve Bank has, on many occasions, made its views known of the need to strengthen and improve the provision of Fiji’s official statistics. This is so critical to our work that I am highlighting it again in this forum. I have only this week returned from a Pacific Central Bank Governors’ Conference in Papua New Guinea where I learned that some key macro-economic data coming out of one jurisdiction’s Central Statistical office was more than twelve years old.

The formulation and provision of reliable and timely statistics is a must for most decisions we make, whether we are policy makers, businesses, individuals, students, academics or investors. But this is even more crucial at the national level when the effects of public policies have far reaching consequences on the welfare of every

sector and individual. Statistics that are not accurate or sound and which are not presented in a timely manner, are of little use to us. In fact they can be harmful if we are to center policies and make decisions around them.

Ladies and gentlemen, we are in the information age, an age of instant communication and data at our fingertips. We certainly do not want to be left behind because our own data gathering leaves a lot to be desired.

Good timely statistics will assist policy makers to navigate the right course for our economy, observe and understand the progress of social and economic activity, and gauge developments regarding everyone's overall wellbeing. Statistics serve as the barometer of our social and economic performances and provide guidance to better weigh up policy options in future.

The legend of the *'six blind men and an elephant'* demonstrates how critical good statistics are in making appropriate and correct assessments. While I won't recite the full story here, I want to emphasise how dependant we are on comprehensive and timely statistics in order to formulate better decisions for everyone. Statistics have the power to influence our thoughts and inferences on almost anything.

The IMF, in its concluding statement of the August 2013 Article IV Consultation Mission to Fiji highlighted that "improved data quality is urgently needed for

informed policy making.” The Mission further urged the “authorities to accelerate and expand efforts to increase data coverage and quality, particularly in the areas of balance of payments and national accounts, including GDP by expenditure, through strengthening the capacity of the Fiji Bureau of Statistics.” The Mission also highlighted that increased statistics provision to the public should also be encouraged.

At the Reserve Bank, our role of protecting Fiji’s economic and financial stability is an essential prerequisite for the nation’s economic progress. To safeguard this, comprehensive economic and prudential assessments are conducted regularly and this culminates in the review of our Monetary Policy stance on a monthly basis. I have to categorically say that statistics are an essential ingredient in this important process.

While we at the Bank understand the huge challenges you at the Bureau are faced with in providing timely and reliable statistics, we can only hope that you will not compromise the standard and quality. Our economy has evolved and broadened rapidly during the last decade and, likewise, we need to expand our data coverage to match our capacity in order to correctly measure and monitor developments in all sectors of the economy.

As central bankers, we at the Reserve Bank need to execute timely and proactive decisions to support growth while preserving our external position. To achieve this, we need the provision of timely and more frequent data, particularly on GDP and the

Balance of Payments. However, due to unavailability of timely data, we are currently forced to use partial indicators, for instance on consumption, investment, trade and employment.

Moreover, as economists, we look at data slightly different from statisticians. There are times when making some economic sense out of certain released data is a challenge. It is, therefore, important that we preserve the quality and integrity of our statistics with the provision of accurate and theory-consistent data. Constant feedback from stakeholders who are the users of data should be encouraged so that we can evaluate areas for improvement. We should respond quickly to any negative feedback or run the risk of general apathy towards all data we may produce. When this happens the data users will try to seek other sources and be forced to use proxies which may not be as good.

Please allow me to highlight just a few key statistics that have unfortunately been untimely and what we have had to do to overcome this.

The latest available data on visitor arrivals that we have from FBOS is for June 2013, a lag of over 5 months. As tourism is Fiji's major foreign exchange earner and its contribution to the economy is sizeable, it is important that we have timely data relating to this sector for policy development and implementation. I remember when I was in the Bank's Economics Group over twenty years ago this data was available

with a lag of just one month. And this was at a time when the use of computers was limited. In order to get around this gap or delay now, our economists have needed to be innovative and in this case they tap into the NZ Bureau of Statistics and the ABS to extract outbound visitors to Fiji. Given that arrivals from these two countries account for two-thirds of all our visitors, we are able to have a good early grasp of how our tourism industry is actually fairing while awaiting the official statistics.

Another set of critical data that has long been outstanding relates to investment. The last investment numbers that were released by FBOS applies to the year 2005. Given that investment is such an important indicator of the economy, these long delays, in our view, are unacceptable. Again, to overcome this shortfall, the RBF has had to conduct its own surveys and estimates of the investment levels in the country. We also undertake numerous face-to-face meetings with businesses each year to better gauge their existing and future investment plans.

Given the importance of quality and timely data for the purpose of policy development, I would like to make some suggestions on the provision of additional statistics that we urgently need at the Reserve Bank for policy purposes. These include:

- Quarterly GDP
- GDP by Expenditure
- More timely Investment data

- More timely Unemployment data
- Tourism earnings; and
- Productivity Indicators

As a word of caution, while we do understand the constraints on resources and capability in the provision of such data, it is critical that we do not let our standards slip.

Concluding Remarks

Ladies and gentlemen, in concluding, let me take this opportunity again to thank the Fiji Bureau of Statistics for organising this seminar. Remember, while we can look for proxies, there is really no substitute for good quality and timely data. When we have it we can make the best policy decisions that will utilise our limited resources in the best possible ways. When we don't have it our decisions may not stand the test and could, inevitably, be very costly.

I commend the Fijian Government and the Australian Bureau of Statistics for the current initiative of strengthening our statistical agency and the capacity building programme taking place at FBOS. We hope that our colleagues at the Fiji Bureau of Statistics will explore every opportunity of learning and assistance from your Australian counterpart. The Reserve Bank will also be ready to assist in key areas if called upon.

On this final note, I wish you every success in today's deliberations and my best wishes for this festive season.

Vinaka vakalevu.