

## **Statistics in the Reserve Bank of India\***

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Governor Dr. Raghuram Rajan, Prof. Peter M. Robinson, London School of Economics; Prof. Andrew C. Harvey, Cambridge University; Dr. Tucker McElroy, US Census Bureau; Dr. Sveinbjorn Blöndal, OECD; Prof. S. K. Upadhyay, Banaras Hindu University; and Dr. Rituparna Sen, Indian Statistical Institute; Deputy Governors, members of the Technical Advisory Committee on Monetary Policy, colleague Executive Directors, Dr. A. K. Srimany, Officer-in-Charge, DSIM, distinguished guests from the financial sector and academia, members of the press, colleagues from DSIM and friends. I extend a warm welcome to all of you to this 8<sup>th</sup> Statistics Day Conference organised by Reserve Bank of India.

2. Statistics Day is celebrated at the National level in honour of Professor P.C. Mahalanobis. Professor, as he was fondly called, was a great institution builder, and is truly the father of the Indian statistical system. He was the architect of premiere academic institutions like the Indian Statistical Institute (ISI), as well as apex statistical bodies of independent India like the Central Statistics Office (CSO), the National Sample Survey Office (NSSO), and state statistical bureaus. More importantly, Professor Mahalanobis laid the basic foundation for a sound statistical system for this nation at par with international standards, and almost single-handedly established Statistics as an academic discipline in this region of the world. The Reserve Bank has been celebrating this occasion since 2007 by organising a conference. This is also an opportunity for reflection on our statistical initiatives.

3. In the aftermath of the 2008 global financial crisis, statistical systems across the central banks have undergone a paradigm shift. Among other things, the crisis highlighted the weaknesses in the information system prompting many central banks to look into their statistical systems. The Reserve Bank of India is not an exception. We are looking into how to bridge data gaps in the economy and the financial sector in particular, as well as on how we improve statistical surveillance.

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\* Remarks by Shri Deepak Mohanty, Executive Director, Reserve Bank of India at the 8<sup>th</sup> Statistics Day Conference, Mumbai, September 25, 2014.

4. The present system of data and information management in the Reserve Bank has evolved over several years in response to the emerging needs, and to disseminate information as a 'public good'. With increasing integration with the global economy and the growing complexity of the economic structure, the information needs have increased considerably, and data gaps are experienced in various domains. At the same time, information management and dissemination has become technologically more advanced and challenging. In response, the Reserve Bank is reviewing the current system of data collection, dissemination and management processes, and exploring the feasibility of moving towards granular, multi-purpose data collection and more integrated and structured data production processes.

5. Being a full-service central bank, there are many stakeholders in the Reserve Bank which compile and manage data. These data are not always easily accessible to users both within and outside the Reserve Bank. In the absence of a common database, there is considerable duplication and often data on similar items are not comparable. In the recent past, we have taken several steps to infuse new technology. However, the efforts have essentially focused on a particular aspect of the whole process. For instance, the data warehouse achieved centralised storage and archival of partial data, although it was initially planned to have a much larger role. In this context, we are moving towards a technology driven centralised management of receipt, processing, production, storage and retrieval of all data, both macro-financial and supervisory statistics.

6. Let me now give you an instance of achievement in processing granular data in banking. Recent efforts of processing account level credit information under the Basic Statistical Return (BSR) system resulted in automated data flow from the reporting entities through the adoption of appropriate straight-through processing systems. The new approach has eliminated the time lag and the BSR credit data has now been compiled at quarterly frequency covering all loan accounts of the branches of scheduled commercial banks. In addition, a unique identity of each loan account is now made available in the BSR data. Based on this, we now have a comparable data on weighted average lending rates (WALR) for bank credit for major sectors, including that of the newly opened accounts. Availability of this information has bridged an important data gap for empirical assessment of the bank lending channel

of monetary transmission. Also, this data has opened up the potential for studying the loan quality analysis which has systemic implications for financial stability.

7. Enhancing information system is an on-going process which needs a commitment from all stake holders. There is no better occasion than Statistics Day to renew our focus and show greater resolve towards improving our data and information management system at par with the global best practice.

8. Finally, the implementation of the recommendations of the Expert Committee on the Monetary Policy Framework (Chairman: Dr. Urjit R. Patel) has made our statistical work more challenging. The move towards bi-monthly monetary policy needs quick forward-looking data and surveys on macroeconomic changes. At the same time, we need to improve our skill set on macro-econometric modelling and forecasting, including DSGE modelling. A beginning has been made; however, we need to reinforce this process. I am happy to note that during the course of the day we have the opportunity to listen to eminent econometricians who have shaped the frontiers of modelling and forecasting. Today's deliberation, I am certain will give us enough leads on our way forward.

9. I once again extend a hearty welcome to all our speakers and invitees. I look forward to the intellectual fare ahead.

Thank you.