**Introductory remarks**
**Granular data: new horizons and challenges for central banks**
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Good morning. On behalf of the Irving Fisher Committee, I would like to express my sincere appreciation for your participation and the insightful contributions you are bringing to this conference held on the occasion of the congress of the International Statistical Institute. Many thanks also to our host, the Bank of Canada, for making this happen, especially to Tetiana and Maryam and their dedicated team, and of course to the IFC secretariat at the BIS.

Today's opportunity to reflect on Granular Data and the new horizons and challenges associated for Central Banks is a good example of how we can all collectively progress and innovate in the world of Central Banking. The new perspectives brought about by the sharing of our own experiences is essential to further deepen our understanding of the issues involved and stimulate our future work using micro level information.

Granular data is in particular key to better understand economic developments, design public policies, and in turn assess their impact on the economy. Accordingly, central Banks are, as policy-making institutions but also as important collectors of micro-level information, progressively incorporating more granular insights into their day-to-day work. Let me provide a few ideas on the opportunities that this trend presents:

**First, granular data can greatly improve our understanding of the functioning of the national economy**. By analyzing individual-level data, central banks can gain deeper insights on economic behaviors, allowing for more accurate considerations of the impact of policies and economic shocks over firms and individuals. This makes it easier to detect heterogeneities among economic agents and also to update policies more rapidly. For instance, firm-level data enables a more precise understanding of the factors driving business performance, investment decisions, employment dynamics, among other things. This knowledge helps in turn central banks to formulate more effective policies as they can be better targeted to specific sectors or groups of firms, as was evident during the recent Covid-19 pandemic.

**Second, the incorporation of various sources of granular information can support the production of new, more timely indicators that can usefully complement traditional official statistics.** The incorporation of micro data has already enabled several institutions to monitor economic activities in real-time and detect early warning signs of imbalances or vulnerabilities. The insights gained this way have helped central banks to, for instance, produce more accurate and timely macroeconomic

forecasts, enhance the efficiency of their policy decisions and improve their evaluation of the overall performance of the economy.

**Third, granular information can also be instrumental to extend the scope of our analyses beyond national borders, by providing new insights on international phenomena.** In particular, micro-level data can help central banks to better identify cross-border connections and dependencies, which are vital for understanding the functioning of the global economic network and its knock-on effects on national countries. For instance, going more granular can enhance our understanding of international trade flows, supply chain dynamics, and financial vulnerabilities and contagion effects. Such knowledge is essential for monitoring global risks, assessing potential systemic disruptions and preparing coordinated policy responses. Let me in particular stress the important role played by central banks and financial supervisors in exchanging micro-level insights, for instance to produce comprehensive global financial statistics under the umbrella of the BIS or to promote knowledge-sharing of national experiences under the framework of the Irving Fisher Committee.

**Fourth, the greater attention to granular data provides an excellent opportunity for central banks to further refine their focus on data management issues.** Implementing robust systems to protect the privacy, confidentiality, quality and integrity of granular data is a key objective, not least to further improve the reputation of our institutions and the adherence to internationally agreed statistical principles and standards. In particular, the micro data revolution calls for developing new and better data governance frameworks to cover the collection, storage, processing, and dissemination of statistical information. It is a key opportunity to set clear guidelines and protocols that uphold data quality and in turn fortify public trust in what central bank are doing.

Let me stop here. Today's seminar a well as the forthcoming World Congress of the International Statistical Institute will allow us to discuss these matters in greater details. This represents a unique opportunity for learning, sharing ideas, and networking with peers from around the world. I am sure that the insights gained will help us to develop a more holistic and integrated view on central banks' use of granular data.

This represents an exciting journey, and the stakes are high, not least to ensure public trust  in the information we produce an in the policy actions we take. Many thanks to all of you to contribute to these efforts.