

SEÐLABANKI ÍSLANDS

Data Matters

A Central Banking Perspective



Data Stewardship – Chances and Challenges

EFTA

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Sound decision making is grounded in robust data

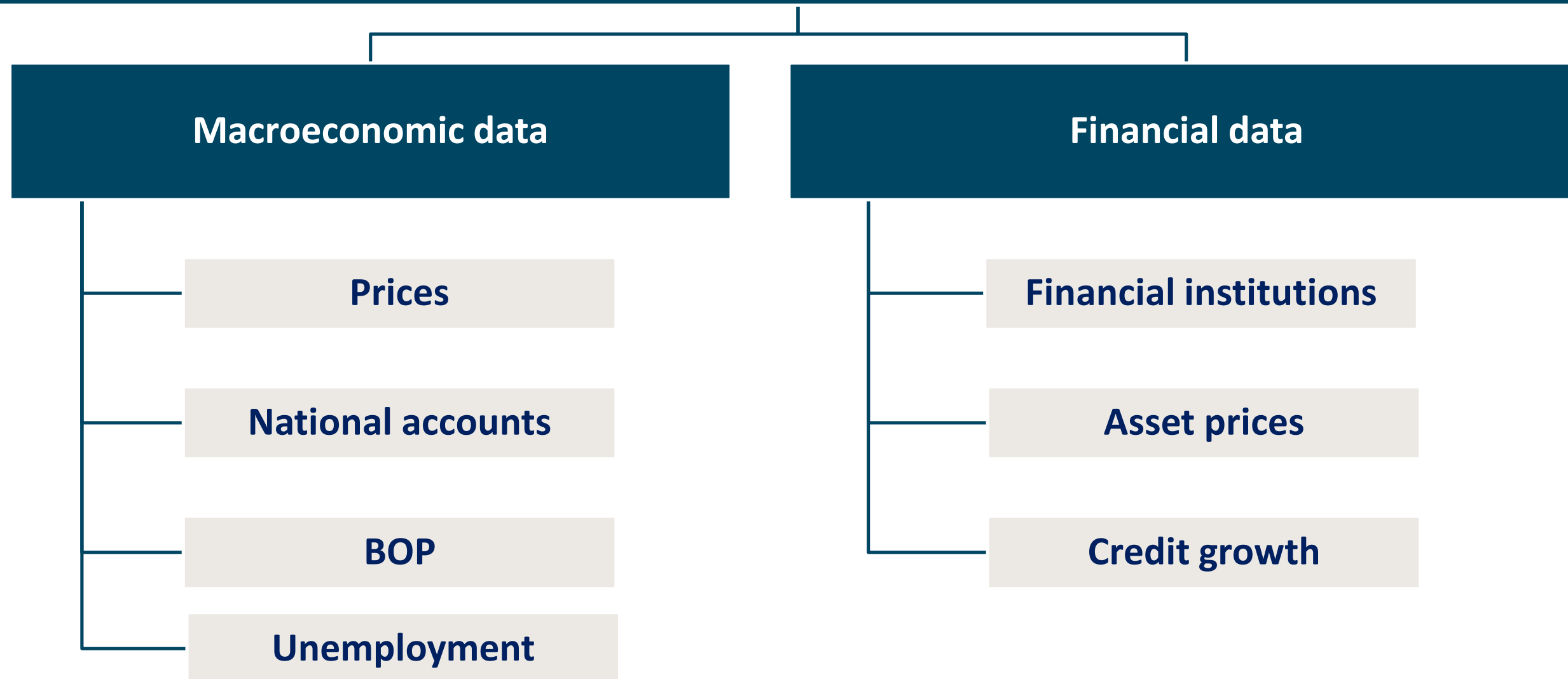
- **Opportunity as data driven society**
- **Data needs to underpin policy making**
- **Timely, consistent and accurate data**
- **Continous improvement in data management**
- **Adaptability during times of crises or stress**
- **Statistic offices are the foundation**



Reliance on data is embedded in CB core activities

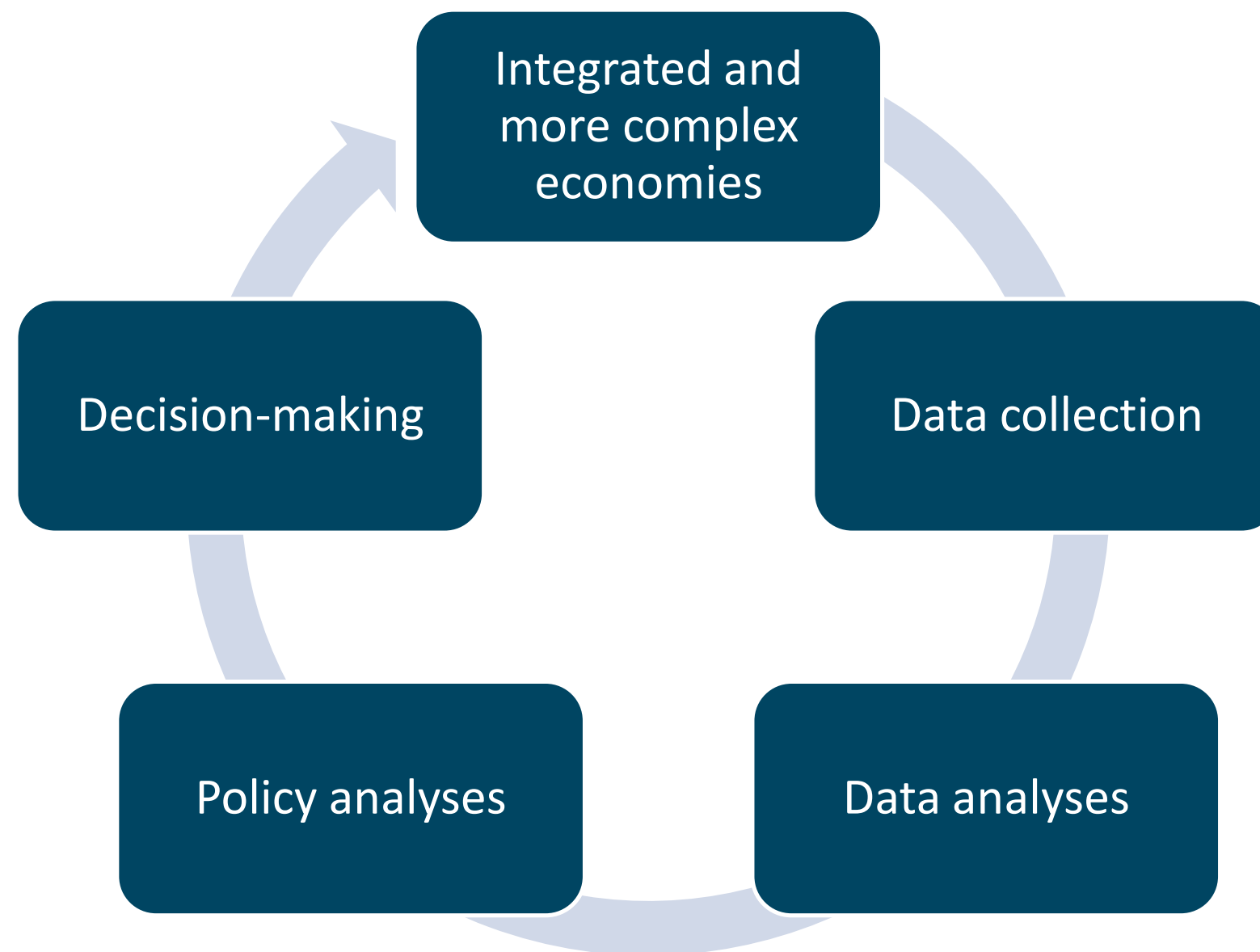


Promote price and financial stability and ensure sound and secure financial markets



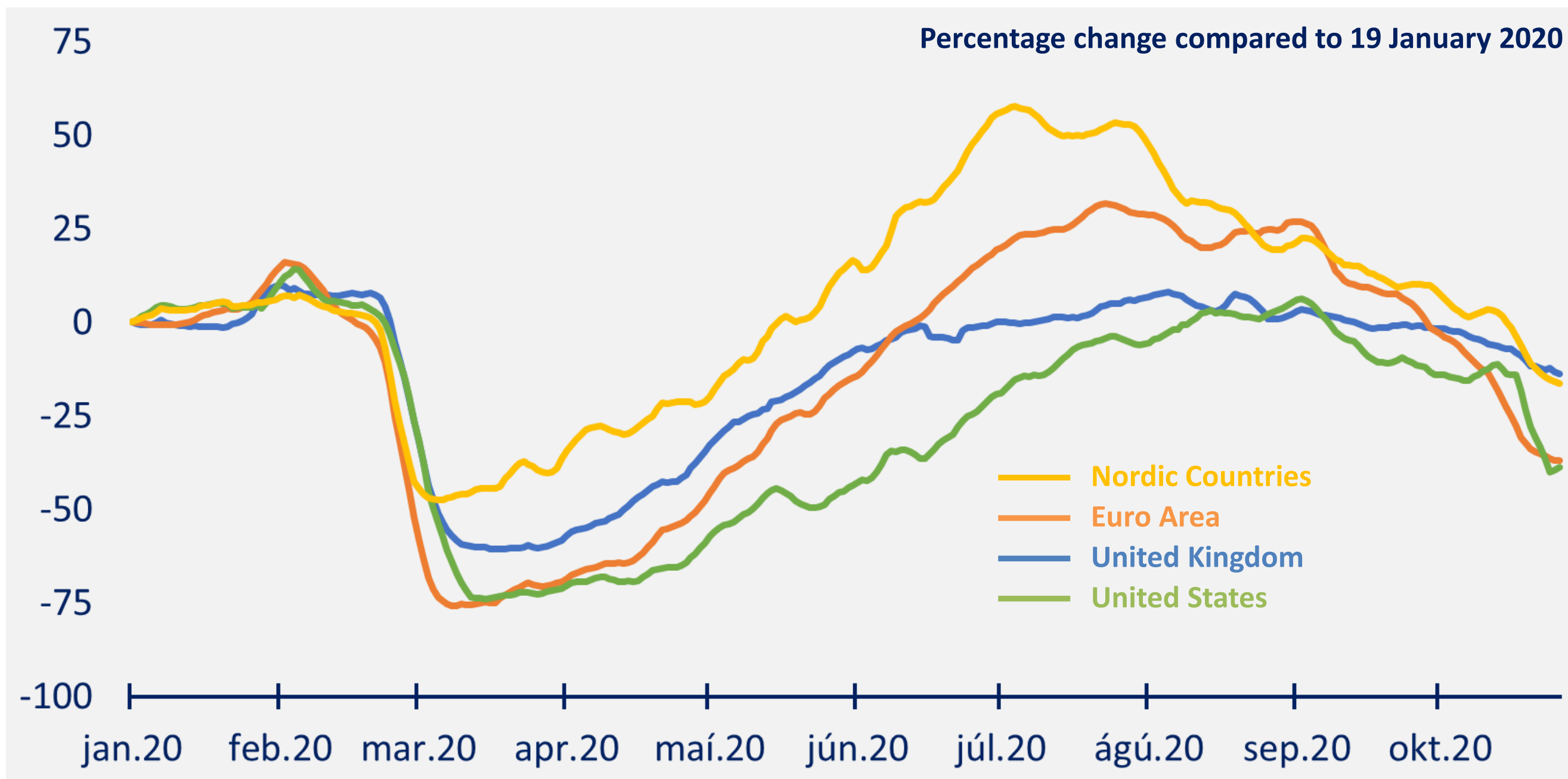
Timely and accurate information are essential

- Economies are becoming more complex and integrated
- Increased importance of data collection and analyses
- Active use of data to help us understand how economic changes influence the basis for policy and decision-making
- Underscored by the pandemic



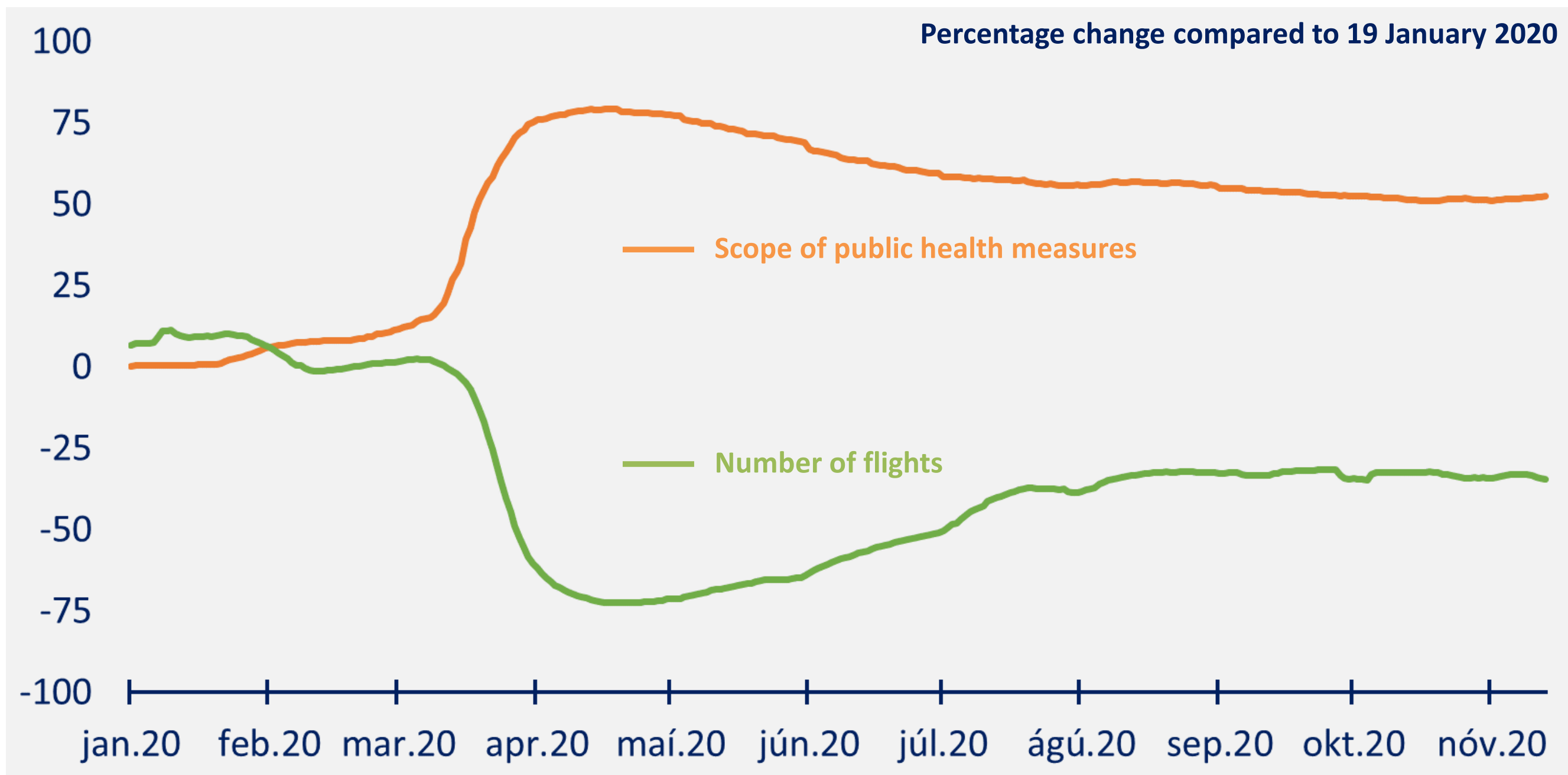
Covid: Increased reliance on high frequency indicators ...

Motor vehicle and pedestrian traffic (19 January – 13 November 2020)



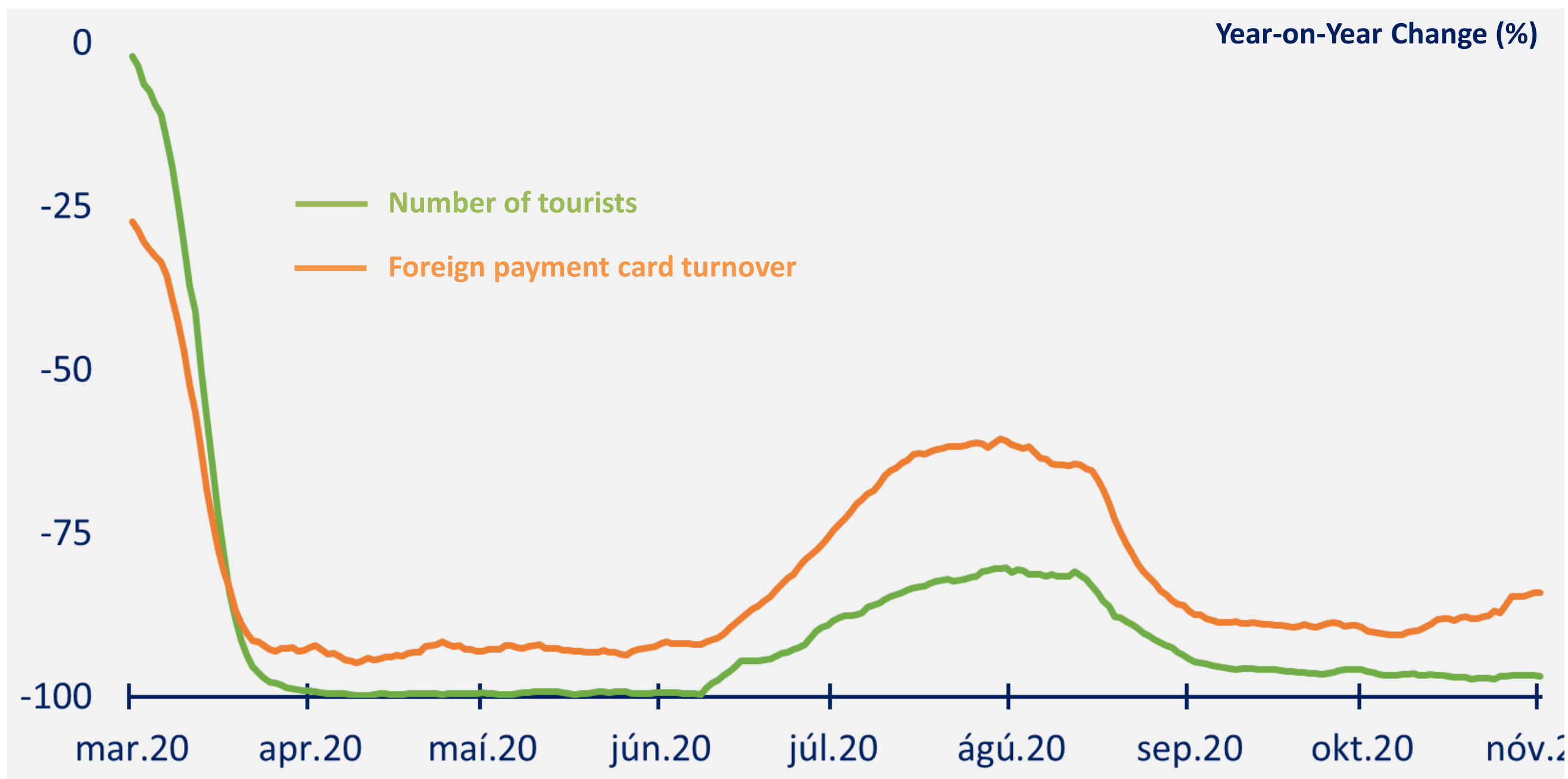
Covid: Increased reliance on high frequency indicators ...

International commercial flights and health measures (13 January – 13 November 2020)



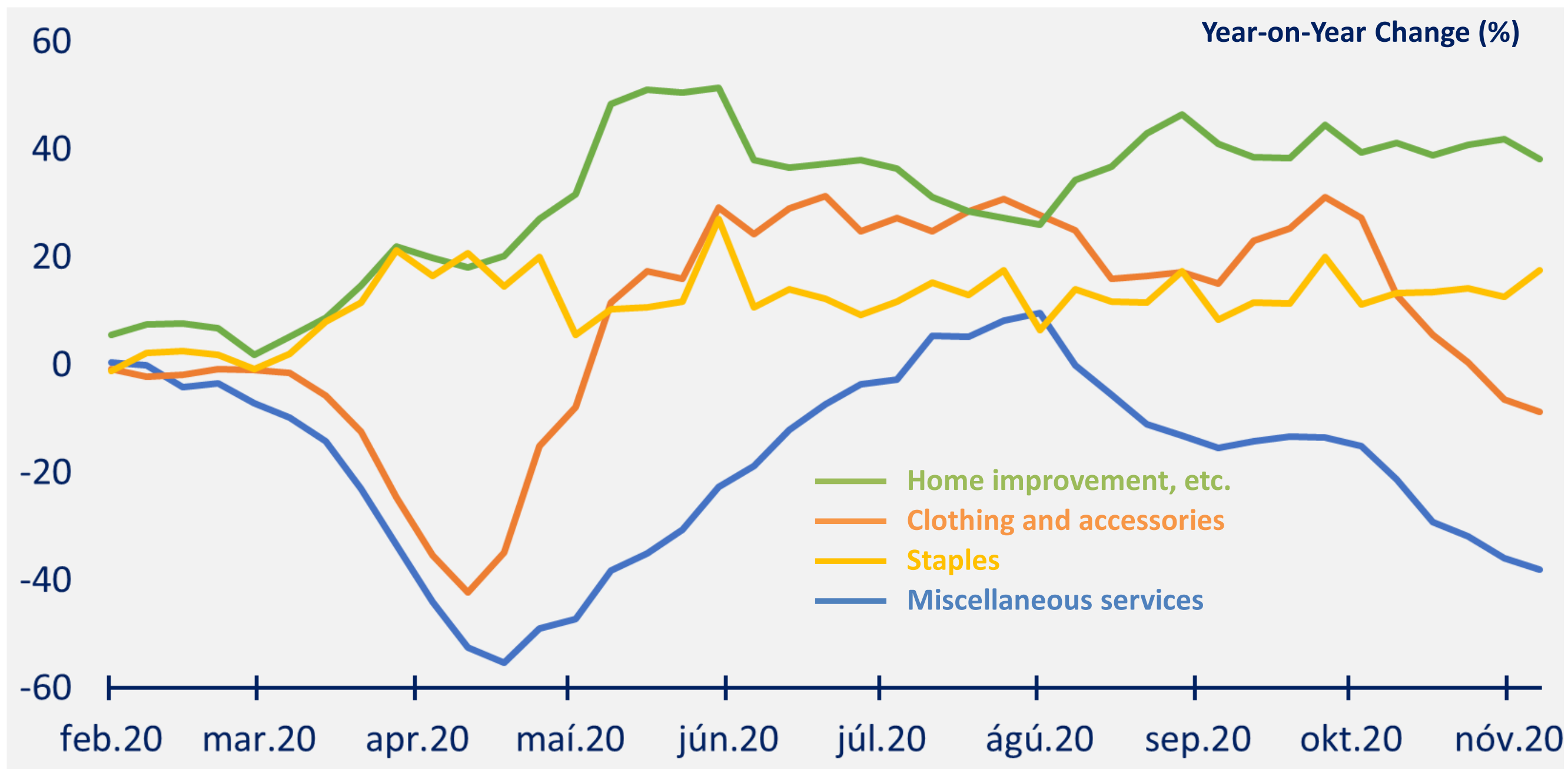
Covid: ... and they made a big difference in assessments

Tourists and spending in Iceland (7 March – 13 November 2020)



Covid: ... and they made a big difference in assessments

Icelandic household spending by category (1 February – 7 November 2020)



Enhanced data collaboration is the future

Complexity

Expertise

Cost

Formal cooperation and data sharing agreements

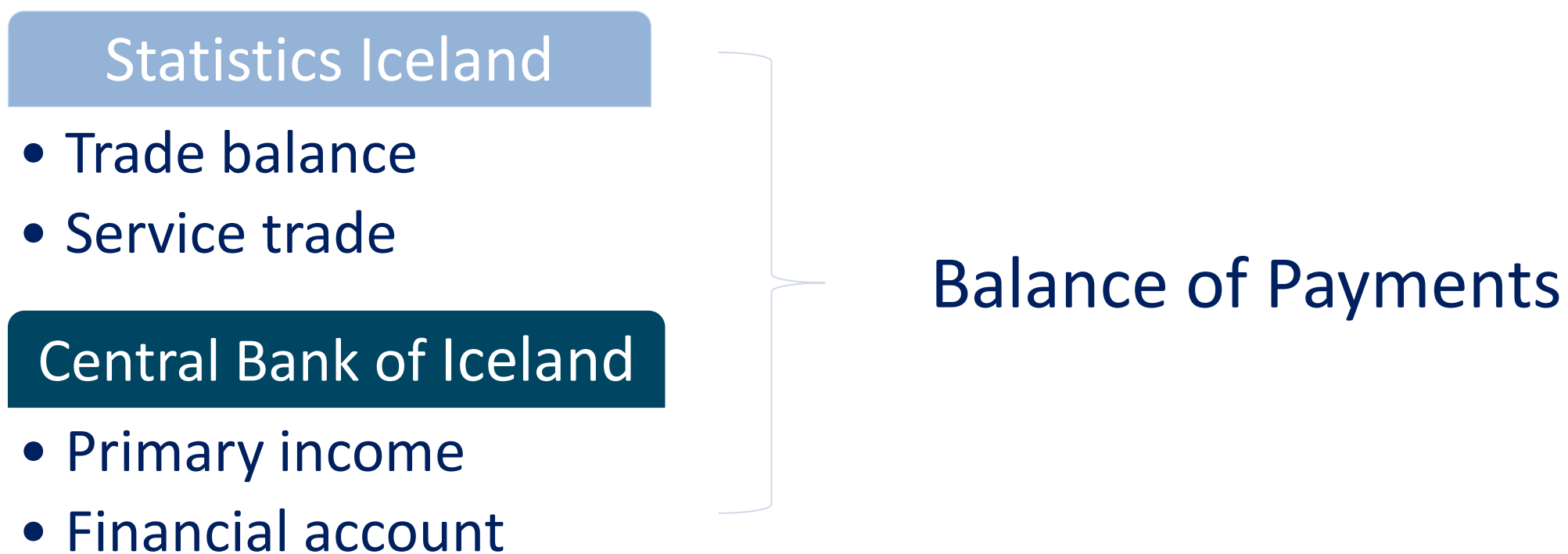
- Framework for addressing national data needs
- Enhancements of micro-data
- Common infrastructure needs

Reduce overall response burden of reporting agents

- Collect data once use multiple times
- Division of labor and sharing expertise
- Leverage best practices in data submission

CBI collaborates effectively with Statistics Iceland

- Various Statistics Iceland data essential for the Central Bank in fulfilling its role
- Balance of Payments and National Accounts statistics



- Synchronization between Balance of Payments and National Accounts statistics
- Sharing of transaction level data where possible

However there are opportunities to improve



- **Good effort to date, however more is needed**
- **Required to respect the different responsibilities**



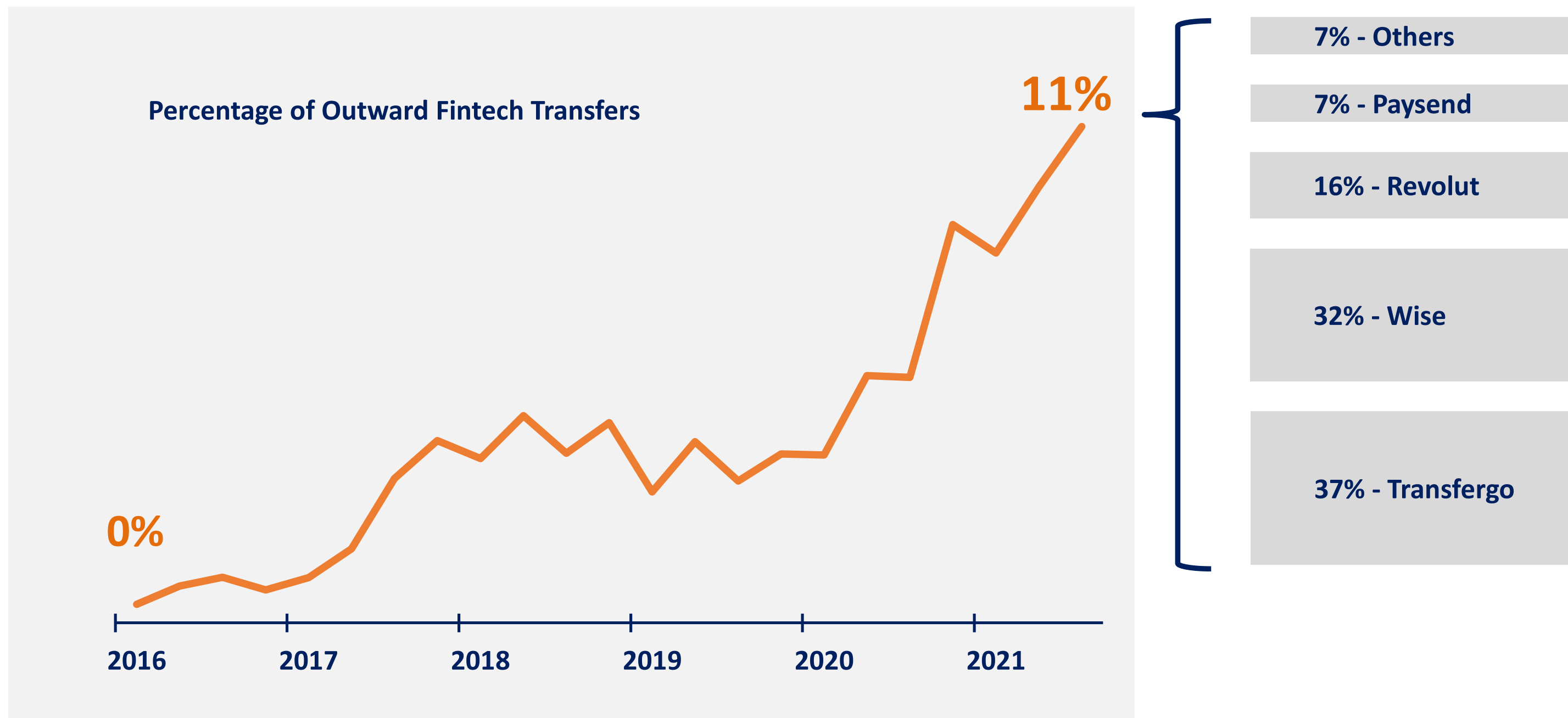
- **Dialogue ongoing on various initiatives for improvements**
- **Make legal framework more robust**



- **Single company registry for production of statistics**
- **Explore joint data collection efforts**

New data sources in response to change in activity

Significant increase in use of FinTech platforms for personal remittance transfers



Transmission of information is our obligation



Value Proposition

Economic Actors

Transparency

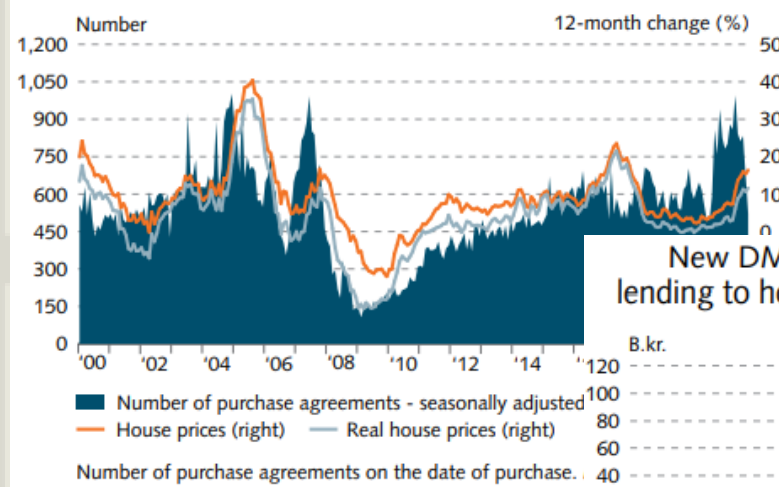
Innovation

Feedback

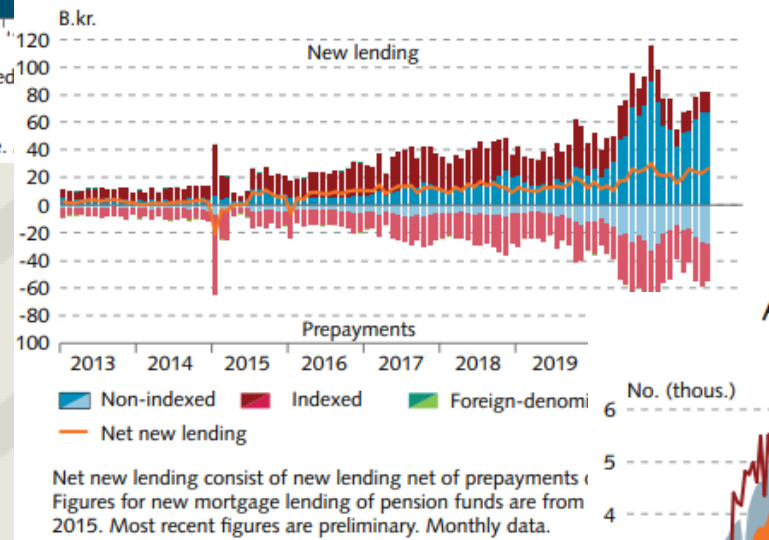
Predictability

Transmission of information – recent case

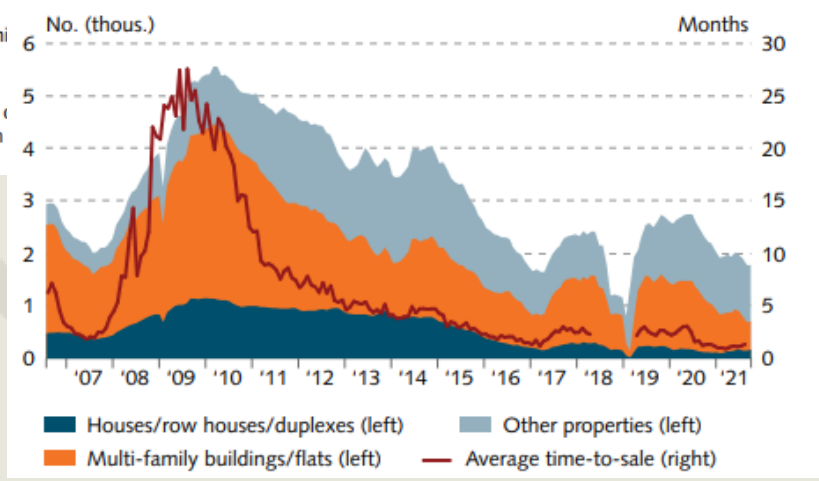
Housing market prices and activity in greater Reykjavík



New DMB, pension funds, and HFF mortgage lending to households and prepayments of older loans



Advertised capital area property and average time to sale

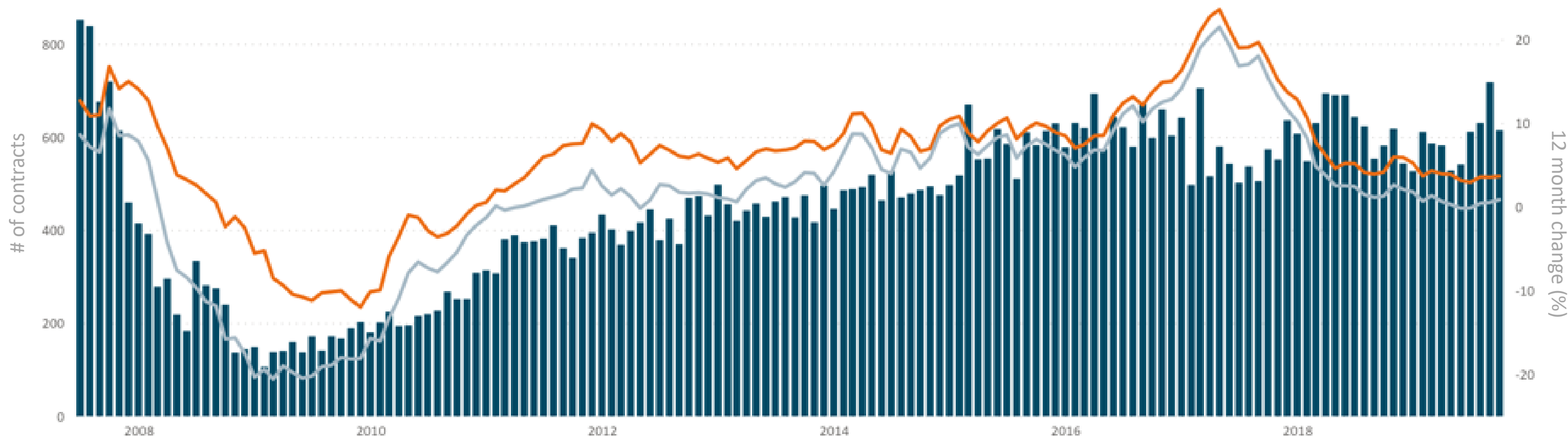


2021 | 3

HAGGVIÐSAR

Transmission of information – recent case

Price of RRE and # of contracts in greater Reykjavik area

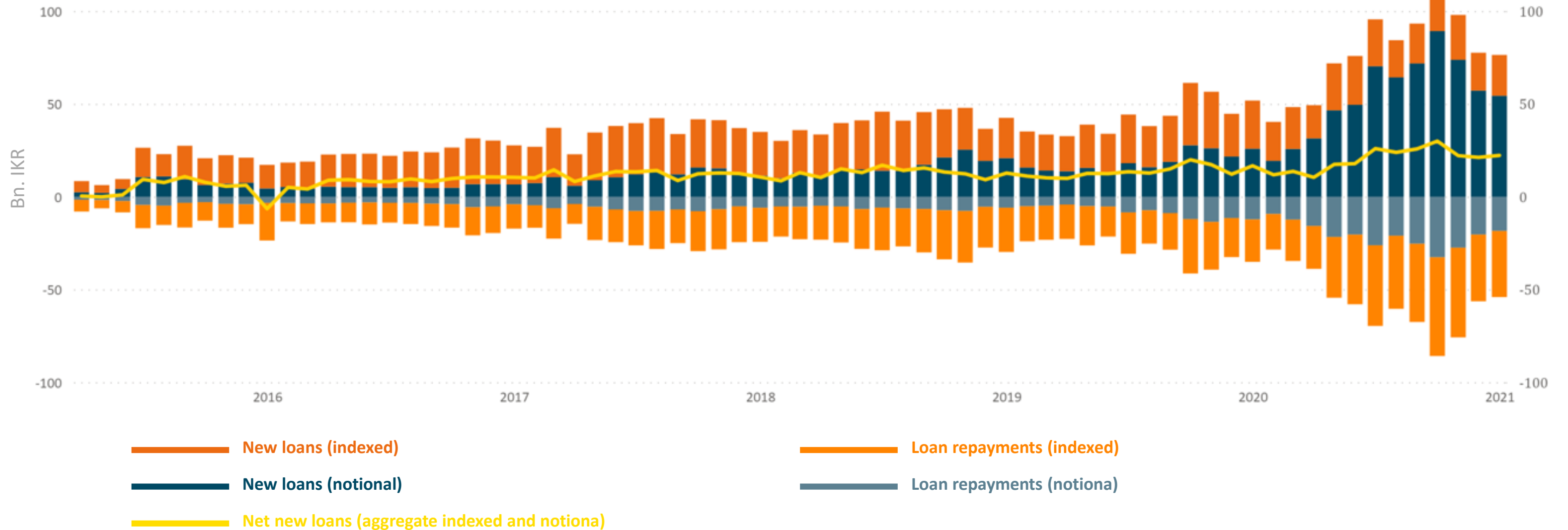


- # of contracts (monthly seasonally adjusted numbers) – r.axis
- # of contracts (monthly seasonally adjusted numbers) – l.axis
- █ # of contracts (monthly seasonally adjusted numbers) – l.axis

6/13/2007 10/19/2019

Transmission of information – recent case

New residential mortgages and repayments of outstanding loans



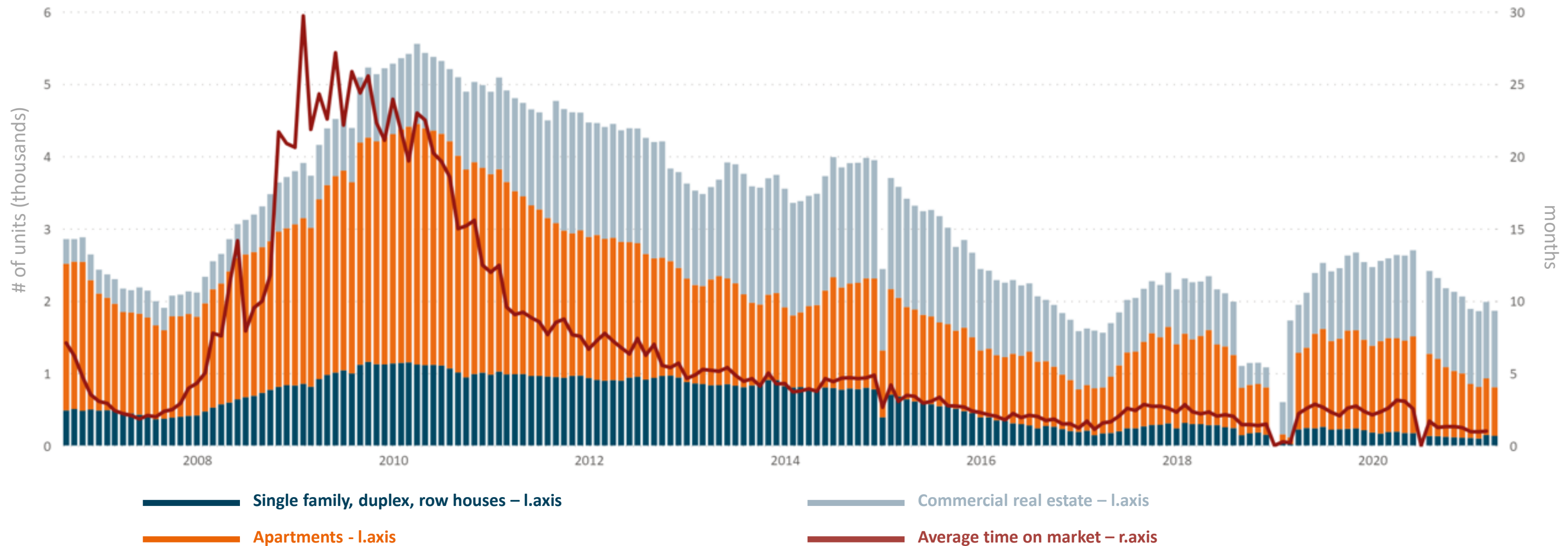
3/22/2015

4/1/2021



Transmission of information – recent case

Houses for sale and average time until sale



1/1/2000

4/1/2021



Data will always matter and collaboration is the key to move forward

- Data is more important than ever
- Cooperation and data sharing are essential
- Transmission and transparency are required



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Happy birthday!



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