

Caribbean Financial Statistics Project



Background and Rationale



- **The process of integration within the region is increasingly deepening;**
 - financial integration
 - movement of people (tourism or mode IV)
 - increased trade.
- **The intervention of the CBTT and Gov't of Trinidad and Tobago into the operations of CL Financial revealed the inadequacy of data on regional linkages**

Background and Rationale



Data Gaps include;

- Financial soundness indicators for the non-bank financial sector
- Data on the non bank financial sector
- Data on intra regional financial balances
- Data on Government fiscal deficits and financing

Project Objectives



The project is designed to complement the work of regional central banks, national statistical offices, CDB, CARICOM, IMF, UNECLAC and other agencies.

Objectives include;

- Creation of a regional database of economic and financial statistics that can be used to adequately measure the performance of the financial sector including financial sector soundness
- To introduce at the national & regional level a range of urgently needed data, including on nonbanks , conglomerates and cross border financial transactions

Project Objectives



- To disseminate data and analysis (tables, charts, reports, data series) on a timely basis in electronic form using the internet
- To ensure there is a framework and capacity at the CCMF, the regional central banks and relevant Gov't agencies to sustain the timely compilation of monthly and higher frequency data on an on going basis.

Scope of Work



The project is designed to address statistical requirements in the following areas;

- ✦ Financial Soundness indicators and other financial data
- ✦ Data on Regional Financial Integration
- ✦ Stock Exchange Data
- ✦ High Frequency data

Financial Sector Data



- Financial soundness indicators – e.g capital, non performing loans, profitability, liquidity, forex exposure.
- Wages and productivity in the financial sector
- Bank concentration, ownership structure of the financial sector
- Data on credit unions, insurance companies mutual funds, pension funds (size, asset composition, transaction volumes etc).
- Gaps would be identified and recommendations for remedies will be made by the study.

Regional Financial Integration



Urgent need for data that will permit the measurement

of financial integration in the Caribbean;

- Bank balances outstanding with regional partner countries
- Cross border investments of Insurance and other non-bank financial institutions.
- Holdings of government securities by other regional partner governments
- Evidence of activity across regional stock markets, cross listings, arbitrage opportunities, cross border purchases and sales
- Other cross border investments

Stock Exchange Data



- Long Data series on stock performance and market performance
- Cross border activity

High Frequency data



- Long series of comparative daily exchange rates for Guyana, Trinidad and Tobago and Jamaica.
- Daily information of foreign exchange market activity- purchases, sales, reserves, bid-ask spreads
- Daily international prices for commodities- oil, gas, sugar, bananas, bauxite/alumina.
- International benchmark interest rates US T-bill and Libor
- Interest rate data for respective countries

Project Delivery



Project will be delivered in three phases;

- first phase; six months – identification of statistical needs & preparation of a report with recommendations for a system for providing this data.
- Second phase; 18 months- implementation of plan of action for producing daily and monthly data by Central banks and other bodies to transmit to CCMF.
- Third phase; 12 months – rectification of problems, making revisions to systems and training of staff of CCMF, central banks and other relevant authorities.

Deliverables



- A comprehensive system of collection & publication of regional financial system data and indicators by CCMF on a monthly & daily basis.
- A comprehensive system of collection & publication of data on Caribbean regional financial integration on a suitably frequent and timely basis.
- Daily publication of data on the performance of regional securities exchanges
- Daily exchange rates, forex activity and forex reserves and other high frequency data.

Modalities for Project Delivery



- Project is currently being considered for financing
- Comprehensive survey of financial statistics reporting in the Caribbean
- Identification of requirements of an adequate system of regional statistics
- Development of an action plan for updating financial statistical reporting in the Caribbean
- Coordinate a regional workshop to discuss the recommended programme, agree to the plan of action and assign responsibilities for various aspects of reporting.

Modalities for Project Delivery



- Monitor & advise on the implementation of the plan of action, & provide training where necessary with the assistance of CARTAC and other institutions as appropriate.
- Prepare report on implementation at the end of the second year of the project and organize a second workshop to discuss the implementation report.
- Complete training of CCMF staff and staff of other reporting institutions.
- Prepare final report on the project

Project Management



- The project will be managed by the Executive Director of the CCMF.
- The CCMF will provide administrative services for the project, including office space & admin support to the consultant and research assistants.
- Project will be coordinated by a qualified and experienced economic statistician to be recruited by CCMF
- Research assistance will be contracted as needed through the life of the project

The CCMF



- CCMF is a policy institution which established by central banks of CARICOM countries and the UWI to undertake studies & policy research on monetary and financial policy issues
- CCMF evolved from the CCMS which was formally established in 1995 to carry forward the work of the Regional Programme on Monetary Studies (RPMS established 1968).
- For more information visit our website;

www.ccmf-uwi.org