The Importance of Data: Statistics During the Pandemic and Beyond

Rory McElligott, Head of Statistics, Central Bank of ireland
Central Bank of Ireland Virtual Conference, 7 October 2021

Challenges and innovations in a pandemic

Security of Supply → Power of the Granular → Real Time Data → Lessons to take forward

Quickly Understanding Financial Exposures
Example: Airlines

€ millions	Long-Term Debt Securities	Quoted Shares	Total
Total	**1,014**	**4,513**	**5,527**
Investment Funds	867	3,552	4,418
Credit Institutions	36	432	469
Household (inc NPISH)	0	244	244
Other Companies	111	235	396

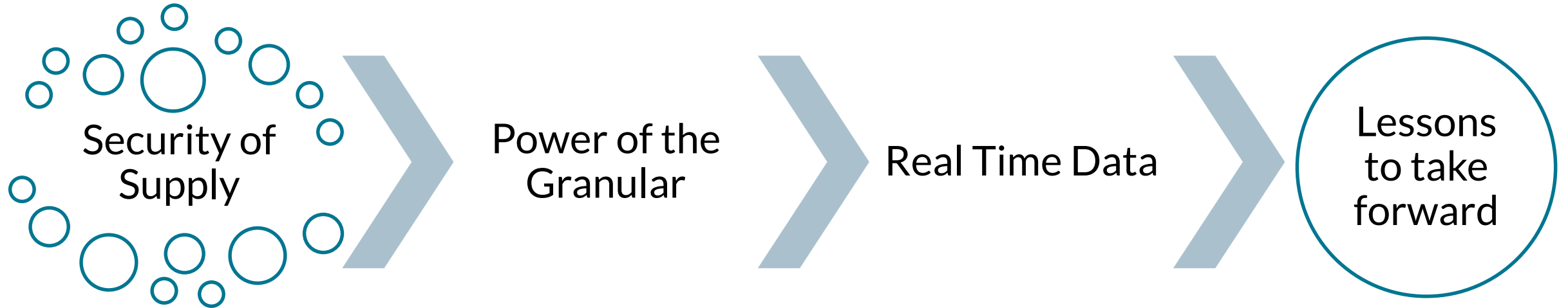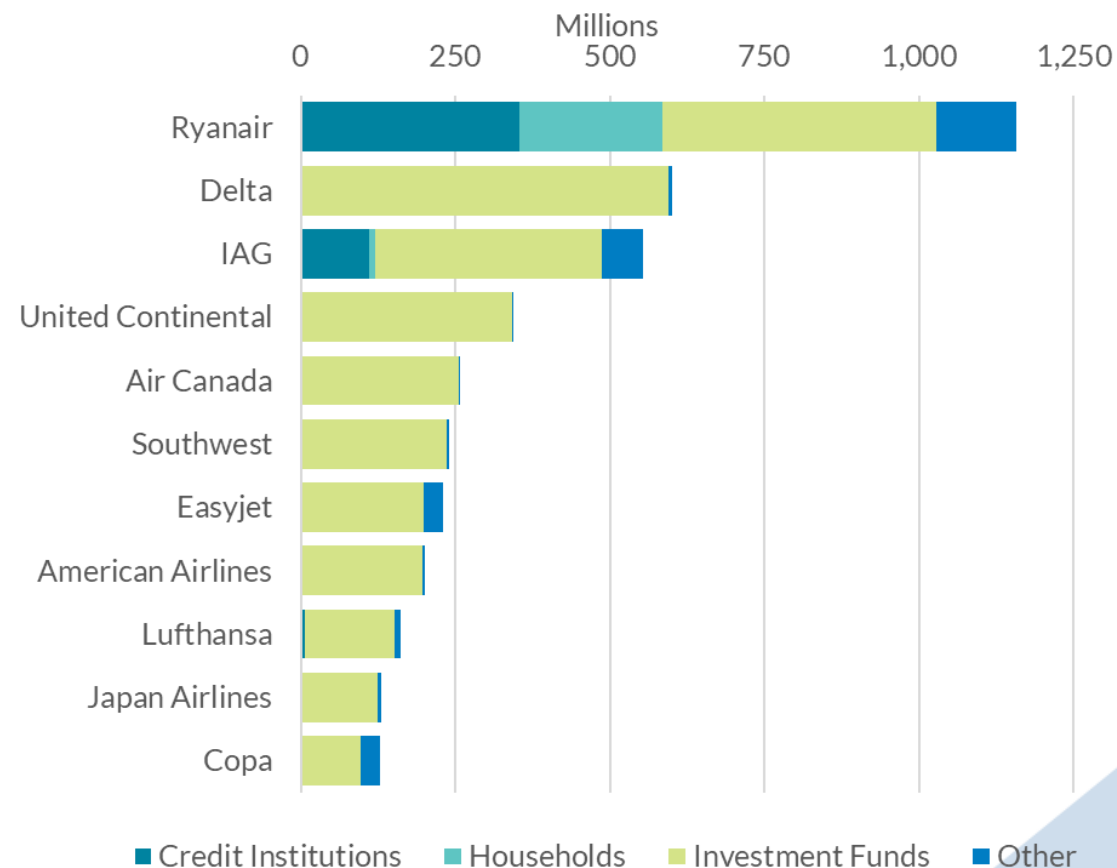*Securities Holdings Statistics,Q4 -2019*

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Power of the Granular

Developing new fast-to-market insights: Access to business credit

Number of new business loans by customer type

Chart: Change in number of new loans

- % change Q2 2020 v Q2 2019
- % change Q2 2021 v Q2 2020

Legend: ■ Existing customers ■ New customers
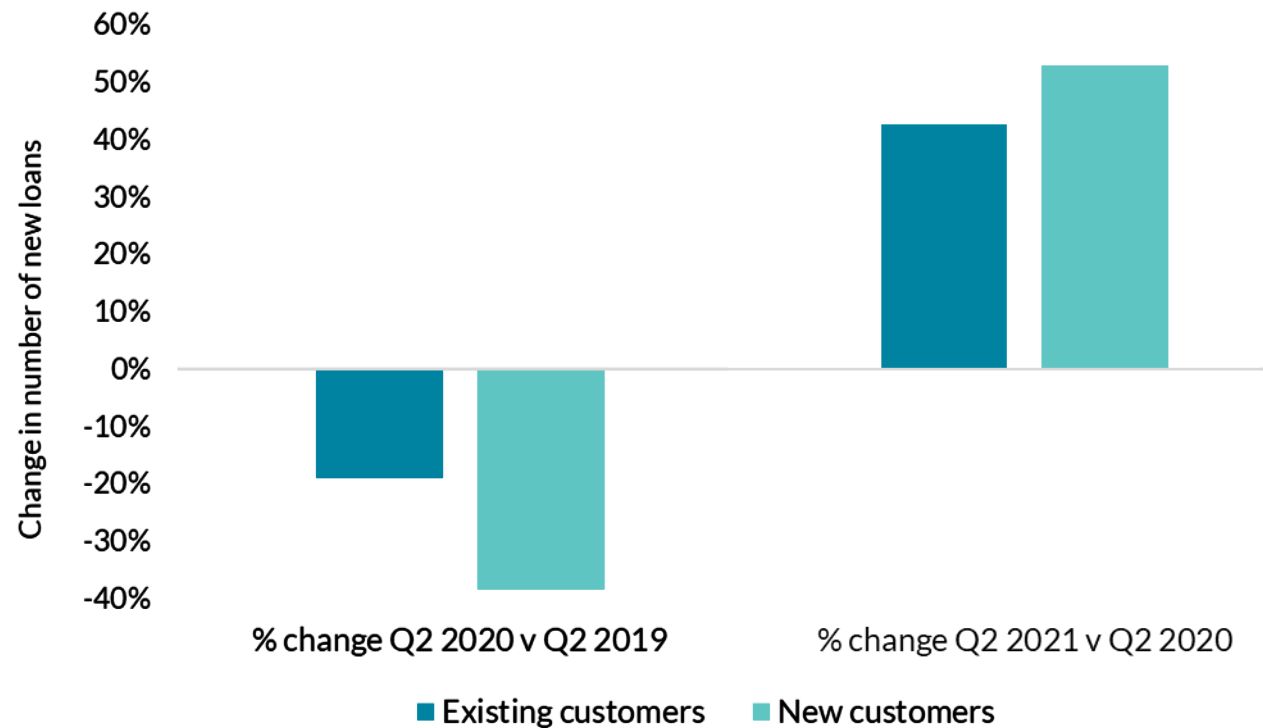
Summer 2020
- Market intelligence and anecdotal evidence indicated banks were focused on supporting existing customers but highly selective new lending proposals and new-to-bank customers
- Granular data highlighted the sharper decline on lending to new customers

Summer 2021
- July '21 market intelligence indicates banks appetite for 'new to bank' lending improved, albeit remains selective
- Granular data supports the MI; banks increased the number of new loans extended to 'new to bank' customers in Q2 2021 (+53% Y-o-Y)

Banc Ceannais na hÉireann
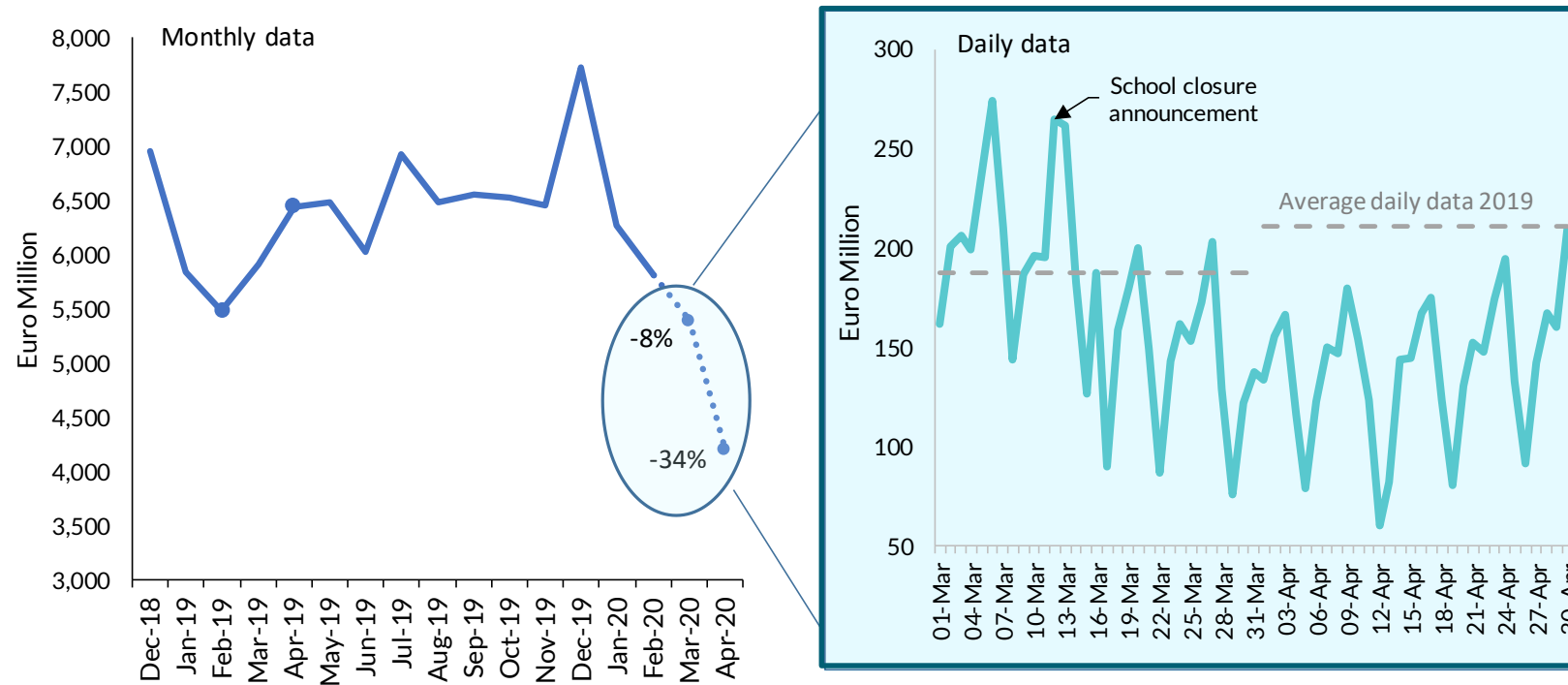Central Bank of Ireland
Eurosystem

Real Time Data

High Frequency Data

Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

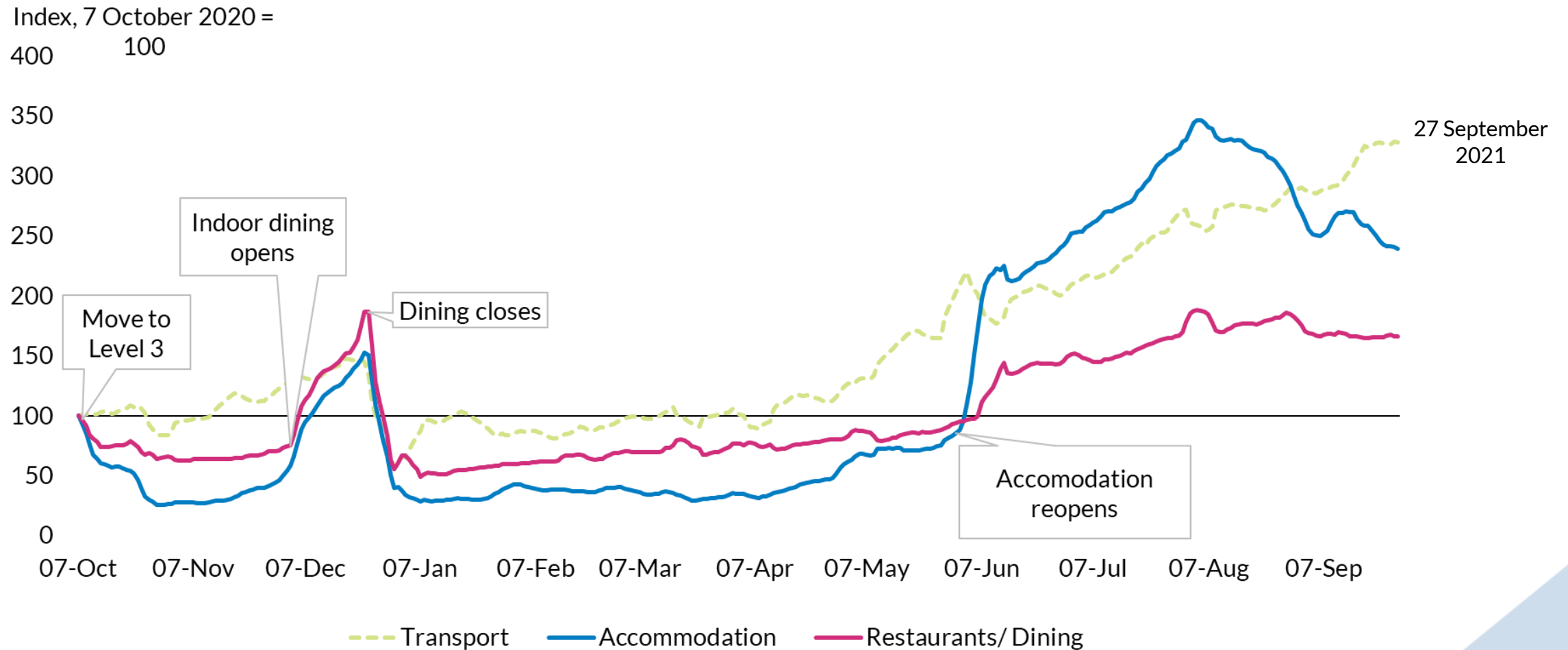# Real-time retail card payments data during early Covid-19

Monthly data

Daily data

School closure announcement

Average daily data 2019

-8%

-34%

Central Bank of Ireland Statistics: Daily Credit and Debit Card Spending

March: *A month of two halves as the impact of the restrictions takes effect*

April: *Spending largely plateaued and begins to recover towards month-end*

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Later evolutions of (card) spending brought daily sectoral spend (published weekly)

Index, 7 October 2020 = 100

Move to Level 3

Indoor dining opens

Dining closes

Accomodation reopens

27 September 2021

Legend: Transport — Accommodation — Restaurants/ Dining

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Credit demand: Daily enquiries for new loan applications

Companies

Index: 100 = Feb 1-7 2020 / Number of daily cases

Legend:
- Daily Increase in Cases (RHS)
- Business Overdraft
- Business Leasing & HP
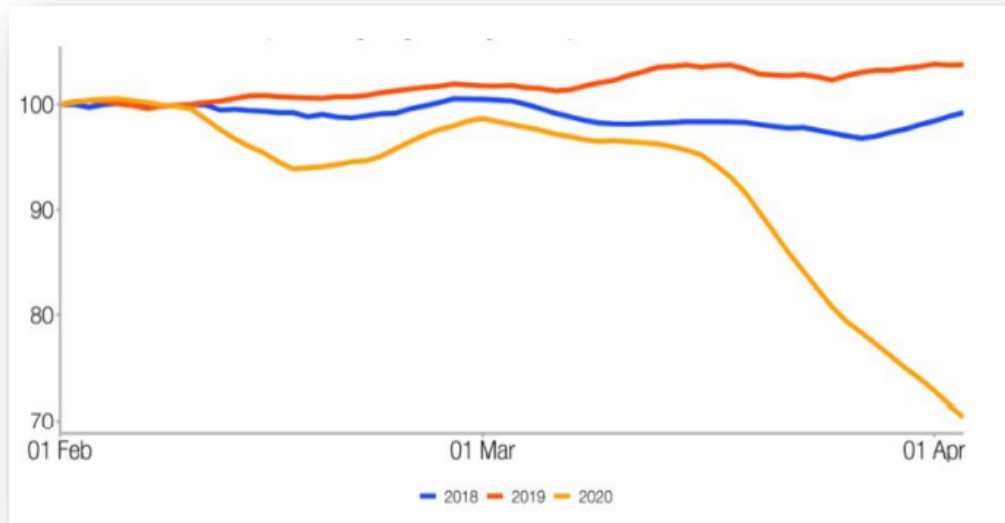- Business Loan
- Other
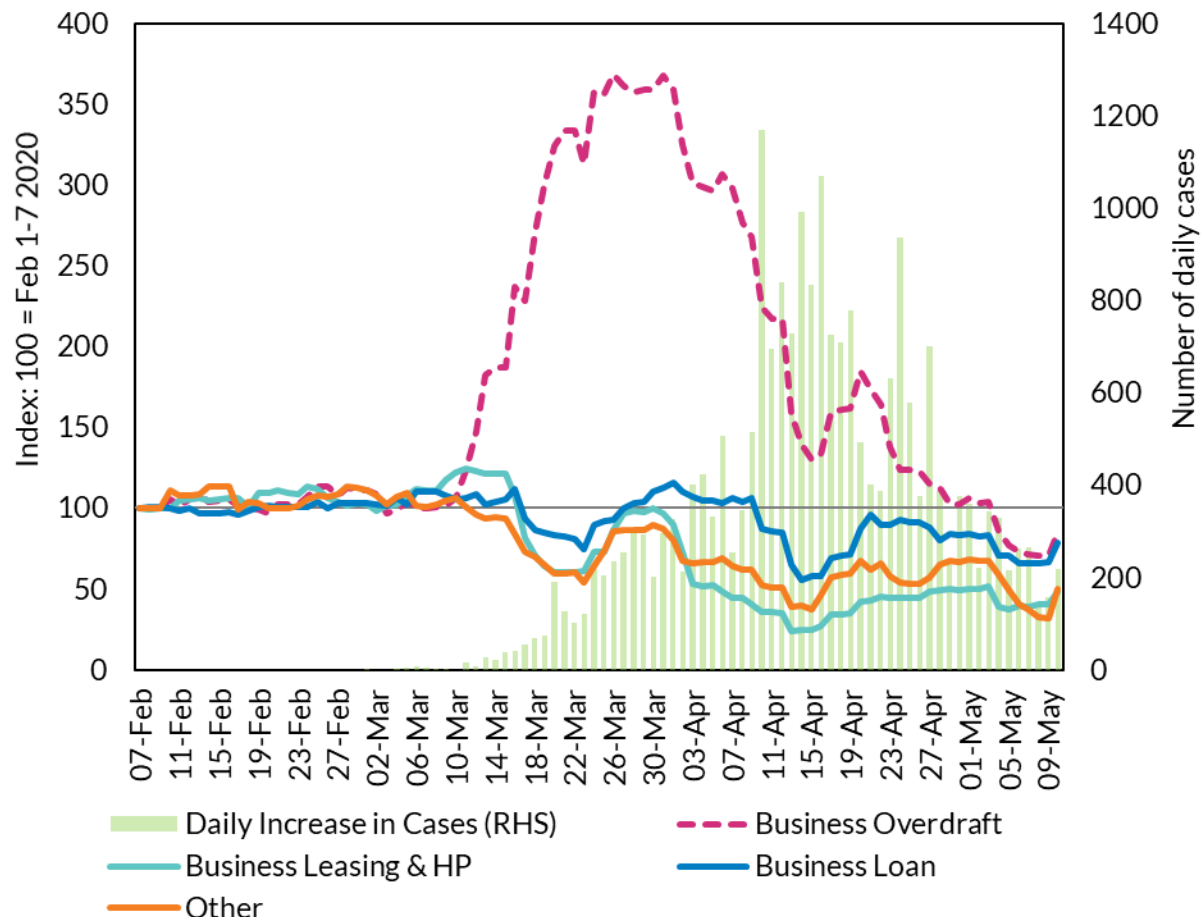
- Importance of early indicator of changes in credit demand

- Existing credit statistics available at a monthly frequency, and relate to loans already agreed.

- Useful to tie in with other indicators such as the Bank Lending Survey and new business data.

- Useful leading indicator for less-timely credit data, which should be mirrored in credit stats from this month.

Updated data from Central Bank of Ireland Behind the Data; "How has new loan demand changed during the COVID-19 crisis", Rory McElligott, Martina Sherman and Maria Woods

New Central Bank of Ireland *Real Time* Indicators
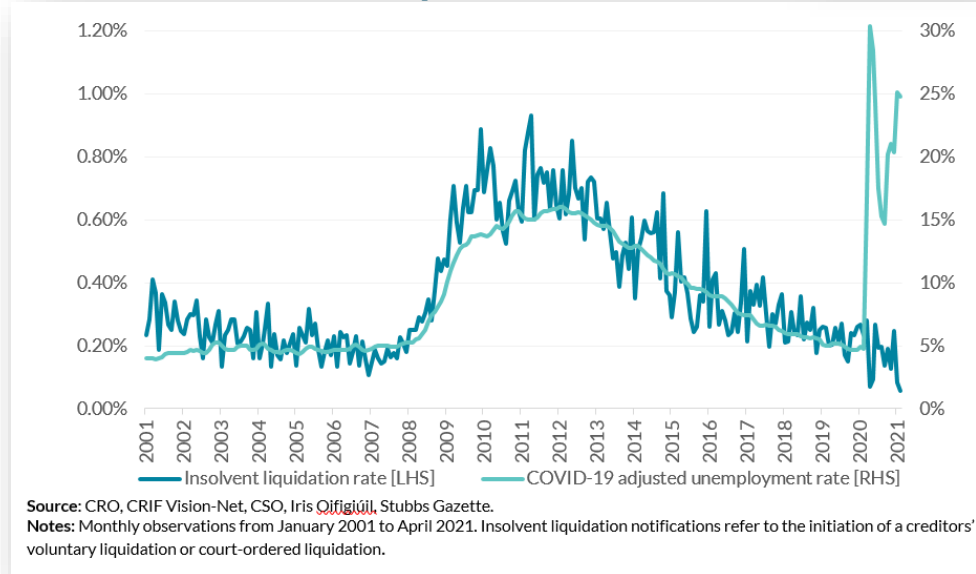
Job postings in Ireland

Central Bank of Ireland Economic Letter, Vol. 2020 No. 3; "COVID-19 and the global labour market: Impact on job postings", Pawel Adrjan and Reamonn Lydon

Business Cycle Indicator
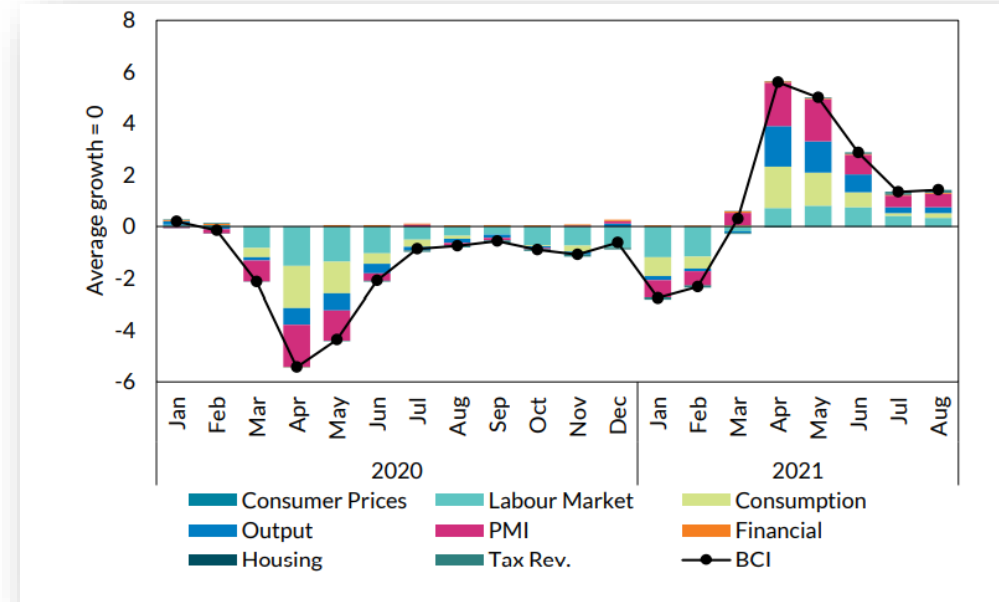
Central Bank of Ireland Quarterly Bulletin Q4 2021, Figure 10. Updated on 28/09/2021

Business Insolvency Indicator

Source: CRO, CRIF Vision-Net, CSO, Iris Oifigiúil, Stubbs Gazette.
Notes: Monthly observations from January 2001 to April 2021. Insolvent liquidation notifications refer to the initiation of a creditors' voluntary liquidation or court-ordered liquidation.

Updated data from Central Bank of Ireland Economic Letter, Vol. 2020 No. 13; "Irish company births and insolvent liquidations during the COVID-19 shock", Niall McGeever, Cecelia Sarchi ad Maria Woods

Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Central Bank of Ireland - RESTRICTED

Learning that we take with us

Unlocking the value of our high quality data

- We are collectively sitting on huge wealth of information
  - Integration of data, information and expertise is key to unlocking value

- Frontier / Experimental statistics can be fast-to-market
  - User needs are real and urgent; decisions must be taken with best available information
  - New challenges such as climate change will require similar approaches (e.g.) but tools are there (e.g. collateral and geo-locations)

- Communication and engagement
  - The pandemic just set a new high bar on how we communicate statistics in the future (Great examples set in data journalism)

- People unlock the value
  - They brought the imagination & dedication. Collaboration brought diverse views, perspectives and skills which allowed for rapid progress

Data gaps remain

- Demand for coherent and consistent distributional information for the household sector to better understand on wealth inequality

- Timely information on firms and business financial conditions

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Challenges and innovations in a pandemic

Security of Supply → Power of the Granular → Real Time Data → Lessons to take forward