

**6th INEXDA Meeting**

**Friday 22 November 2019**

**Welcome address by Denis Beau, First Deputy Governor**

Ladies and Gentlemen, dear colleagues,

I am very glad to introduce this meeting of the Inexda network. Let me take the opportunity offered to me to underline the strategic importance of data for public authorities and central banks in particular and put into perspective some concrete actions to leverage the full benefits of the data revolution which is underway.

Our world has changed. Every single second of my intervention, 30 terabytes of information will be exchanged. Economic agents are globally interlinked; the digital revolution allows them to take decisions, act and counteract instantaneously. Hence, our job and our mission have also changed. We cannot any longer understand and prevent the risks stemming from networks and interconnected agents only through some low-frequency aggregate figures computed independently from each other.

As a central banker and supervisor working for an institution in charge of monetary and financial stability I am well placed to see that this is not enough. We must now use the full wealth of information available to contribute to the monetary policy or financial stability debates in which we are involved, not to mention the general public's expectations for ever more detailed and timely information.

As a result, microeconomic data have become increasingly important, and data sharing issues have also become central to our resource management agendas. We must break the silos between data producers and data users, both at the national and at the international levels. This will contribute to enhance not only the quality of our economic analyses and our assessment of financial risks, but also to improve the effectiveness of other public policies we contribute to like AML and crime and terrorism prevention.

Indeed, public authorities should be at the heart of data dissemination and data sharing, as they both compute and analyse the data. They are all the more at the forefront of data making than they release data of a very important and specific type : they are not necessarily more frequent than those released by private providers, they are not necessarily broader or more detailed, but they are reliable. The hallmark of public authorities is to release and open access to data of high quality that people can trust.

This is the reason why data are no longer considered inside public authorities only as cost items in the back office, but as a strategic asset, especially since the “information to data” ratio is to our advantage compared to data from the private sector and social networks. In that respect, central banks should play a major role as reference actors in an uncertain and competitive world in which public authorities and even experts are being questioned.

The challenge for public institutions, and national central banks in particular, is hence to enhance the value of data by developing a sharing approach, by leveraging technical and methodological progress (BigData, data science, etc.) and by delivering information at different levels (granular data, and microeconomic data consistent with macroeconomic aggregates encompassing distributional figures). In that respect, I really would like to emphasize that Big data, data science and beyond, the well-managed use of artificial intelligence are not in my view a threat to public statistics, but a golden opportunity to better understand our environment and to shed light and therefore positively contribute to public debates with reliable data while guaranteeing the security of a growing amount of confidential data.

Inside the Banque de France, our determination to take up this challenge has led us to develop and implement a structured and cooperative approach:

- First, the Banque de France now has a Data strategy personified and under the responsibility of our Chief Data Officer, Renaud Lacroix, who reports directly to me, and the brand new Data and analytic services directorate, serving all the Banque de France’s business lines;

- Second, this strategy is open to the Banque de France’s partners: other national central banks, the French financial market authority, National Statistical Institutes, but also International Organizations. The objective is to promote data and knowledge sharing within our ecosystem and beyond: academic research in particular must have easier access to micro data from the financial system.

However, valuing and sharing data is easier said than done. Many initiatives have been launched by national authorities. They all testify that the implementation of large-scale data initiatives require significant investments and the learning of a know-how that can only be acquired with the experience acquired in the daily management of Bigdata infrastructures.

At the international level, significant progress have already been made under the aegis of the IMF's Datagaps initiative. However I would like to stress that, in my opinion, the action of the INEXDA network should play a central role in this strategy of openness, by leveraging the experiences of each institution, and by creating a common knowledge base around our data, the methods to manage them and to access them.

The presence in the network of the ECB, Eurostat, countries beyond the European borders, the support provided by the BIS, all this reflects the need for enhanced international cooperation to address our major data challenges, and is a great asset of the INEXDA network. Let me hope that it can for instance positively contribute to the development of common data processing infrastructures, which from a long term perspective is for me a very most promising way to add up our strengths and benefit fully from the advantages of pooling costs and expertise.

On that hope, I wish you a very fruitful meeting, and I thank you for your attention.