



CENTRAL BANK OF TRINIDAD & TOBAGO

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OPENING REMARKS

at

The Stakeholder Workshop

hosted by the

*Ministry of Planning and Development &
The Central Statistical Office
in conjunction with
The Central Bank of Trinidad and Tobago*

on

“The Rebasing of the Gross Domestic Product”

delivered by

*Ewart S. Williams,
Governor, Central Bank of Trinidad and Tobago*

August 12, 2004

Salutations:

The Honourable Camille Robinson-Regis, Minister of Planning
and Development

Members of the Diplomatic Corps

Distinguished Ladies and Gentlemen

Let me welcome you to the Central Bank and to the Stakeholder Workshop on “*The Rebasing of the GDP*”.

This basically is a presentation by the Ministry of Planning and Development, and the Central Statistical Office (CSO). The Central Bank is here (partly), as the landlord, and more **fundamentally** to lend support to CSO’s considerable efforts at improving the statistical infrastructure of the country.

In fact, we have a more direct interest in the exercise. As you may know, while the CSO has the responsibility for the production of the national accounts, the Central Bank has tried to supplement CSO’s work through the production of quarterly national accounts estimates. These quarterly indicators are very important for the Bank’s work since, to make our monetary policy decisions, we need to rely on the most current data available.

Accordingly, with the rebasing of the national accounts by the CSO, the Central Bank has also undertaken a similar exercise so as to ensure that our quarterly series is consistent with the national data.

Let me state categorically that the Central Bank strongly supports the rebasing exercise. There was a time, even in developed countries, when any kind of data revision at all was greeted with some uneasiness. In those days, data revision was taken to mean that there were errors made and were being corrected; for suspicious minds, data revision was even identified as tampering. But those times have passed and now, in most countries, data revision is considered routine and seen for what it is - an opportunity to improve the quality of statistical estimates through, for instance, incorporating better sources data, or by using

improved methodology or, through routine re-calculation involving, as we are doing now, the updating of the base period.

The CSO did this recently in the case of the retail price index, when the base was changed from September 1993 to January 2003. Here, the rationale was that the pattern of household consumption had changed significantly over the period, and this warranted a rebasing of the index to capture the new expenditure patterns.

This current national accounts rebasing exercise is predicated on similar principles. There is no doubt that the structure of the Trinidad and Tobago economy has changed significantly since 1985, and what this means is that to get a realistic measure of economic activity, we need to recognise this change.

Ladies and Gentlemen, the sad fact is that we in Trinidad and Tobago have waited far too long to recognise the changes taking place in our economy and incorporate these changes in our economic statistics. In other countries, structural changes of this kind (such as rebasing) are recognised more promptly so that the **data revisions** are more subtle and less far-reaching **But better late than never.**

Over the last five years or so, there has been some slippage in terms of the scope and timeliness of our statistical output. This was underscored during the recent deliberations by the various committees engaged in the Vision 2020 exercise, all of which pointed to the need to upgrade the statistical services as quickly as possible.

The revision of the retail price index, as well as this rebasing exercise, represents initial steps to improve our statistics. We have also made a commitment to participate in the IMF's General Data

Dissemination Standards (GDDS) Programme, which is a framework to encourage countries to improve the quality, availability and timeliness of economic and social data. As a subscriber to the GDDS, we undertake to provide high quality data and to make these available to the public at pre-determined intervals. The focus is on the documentation of the methodology, data sources and data consistency.

Ladies and Gentlemen, I would like to compliment the Ministry of Planning and Development and the CSO for undertaking this very important rebasing exercise and for arranging this workshop to explain the rebasing new methodology to stakeholders.

This meeting is an important part of the whole rebasing exercise. For in the final analysis, the statistics are to inform decision-making, both by policymakers and by you, the stakeholders. For official statistics to play a key role **you** need to have confidence in the figures. And confidence in the figures effectively must be built on confidence in the statistical agency disseminating them, and in having proper documentation of the methodology.

This exercise is a way of generating this confidence.