



14 October 2011

Ref.: 2011-36E

The IMF's interim visit on 12-14 October 2011

As part of its surveillance, the International Monetary Fund (IMF) conducts regular reviews of the economies of individual member countries (Article IV consultations). For Denmark, such consultations take place biennially. In preparation for the next Article IV consultation in the autumn of 2012, the IMF visited Denmark on 12-14 October 2011.

Today the delegation from the IMF has presented its concluding statement on Denmark's economic situation and policies (published at Danmarks Nationalbank's website).

Danmarks Nationalbank shares the IMF's concerns about the debt crisis and the outlook for the international economy. Like the IMF, Danmarks Nationalbank attaches importance to reforms to ensure confidence in economic policy. Governor Nils Bernstein, Danmarks Nationalbank, says: "We agree that it is important to implement the retirement reform, and we also welcome the government's intentions to introduce further structural improvements in order to increase the labour force, among other things, and to tighten control of government expenditure. This will provide fiscal scope to take action if the international debt crisis worsens."

Danmarks Nationalbank shares the IMF's view that the financial system in Denmark has been strengthened in recent years, but that stress in the system has increased. "The current situation poses a challenge in terms of financial stability, and this should be reflected in the banks' capital bases. As Danmarks Nationalbank has previously pointed out, non-distribution of dividend could contribute to this," says Governor Nils Bernstein, adding: "Danmarks Nationalbank also agrees with the IMF that the forthcoming regulation of financial corporations should be sufficiently flexible to leave room for macroprudential measures; for example, individual countries should be able to introduce requirements reflecting their national cyclical situation." Danmarks Nationalbank agrees that there is a need to strengthen supervision of the financial sector.

Enquiries can be directed to Niels Bartholdy on tel.: (+45) 33 63 60 24.