GRAY/14/3529

December 1, 2014

Statement by Mr. Hishikawa and Mr. Watanabe on Kingdom of the Netherlands - Netherlands
(Preliminary)
Executive Board Meeting
December 3, 2014

We thank staff for an informative report which highlights the macroeconomic nexus of the Dutch economy, namely between household debt, housing market, labor market, pension system, financial stability, fiscal policy, and some other structural issues. We share the staff's view that a special attention should be paid to household debt-related issues, in order to foster household consumption, boost domestic demand, and ignite a virtuous cycle of the economy toward a more robust recovery. In this regard, we commend the Dutch authorities for implementing an ambitious and comprehensive reform agenda with an aim to improve the medium-term outlook for the economy and enhance its growth potential.

Having said that, after reading the buff statement by Mr. Snel and Ms. De Lint, we wonder whether staff's assessment and appraisals would be subject to modifications if the latest economic and policy developments were taken into account. *As the buff statement has provided some additional facts not covered in the report, we would like to hear from staff if the assessment could have been different, if these facts were considered.*

Lastly, we share the concerns expressed in the buff statement on the format of the Article IV consultation report. It goes without saying that staff's views and assessments on the economy would be different from those of the authorities, and presenting the authorities' views regarding the critical issues would be helpful in order to make the report more objective and transparent; however, doing so issue by issue could be counterproductive and give an impression that the consultation didn't necessarily go well. Consequently, the report might not garner good traction. *In this regard, also for the sake of good communication and evenhandedness, one could make the case that it would be beneficial to present a review on the standardized format of the Article IV report. Comments from staff would be welcome.*