

Germany: 2004 Article IV Consultation—Staff Report; Staff Supplement; and Public Information Notice on the Executive Board Discussion

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2004 Article IV consultation with Germany, the following documents have been released and are included in this package:

- the staff report for the 2004 Article IV consultation, prepared by a staff team of the IMF, following discussions that ended on **July 5, 2004**, with the officials of Germany on economic developments and policies. **Based on information available at the time of these discussions, the staff report was completed on September 28, 2004.** The views expressed in the staff report are those of the staff team and do not necessarily reflect the views of the Executive Board of the IMF.
- a supplement to the staff report of **October 20, 2004** updating information on recent developments.
- a Public Information Notice (PIN) summarizing the **views of the Executive Board as expressed during its October 25, 2004 discussion** of the staff report that concluded the Article IV consultation.

The document listed below have been or will be separately released.

Selected Issues Paper

The policy of publication of staff reports and other documents allows for the deletion of market-sensitive information.

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INTERNATIONAL MONETARY FUND

GERMANY

Staff Report for the 2004 Article IV Consultation

Prepared by the Staff Representatives for the 2004 Consultation with Germany

Approved by Michael Deppler and Martin Fetherston

September 28, 2004

- Discussions took place in Berlin, Frankfurt, and Bonn during June 23-July 5, 2004. Meetings were held with Minister of Finance Eichel, Bundesbank President Weber, State Secretaries Koch-Weser (Ministry of Finance) and Tacke (Ministry of Economics and Labor), and senior officials at the Chancellery, the Ministries of Finance, Economics and Labor, and Health and Social Security, the Bundesbank, and the Federal Office of Financial Supervision. The mission also met with parliamentary representatives, social partners, associations of financial institutions, and research institutes.
- The team comprised Messrs. Chopra (Head), Traa, Decressin, Brunner, Braumann, and Kuijs (all EUR). Mr. Bischofberger, Germany's Executive Director, attended the discussions.
- The authorities released the mission's concluding statement and intend to publish this staff report. Last year's Article IV staff report was published as IMF Country Report No. 03/341 following the IMF Executive Board meeting on November 3, 2003.

Staff Analytical Work on Germany, 2000-04

Growth and Competitiveness

- Investment Trends in OECD Countries: Long-Term Developments and Future Prospects. *Forthcoming Selected Issues Paper*.
- Does PPP hold in the Long Run: Evidence from Germany and Switzerland. *Forthcoming Selected Issues Paper*.
- Business Investment in the Current Cycle. *IMF Country Report No. 03/342*.
- Growth and Adjustment in Germany: Perspectives and Prospects. *IMF Country Report No. 02/240*.
- Is Germany Competitive? *IMF Country Report No. 02/240*.
- Job-Rich Growth in Europe. *IMF Country Report No. 01/307*.

Fiscal Policy and Entitlement Programs

- Pensions and Growth. *Forthcoming Selected Issues Paper*.
- Perspectives on Federalism and the Political Economy of Adjustment. *Forthcoming Selected Issues Paper*.
- The Fiscal Challenge of Aging: What Needs to Be Done. *IMF Country Report No. 02/240*.
- Health Care Reform in Germany. *IMF Country Report No. 02/240*.
- Rules-Based Fiscal Policy and the Fiscal Framework in France, Germany, Italy and Spain. *IMF Country Report No. 01/307*.
- Tax Reform. *IMF Country Report No. 00/342*.
- Revamping Germany's Pension System. *IMF Country Report No. 00/342*.

Labor Markets

- Employment, Unemployment, and Labor Supply in Germany. *Forthcoming Selected Issues Paper*.
- The Unbearable Stability of the German Wage Structure: Evidence and Interpretation. *IMF Staff Papers, August 2004*.
- On Sand and the Role of Grease in Labor Markets: How Does Germany Compare. *WP/02/164*.
- Strategies for Turning Germany's Labor Market Around. *IMF Country Report No. 00/342*.
- Declining Labor Share, Wage Moderation, and Employment Performance. *IMF Country Report No. 00/342*.

The Financial System

- Germany's Three-Pillar Banking System. *IMF Occasional Paper 233 (2004)*.
- Germany's Financial System: International Linkages and the Transmission of Financial Shocks. *IMF Country Report No. 03/342*.
- The Slowdown in Credit Growth. *IMF Country Report No. 02/240*.

Main Websites for German Data

Data in this Staff Report reflect information received by [September 30], 2004. More recent data may be obtained directly from the following internet sources:

German Federal Statistical Office..... <http://www.destatis.de>

Deutsche Bundesbank..... <http://www.bundesbank.de>

Ministry of Finance..... <http://www.bundesfinanzministerium.de>

Federal Labor Agency..... <http://www.arbeitsagentur.de>

Information on German economic statistics can be found at the Special Data Dissemination Standard website of the IMF.....<http://www.imf.org/external/country/DEU/index.htm>

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