



**BANK OF CANADA**

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**FOR IMMEDIATE RELEASE**  
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### **Governor Dodge Discusses Policies to Help Resolve Global Imbalances**

LONDON, U.K.—Bank of Canada Governor David Dodge today spoke about the policies that governments around the world need to adopt in order to bring about an orderly resolution to global economic imbalances.

In a speech to the Canada-U.K. Chamber of Commerce, Mr. Dodge said that while imbalances in global savings and investment flows are an international problem, policy-makers can help resolve such imbalances by following domestic policies that are in their own economic interest. “If all countries followed a framework of appropriate domestic policies, this would go a long way towards defusing the danger posed by global imbalances,” he said.

Appropriate policies help instill confidence in businesses and individuals, Governor Dodge said. They include a fiscal policy based on sustainable ratios of public debt to GDP; structural policies to promote economic flexibility, including well-functioning social safety nets; and a monetary policy focused on delivering low and stable inflation.

Countries should also adopt appropriate exchange rate regimes to help with the resolution of imbalances. “Floating exchange rates are not the whole answer to the problem of global imbalances, but they are an important part of the solution,” the Governor said.

Governor Dodge also noted that the Canadian economy continues to adjust to global economic developments. He noted that the Bank of Canada will spell out its latest assessment of the economy in its *Monetary Policy Report Update*, to be published on 14 July.