



# LIBRARY LINK

## EUROPE



**Library Link: Europe** features the latest research on the region. Scroll down for **Sovereign Rating Reports, Books, and Working Papers**.

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## SOVEREIGN RATING REPORTS

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Email [Library@IMF.org](mailto:Library@IMF.org) to request the full reports; we'll send them to you as quickly as possible! (*reports are from April 4 to May 2, 2023*)

### European Region

- Moody's: "Sovereign – Europe: Energy crisis will continue to weaken credit resilience despite moderate initial effects" (Mar 29)
- Moody's: "Banking – Europe: Modest unrecognized losses, strong deposit protection support European banks" (Apr 19)
- Moody's: "Banks – Europe: Overhaul of EU banking crisis management would modify bank creditor hierarchy" (Apr 21)
- S&P: "Sovereign Debt 2023: Developed Europe Government Borrowing Estimated At \$1.7 Trillion" (Mar 23)
- S&P: "European Banks' Asset Quality: Tougher Times Ahead Require Extra Caution" (Apr 20)
- S&P: "Economic Research: Thirty Years Of The EU Single Market: Cross Border Capital Flows Still Lag" (Apr 26)

### Central 1 & 2

- Fitch: "[Fitch Affirms Croatia at 'BBB+'; Outlook Stable](#)" (Apr 14)
- S&P: "Czech Republic Full Analysis" (Apr 17)
- Moody's: "Government of Slovenia – A3 stable: Regular update" (Apr 11)

## Eastern & Eastern 2

- Fitch: "[Fitch Affirms Belarus at 'RD'](#)" (Apr 14)
- S&P: "Research Update: Ukraine FC Rating Lowered To 'CCC' On Debt Restructuring Plan; Outlook Negative; 'CCC+/C' LC Ratings Affirmed" (Apr 06)
- Fitch: "[Fitch Revises North Macedonia's Outlook to Stable; Affirms at 'BB+'](#)" (Apr 14)
- Fitch: "[Turkiye Rating Report](#)" (Apr 06)

## Nordic

- Fitch: "[Fitch Ratings: Finland Election Extends Uncertainty over Fiscal Policy Mix](#)" (Apr 13)
- S&P: "Finland Full Analysis" (May 01)
- S&P: "Sweden Full Analysis" (May 01)

## Northwestern 1 & 2

- Fitch: "[Fitch Downgrades France to 'AA-'; Outlook Stable](#)" (Apr 28)
- Moody's: "Government of France – Aa2 stable: Regular update" (Apr 25)
- Moody's: "Government of Ireland – Aa3 stable: Update following upgrade to Aa3, outlook stable" (Apr 25)
- Moody's: "Government of Luxembourg - Aaa stable: Annual credit analysis" (Apr 17)
- S&P: "Netherlands Full Analysis" (Apr 24)

## Other Advanced Economies

- Fitch: "[Israel Rating Report](#)" (Apr 24)
- Moody's: "Government of Israel – A1 stable: Update following outlook change to stable; rating affirmation" (Apr 17)
- Moody's: "Government of the United Kingdom – Aa3 negative: Regular update" (Apr 25)
- S&P: "Research Update: United Kingdom Outlook Revised To Stable From Negative On Moderating Fiscal Risks; 'AA/A-1+' Ratings Affirmed" (Apr 21)

## Poland & Baltics

- Fitch: "[Fitch Ratings: Estonia's New Government Faces Challenges in Stabilising Debt](#)" (Apr 18)
- Moody's: "Government of Estonia – A1 stable: Annual credit analysis" (Apr 11)

## Southeastern 1 & 2

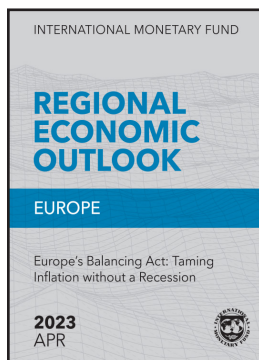
- Moody's: "Government of Albania – B1 stable: Annual credit analysis" (Apr 24)
- S&P: "Research Update: Romania 'BBB-/A-3' Ratings Affirmed; Outlook Stable" (Apr 14)
- S&P: "Serbia Full Analysis" (Apr 10)

## Southern 1-3

- Fitch: "[Andorra Rating Report](#)" (Apr 28)
- Fitch: "[Malta Rating Report](#)" (Apr 06)
- S&P: "Research Update: Greece Outlook Revised To Positive On Improving Fiscal And Structural Reform Trajectory; 'BB+/B' Ratings Affirmed" (Apr 21)
- Fitch: "[Fitch Affirms Portugal at 'BBB+'; Outlook Stable](#)" (Apr 14)
- S&P: "Research Update: Italy 'BBB/A-2' Ratings Affirmed; Outlook Stable" (Apr 21)

## BOOKS

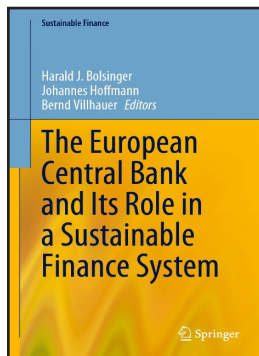
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### **Regional Economic Outlook: Europe, April 2023 - Europe's Balancing Act: Taming Inflation without a Recession**

**International Monetary Fund. European Dept.**

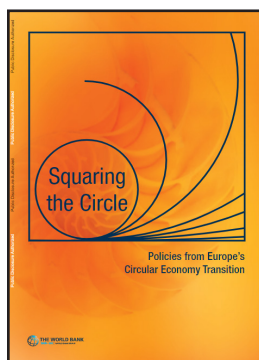
Economic growth has tumbled across Europe, inflation remains too high, and financial sector risks have materialized. Taming sticky inflation while avoiding financial stress and a recession will require tighter macroeconomic policies—tailored to changing financial conditions, stronger financial regulation and supervision, and bolder supply-side reforms that heal scars from the COVID-19 and energy crises.



### **The European Central Bank and Its Role in a Sustainable Finance System**

**Editors: Harald J. Bolsinger, Johannes Hoffmann, and Bernd Villhauer**

This book analyses the new strategic decisions of the European Central Bank. Contributors from different fields examine especially the sustainability strategy of the ECB: What role can the European Central Bank play in fighting climate change? The volume includes contributions from academics and practitioners from the financial sector, civil society and institutions involved at European level.



### **Squaring the Circle: Policies from Europe's Circular Economy Transition**

**World Bank**

This report reviews Europe's experience in spearheading CE policy. Its aim is not only to highlight its features and accomplishments, but also identify existing barriers to future progress and key measures to overcome them. Its objective is dual: contributing to CE policy development within the European Union (EU), while at the same time identifying lessons from the EU's CE leadership that can be of benefit to non-European countries.

## WORKING PAPERS

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### **Do Non-Banks Need Access to the Lender of Last Resort? Evidence from Fund Runs (ECB Working Paper Series No 2805, European Central Bank)**

Are central bank tools effective in reaching non-banks with no access to the lender-of-last-resort facilities? Using runs on mutual funds in March 2020 as a laboratory, we show that, following the announcement of large-scale purchases, funds with higher ex ante shares of assets eligible for central bank purchases saw their performance improve by 3.6 percentage points and outflows decrease by 61% relative to otherwise similar funds.

### **Interbank Asset-Liability Networks with Fire Sale Management (ECB Working Paper Series No 2806, European Central Bank)**

Interconnectedness is an inherent feature of the modern financial system. While it contributes to efficiency of financial services, it also creates structural vulnerabilities: pernicious shock transmission and amplification impacting banks' capitalization. We propose a model to study contagion effects in a banking system cap-

turing network effects of direct exposures and indirect effects of market behaviour that may impact asset valuation.

### **Surviving Low Interest Rates Central Banks in Kosovo and Other Western Balkan Countries: Republic of Kosovo (Selected Issues Paper No. 2023/27, International Monetary Fund)**

Interest income from foreign reserves is one of the main revenue sources for most emerging market central banks. For central banks in the Western Balkan region, the low global interest rates during 2008–2021 negatively affected their revenues, and the impact was more pronounced for central banks in Kosovo, Montenegro, and Bosnia and Herzegovina because they cannot use seigniorage to finance their operations. This paper explores how these central banks coped with the long period of low-interest rates.

### **Far More Than a Shot in the Arm: Vaccines and Consumer Spending (Working Paper No. 2023/081, International Monetary Fund)**

The spread of the COVID-19 pandemic and government interventions have reshaped economic activity with abrupt changes in household consumption behavior across the world. This paper provides an empirical investigation of how the COVID-19 vaccine rollout has affected consumer spending at daily frequency using debit and credit card transactions in three European countries.

### **Leveraging Anti-money Laundering Measures to Improve Tax Compliance and Help Mobilize Domestic Revenues (Working Paper No. 2023/083, International Monetary Fund)**

The paper advocates leveraging anti-money laundering (AML) measures to enhance tax compliance, tackle tax crimes, and, in turn, help mobilize domestic revenues. While AML measures have already been deployed to improve tax compliance, including during the European debt crisis, the benefits that such measures could bring to the integrity of the tax system are yet to be fully realized.

### **Inflation Expectations and Misallocation of Resources: Evidence from Italy (Working Paper No. 31190, NBER)**

Using Italian data that includes both inflation forecasts of firms and external information on their balance sheets, we study the causal effect of changes in the dispersion of beliefs about future inflation on the misallocation of resources. We find that as disagreement increases, so does misallocation. In times of low inflation, the aggregate TFP loss of the dispersed expectations-induced misallocation is low, but we argue that it likely becomes quite significant in times of high inflation.

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