



# 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 Feb 2 to March 10, 2023*)

### European Region

- Fitch: "[Fitch Rtg's: Ukraine War Drives Share of EM Europe Sovereign Stable Outlooks to 19-Year Low](#)" (Feb 24)
- Moody's: "Ukraine invasion provides gains for some CIS banks but long-term challenges mount" (Feb 8)
- Moody's: "Banking – Europe: ECB's latest rate hike is credit positive for banks, but lower lending and higher cost of risk will limit benefits" (Feb 6)
- S&P: "U.S. Inflation Reduction Act Highlights Diverging Approaches With Europe" (Mar 1)
- S&P: "Central and Eastern Europe Sovereign Rating Outlook 2023: The Top-Five Risks" (Feb 6)

### Central 1 & 2

- Fitch: "[Fitch Affirms Austria at 'AA+'; Outlook Negative](#)" (Mar 3)
- Moody's: "Government of Austria - Aa1 stable: Annual credit analysis" (Mar 9)
- S&P: "Austria Full Analysis" (Feb 27)
- Fitch: "[Fitch Affirms Czech Republic at 'AA-'; Outlook Negative](#)" (Mar 3)
- Fitch: "[Hungary Rating Report](#)" (Feb 7)
- Moody's: "Government of Hungary – Baa2 stable: Regular update" (Mar 7)
- Fitch: "Slovakia Rating Report" (Feb 28)

## Eastern & Eastern 2

- Moody's: "Government of Moldova – B3 negative: Regular update" (Feb 21)
- Moody's: "Government of Russia: Tightening commodity sanctions will deepen recession and weaken fiscal position" (Feb 24)
- Fitch: "[Ukraine Rating Report](#)" (Feb 28)
- Moody's: "Government of Ukraine – Ca stable: Update following downgrade to Ca; outlook stable" (Feb 14)

## Nordic

- Fitch: "[Denmark Rating Report](#)" (Feb 14)
- Moody's: "Government of Denmark – Aaa stable: Regular update" (Feb 7)
- S&P: "Denmark Full Analysis" (Feb 13)
- Fitch: "[Finland Rating Report](#)" (Mar 2)
- Moody's: "Government of Sweden – Aaa stable: Regular update" (Feb 28)

## Northwestern 1 & 2

- Fitch: "[Fitch Revises Belgium's Outlook to Negative; Affirms at 'AA-'](#)" (Mar 10)
- Moody's: "Government of Germany - Aaa stable: Annual credit analysis" (Mar 6)
- Fitch: "[Ireland Rating Report](#)" (Feb 6)
- Fitch: "[Netherlands Rating Report](#)" (Mar 2)
- Moody's: "Government of Netherlands - Aaa stable: Annual credit analysis" (Feb 23)

## Other Advanced Economies

- Fitch: "[Fitch Affirms Iceland at 'A'; Outlook Stable](#)" (Mar 10)
- Fitch: "[Fitch Affirms Israel at 'A+'; Outlook Stable](#)" (Mar 1)
- Moody's: "Government of Israel: Planned judicial changes could weaken Israel's institutional strength" (Mar 7)
- Moody's: "Government of Switzerland – Aaa stable: Update following rating affirmation, outlook unchanged" (Feb 23)
- S&P: "Switzerland Full Analysis" (Feb 13)
- Moody's: "Government of United Kingdom: More constructive relationship with the EU will ease Brexit implementation, a credit positive" (Feb 27)

## Poland & Baltics

- Fitch: "[Estonia Rating Report](#)" (Feb 23)
- Moody's: "Government of Estonia : Outcome of general election is credit positive, economy and public finances pose key challenges though" (Mar 6)
- S&P: "Estonia Full Analysis" (Feb 20)
- Fitch: "[Latvia Rating Report](#)" (Feb 23)
- S&P: "Research Update: Poland 'A-/A-2' Foreign Currency Ratings Affirmed; Outlook Stable" (Feb 17)

## Southeastern 1 & 2

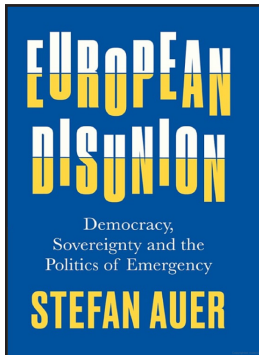
- Moody's: "Government of Bulgaria: Delaying euro adoption increases risks, but adopting the single currency in 2025 would still be credit positive" (Mar 2)
- S&P: "Montenegro Full Analysis" (Mar 6)
- Fitch: "[Serbia Rating Report](#)" (Mar 8)

## Southern 1-3

- Fitch: "[Fitch Upgrades Cyprus to 'BBB'; Outlook Stable](#)" (Mar 10)
- Moody's: "Government of Cyprus: Cyprus' presidential election outcome suggests continued fiscal discipline and reform progress" (Feb 13)
- S&P: "Cyprus Full Analysis" (Mar 6)
- Fitch: "[Greece Rating Report](#)" (Feb 13)
- Moody's: "Government of Italy : Deficit revisions have limited fiscal and economic implications" (Mar 7)
- Fitch: "[San Marino Rating Report](#)" (Mar 2)

## BOOKS

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### [European Disunion: Democracy, Sovereignty and the Politics of Emergency](#)

**Stefan Auer**

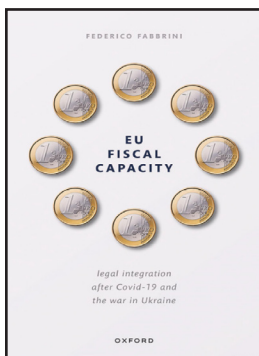
The European Union means many different things to its many peoples. Yet, Europe has struggled to ascertain its values abroad and even domestically, facing a sovereignist rebellion from its newer member states, such as Hungary and Poland, and the departure of Britain. The eurozone crisis has undermined the EU's economic credentials, the refugee crisis its societal cohesion, the failure to stand up to Russia its sense of purpose, and the Covid-19 pandemic its credibility as a protector of European citizens.



### [Supporting Ukraine: More Critical Than Ever](#)

**CEPR**

This eBook, which was collated in matter of days to mark the anniversary of the Russian invasion of Ukraine, is a collection of essays written by prominent scholars, experts, and policymakers, arguing for extraordinary global support for Ukraine. The essays offer diverse perspectives on the implications of the war in Ukraine, highlighting its significance for world peace, nuclear proliferation, international trade, food security, democracy, human values, and more.



### [EU Fiscal Capacity: Legal Integration after Covid-19 and the War in Ukraine](#)

**Federico Fabbrini**

This book purports to analyse how the Covid-19 pandemic, and now the war in Ukraine, have affected the euro, and the European Union (EU) constitutional architecture of economic governance—what is technically known as Economic and Monetary Union (EMU). Taking an EU law and policy perspective, the book focuses specifically on fiscal capacity, that is, a centralized budget, funded by own resources, to undertake counter-cyclical policies in case of asymmetric economic shocks.

### **[CBDC and Financial Stability](#) (Working Paper Series No 2783, European Central Bank)**

What is the effect of Central Bank Digital Currency (CBDC) on financial stability? We answer this question by studying a model of financial intermediation with an endogenously determined probability of a bank run, using global games. As an alternative to bank deposits, consumers can also store their wealth in remunerated CBDC issued by the central bank. Consistent with widespread concerns among policymakers, higher CBDC remuneration increases the withdrawal incentives of consumers, and thus bank fragility.

### **[Toward a Green Economy: the Role of Central Bank's Asset Purchases](#) (Working Paper Series No 2783, European Central Bank)**

We use a DSGE model to study the effectiveness of green-asset purchases by the central bank (Green QE), along the transition to a carbon-free economy driven by an emission tax, abstracting from price stability considerations. We find that Green QE helps to further reduce emissions, especially in the early stage of the transition. We find that a crucial parameter to determine the effectiveness of Green QE is the elasticity of substitution between the brown and the green good: the higher the elasticity the stronger the impact of the policy on emissions.

### **[Cross-country Price and Inflation Dispersion: Retail Network or National Border?](#) (Working Paper Series No 2776, European Central Bank)**

(Why) do prices and inflation rates differ within the euro area? We study the relevance of a national border for grocery prices in the otherwise homogenous and highly integrated border region of Austria and Germany. Using transaction data on prices and quantities from a large household panel, we compare the prices of identical products within a narrow band along the border. The results highlight the importance of the history-dependent evolution of distribution networks and of the structure of the sales organization as a driver of price and inflation heterogeneity.

### **[Euro Area Inflation Differentials: the Role of Fiscal Policies Revisited](#) (Working Paper Series No 2774, European Central Bank)**

This paper provides a comprehensive empirical analysis of the role of discretionary fiscal policy for inflation differentials across the 19 euro area countries over the period 1999-2019. The results confirm existing (older) literature that it is difficult to find robust evidence of the fiscal policy stance or impulse impacting directly on inflation differentials. We do find, however, support for an indirect effect of discretionary fiscal policy on inflation differentials working through the output gap channel.

### **[Estimating the Impact of Quality Adjustment on Consumer Price Inflation](#) (Working Paper Series No 2773, European Central Bank)**

How much does quality adjustment matter in measuring consumer price inflation? To address this question, we use different sources of micro and macro price data for Germany and the euro area. We show that the price development of this product would have been lower by about 3.5 percentage points during the first years of the euro area and by about half a percentage point during recent years, if prices in the member states had been quality-adjusted in exactly the same way.

### **[The 2020-2022 Inflation Surge Across Europe: A Phillips-Curve-Based Dissection](#) (Working Paper No. 2023/030, International Monetary Fund)**

In 2021-22, inflation in Europe soared to multidecade highs, consistently exceeding policymakers' forecasts and surprising with its wide cross-country dispersion. This paper analyzes the key drivers of the inflation surge in Europe and its variation across countries. The analysis highlights significant differences in Phillips

curve parameters across Europe's economies. Inflation is more sensitive to domestic slack and external price pressures in emerging European economies compared to their advanced counterparts, which contributed to a greater passthrough of global commodity price shocks into domestic prices, and, consequently, to larger increases in inflation rates.

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