



# 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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## Contents

SOVEREIGN RATING REPORTS.....	1
BOOKS .....	3
WORKING PAPERS.....	3

## 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 March 11 to April 3, 2023*)

### European Region

- Moody's: "Europe: NGEU will fail to offset declining growth potential from ageing for most countries" (Mar 13)
- Moody's: "Western Europe: Fintechs carve out presence in Sweden amid slow Nordic advance" (Mar 23)
- Moody's: "Europe: European Union's DLT Pilot Regime: first step on long road to digital finance" (Mar 24)
- Moody's: "Europe: Energy crisis will continue to weaken credit resilience despite moderate initial effects" (Mar 29)
- S&P: "European Banks See Limited Contagion Risk From SVB" (Mar 14)
- S&P: "European Banks Can Weather The Market Turmoil" (Mar 21)
- S&P: "Economic Outlook Eurozone Q2 2023: Rate Rises Weigh On Return To Growth" (Mar 27)

### Central 1 & 2

- S&P: "Croatia Full Analysis" (Mar 20)
- Fitch: "[Czech Republic Rating Report](#)" (Mar 14)

### Eastern & Eastern 2

- S&P: "Belarus Full Analysis" (Mar 20)
- Fitch: "[Fitch Affirms Turkiye at 'B'; Outlook Negative](#)" (Mar 17)

- S&P: "Research Update: Turkiye Outlook Revised To Negative From Stable; 'B' Ratings Affirmed" (Mar 31)
- Moody's: "Government of Ukraine : IMF programme mitigates liquidity pressures and anchors policy, but debt sustainability challenges remain" (Mar 24)
- S&P: "Ukraine Full Analysis" (Mar 13)

## Nordic

- S&P: "Norway Full Analysis" (Mar 13)

## Northwestern 1 & 2

- Fitch: "[Belgium Rating Report](#)" (Apr 3)
- S&P: "Research Update: Belgium 'AA/A-1+' Ratings Affirmed; Outlook Stable" (Mar 17)
- Fitch: "[Fitch Rtgs: French Pension Reform Brings Moderate Fiscal Benefit, Shows Challenges](#)" (Mar 22)
- Moody's: "Government of France: Pension reform adoption is positive for public finances but could turn future reform efforts more difficult" (Mar 17)
- Fitch: "[Fitch Affirms Germany at 'AAA'; Outlook Stable](#)" (Mar 31)
- S&P: "Research Update: Germany 'AAA/A-1+' Ratings Affirmed; Outlook Stable" (Mar 24)
- Moody's: "Government of Luxembourg – Aaa stable: Update following rating affirmation; outlook unchanged" (Mar 21)

## Other Advanced Economies

- Fitch: "[Iceland Rating Report](#)" (Mar 27)
- Fitch: "[Fitch Ratings: Credit Suisse Rescue Supported by Switzerland's Fiscal Space](#)" (Mar 27)
- Moody's: "Government of Switzerland – Aaa stable: Update following change to banking sector risk assessment" (Mar 24)

## Poland & Baltics

- Moody's: "Government of Estonia – A1 stable: Regular update" (Mar 28)
- Moody's: "Government of Lithuania - A2 stable: Annual credit analysis" (Mar 21)
- Moody's: "Government of Poland – A2 stable: Regular update" (Mar 28)

## Southeastern 1 & 2

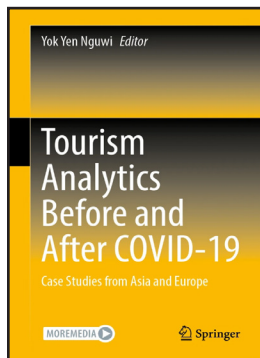
- S&P: "Albania Full Analysis" (Mar 27)
- Moody's: "Government of Montenegro – B1 stable: Regular update" (Mar 15)
- Fitch: "[Romania Rating Report](#)" (Mar 30)
- Moody's: "Government of Serbia - Ba2 stable: Annual credit analysis" (Mar 24)

## Southern 1-3

- Fitch: "[Cyprus Rating Report](#)" (Mar 30)
- Moody's: "Government of Cyprus – Ba1 positive: Regular update" (Apr 3)
- Moody's: "Government of Greece – Ba3 positive: Update following outlook change to positive" (Mar 21)
- Fitch: "[Fitch Affirms Malta at 'A+'; Outlook Stable](#)" (Mar 24)
- Moody's: "Spain, Government of: Pension reform increases revenue for social security system, mitigating rising costs of ageing population" (Mar 21)
- S&P: "Spain Full Analysis" (Mar 20)

## BOOKS

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### [Tourism Analytics Before and After COVID-19: Case Studies from Asia and Europe](#)

**Editor: Yok Yen Nguwi**

This book is compilation of different analytics and machine learning techniques focusing on the tourism industry, particularly in measuring the impact of COVID-19 as well as forging a path ahead toward recovery. It includes case studies on COVID-19's effects on tourism in Europe, Hong Kong, China, and Singapore with the objective of looking at the issues through a data analytical lens and uncovering potential solutions. It adopts descriptive analytics, predictive analytics, machine learning predictive models, and some simulation models to provide holistic understanding.

## WORKING PAPERS

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### [The Asymmetric Effects of Weather Shocks on Euro Area Inflation](#) (ECB Working Paper Series No 2798, European Central Bank)

This paper assesses the impact of weather shocks on inflation components in the four largest euro area economies. We combine high-frequency weather data with monthly data on inflation and output growth within a set of Bayesian Vector Autoregressions which explicitly considers the seasonal dependence of the shock. Results suggest the presence of significant country asymmetries and seasonal responses of inflation to temperature shocks, mainly via food, energy, and service prices.

### [Supervisory Policy Stimulus: Evidence From the Euro Area Dividend Recommendation](#) (ECB Working Paper Series No 2796, European Central Bank)

At the onset of the Covid-19 outbreak, central banks and supervisors introduced dividend restrictions as a new policy instrument aimed at supporting lending to the real economy and strengthening banks' capacity to absorb losses. In this paper we estimate the impact of the ECB's dividend recommendation on bank lending and risk-taking. To address identification issues, we rely on credit registry data and a direct measure that captures variation in compliance with the recommendation across banks in the euro area. The analysis disentangles the confounding effects stemming from the wide range of monetary and fiscal policies that supported credit during the Covid-19 downturn and investigates their interaction with the dividend recommendation.

### [Inflation Dynamics in the Western Balkans](#) (Working Paper No. 2023/049, International Monetary Fund)

After trailing Euro Area inflation closely in the recent past, inflation in the Western Balkans has accelerated faster since early 2022 on the back of the shocks to global commodity prices, strong recovery from the pandemic, and lingering supply bottlenecks. This paper employs two complementary empirical approaches of an augmented Phillips curve and structural VAR, adapting them to the data availability and country specificities of the Western Balkans, to analyze the inflation dynamics in the region. It finds that international food prices affect not only headline but also core inflation as well as inflation expectations.

## **Calibrating Macroprudential Policies in Europe Amid Rising Housing Market Vulnerability** **(Working Paper No. 2023/075, International Monetary Fund)**

Housing market developments are in the spotlight in Europe. Over-stretched valuations amid tightening financial conditions and a cost-of-living crisis have increased risks of a sustained downturn and exposed challenging trade-offs for macroprudential policy between ensuring financial system resilience and smoothing the macro-financial cycle. Against this backdrop, this paper provides detailed considerations regarding how to (re)set macroprudential policy tools in response to housing-related systemic risk in Europe, providing design solutions to avoid unintended consequences during a tightening phase, and navigating the trade-offs between managing the build-up of vulnerabilities and the macro-financial cycle in a downturn.

## **European Housing Markets at a Turning Point – Risks, Household and Bank Vulnerabilities, and Policy Options** **(Working Paper No. 2023/076, International Monetary Fund)**

European housing markets are at a turning point as the cost-of-living crisis has eroded real incomes and the surge in interest rates has made borrowers more vulnerable to financial distress. This paper aims to (i) shed light on the risks in European housing markets, (ii) quantify household vulnerabilities, (iii) assess banking sector implications and (iv) examine policies' effectiveness using simulations based on microdata from the Household Finance and Consumption Survey (HFCS) and EU statistics on income and living conditions (EU-SILC).

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