



**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

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 Aug 9 to Oct 17, 2023)*

### European Region

- Fitch: "[Emerging Europe Monitor: Central Europe & Baltic States](#)" (Sep 21)
- Fitch: "[Emerging Europe Monitor: Central South East Europe](#)" (Sep 21)
- Fitch: "[Western Europe Sovereigns - Peer Review 2023](#)" (Sep 10)
- S&P: "The Resolution Story For Europe's Banks: Making The Regime Fit For Purpose" (Oct 4)
- S&P: "Resilience Under Pressure Amid Tighter Financial Conditions" (Sep 26)
- S&P: "Utilities Handbook 2023: Western Europe Regulated Gas" (Sep 20)

### Central 1 & 2

- Fitch: "[Austria Rating Report](#)" (Sep 07)
- Moody's: "Government of Austria – Aa1 stable: Regular update" (Aug 29)
- S&P: "Research Update: Austria 'AA+/A-1+' Ratings Affirmed ; Outlook Stable" (Aug 25)
- Fitch: "[Croatia Rating Report](#)" (Oct 16)
- S&P: "Research Update: Croatia Outlook Revised To Positive On Macroeconomic And Fiscal Resilience; 'BBB+/A-2' Ratings Affirmed" (Sep 15)
- Fitch: "[Czech Republic Rating Report](#)" (Sep 14)
- S&P: "Research Update: Czech Republic's 'AA-/A-1+' Foreign Currency And 'AA/A-1+' Local Currency Ratings Affirmed; Outlook Stable" (Oct 13)

- Fitch: "[Fitch Ratings: Hungary 2023 Deficit Revision Makes 2024 Target Challenging](#)" (Oct 6)
- Moody's: "Government of Hungary – Baa2 stable: Update following rating affirmation, outlook unchanged" (Sep 6)
- S&P: "Bulletin: Slovakia's Elections: New Government, Old Challenges" (Oct 4)
- Moody's: "Government of Slovenia – A3 stable: Regular update" (Oct 11)

## Eastern & Eastern 2

- S&P: "Belarus Ratings Suspended Due To A Lack Of Information" (Sept 8)
- Moody's: "Government of Moldova – B3 stable: Update following outlook change to stable, rating affirmation" (Aug 22)
- Fitch: "[Turkiye Rating Report](#)" (Sept 28)
- S&P: "Research Update: Turkiye Outlook Revised To Stable From Negative On Policy Shift; 'B' Ratings Affirmed" (Sept 29)
- Moody's: "Government of Ukraine – Ca stable: Regular update" (Aug 15)
- S&P: "Ukraine Full Analysis" (Sept 11)

## Nordic

- Moody's: "Government of Denmark – Aaa stable: Regular update" (Aug 9)
- S&P: "Research Update: Denmark 'AAA/A-1+' Ratings Affirmed; Outlook Stable" (Aug 11)
- Fitch: "[Finland Rating Report](#)" (Aug 21)
- S&P: "Norway Full Analysis" (Sept 11)
- Moody's: "Government of Sweden – Aaa stable: Regular update" (Aug 29)

## Northwestern 1 & 2

- Fitch: "[Belgium Rating Report](#)" (Sept 14)
- S&P: "Belgium Full Analysis" (Sept 18)
- Fitch: "[Fitch Ratings: France Maintains Large 2024 Deficit Target in Slow Fiscal Consolidation Plan](#)" (Oct 2)
- Moody's: "France, Government of: 2024 budget confirms slow pace of fiscal consolidation" (Sept 28)
- Fitch: "[Germany Rating Report](#)" (Sept 26)
- Moody's: "Government of Germany – Aaa stable: Regular update" (Aug 15)
- S&P: "Germany Full Analysis" (Sept 25)
- Moody's: "Government of Ireland: Establishment of sovereign wealth funds based on windfall corporate tax receipts is credit positive" (Oct 11)
- Moody's: "Government of Luxembourg – Aaa stable: Update following rating affirmation; outlook unchanged" (Sept 19)
- Fitch: "[Netherlands Rating Report](#)" (Aug 24)

## Other Advanced Economies

- Fitch: "[Iceland Rating Report](#)" (Sep 12)
- Moody's: "Government of Iceland - A2 positive: Annual credit analysis" (Aug 14)
- Fitch: "[Fitch Places Israel's 'A+' IDRs on Rating Watch Negative](#)" (Oct 17)
- Moody's: "Government of Switzerland – Aaa stable: Regular update" (Aug 22)
- S&P: "Research Update: Switzerland 'AAA/A-1+' Ratings Affirmed; Outlook Stable" (Aug 11)

## Poland & Baltics

- Fitch: "[Estonia Rating Report](#)" (Aug 9)
- Moody's: "Government of Estonia – A1 stable: Regular update" (Sept 27)
- S&P: "Estonia Full Analysis" (Aug 21)
- Fitch: "[Latvia Rating Report](#)" (Aug 14)

- Moody's: "Government of Latvia: Formation of new government points to broad policy continuity" (Sept 18)
- Fitch: "[Fitch Ratings: Poland's Fiscal Challenges Extend Beyond 2023 Elections](#)" (Oct 12)
- Moody's: "Government of Poland: Likely change in government would help improve relations with the EU, a credit positive" (Oct 16)

## Southeastern 1 & 2

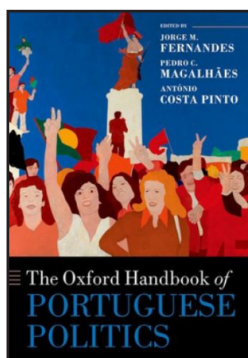
- Moody's: "Government of Albania – B1 stable: Regular update" (Oct 10)
- S&P: "Research Update: Albania Outlook Revised To Positive On Improving Economic Fundamentals; 'B+/B' Ratings Affirmed" (Sept 22)
- Moody's: "Government of Bulgaria - Baa1 stable: Annual credit analysis" (Sept 6)
- Moody's: "Government of Montenegro – B1 stable: Regular update " (Sept 12)
- S&P: "Montenegro Full Analysis" (Sept 4)
- Fitch: "[Fitch Affirms Romania at 'BBB-'; Outlook Stable](#)" (Sep 8)
- S&P: "Research Update: Romania 'BBB-/A-3' Ratings Affirmed; Outlook Stable" (Oct 13)
- Fitch: "[Serbia Rating Report](#)" (Aug 17)
- Moody's: "Government of Serbia – Ba2 stable: Update following rating affirmation, outlook stable" (Sept 12)
- S&P: "Research Update: Serbia 'BB+/B' Ratings Affirmed; Outlook Stable" (Oct 6)

## Southern 1-3

- Moody's: "Government of Cyprus - Baa2 stable: Annual credit analysis " (Oct 17)
- S&P: "Research Update: Cyprus Outlook Revised To Positive On Continued Macroeconomic Normalization; Affirmed At 'BBB/A-2'" (Sept 1)
- Moody's: "Government of Greece - Ba1 stable: Annual credit analysis" (Oct 11)
- Fitch: "[Fitch Ratings: Italy Significantly Loosens Its Fiscal Plans](#)" (Oct 11)
- Fitch: "[Malta Rating Report](#)" (Sept 27)
- Fitch: "[Portugal Rating Report](#)" (Oct 16)
- S&P: "Research Update: Portugal Outlook Revised To Positive On Resilient Growth And Government And External Deleveraging; Ratings Affirmed" (Sept 8)
- Fitch: "[San Marino Rating Report](#)" (Aug 15)
- Moody's: "Government of Spain: If unaddressed, growing public spending on pensions will start to exert credit pressure by the end of this decade" (Sept 5)
- S&P: "Research Update: Spain 'A/A-1' Ratings Affirmed; Outlook Stable" (Sept 15)

## BOOKS

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### [The Oxford Handbook of Portuguese Politics](#)

**Editors: Jorge M. Fernandes, Pedro C. Magalhães, António Costa Pinto**

The Oxford Handbook of Portuguese Politics brings together the best scholars in the field offering an unrivalled coverage of the politics (broadly defined) of the country over the past 50 years.



## [Global, Regional and Local Perspectives on the Economies of Southeastern Europe](#)

**Editors: Niccolò Persiani, Ilaria Elisa Vannini, Martina Giusti, Anastasios Karasavvoglou, Persefoni Polychronidou**

This book includes papers presented at the 14th International Conference “Economies of the Balkan and Eastern European Countries” (EBEEC), held in Florence, Italy, in May 2022. It sheds new light on the micro- and macroeconomic developments in the Eastern European and Balkan countries, taking into account also the broader regional and global factors influencing these developments.



## [The European Union and the Evolving Architectures of International Economic Agreements](#)

**Editors: Ottavio Quirico, Katarzyna Kwapisz Williams**

The European Union (‘EU’) is promoting a suite of innovations in international economic regulation—among them, reforms for secure and sustainable investment, a comprehensive approach to the mutual recognition of professional qualifications, a viable carbon border adjustment mechanism, heightened intellectual property rights protection, the arm’s length principle in taxation, and an increased commitment to non-economic values. Through a critical analysis of key regulations and policies, this volume explores the evolving architectures of international economic agreements in light of EU practice.

## **WORKING PAPERS**

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### [Changing Patterns of Risk-Sharing Channels in the United States and the Euro Area \(ECB Working Paper Series No 2849, European Central Bank\)](#)

In this paper, we assess how risk-sharing channels have evolved over time in the United States and the Euro Area, and whether they have operated as ‘complements’ or ‘substitutes’. In particular, we focus on the capital channel (income from cross-border ownership of productive assets), the credit channel (interstate or cross-country bank lending), and the fiscal channel (federal or international fiscal transfers).

### [Which European Firms Were Hardest Hit by COVID-19? \(EIB Working Paper 2023/05, European Investment Bank\)](#)

The COVID-19 shock had a strong negative effect on aggregate economic performance, with the average firm taking a hit on sales revenues and financial performance. However, the effects varied from firm to firm. Were already-struggling firms hit hardest, threatening their very survival? Or did the COVID-19 shock disproportionately deter tomorrow’s superstars at the upper end of the distribution, thus sacrificing future growth potential? This paper investigates where the COVID-19 shock hit the firm growth distribution, using graphical techniques and quantile regressions to analyse the full distribution of firm growth rates.

### [Inflation Dynamics in Bulgaria: The Role of Policies \(Working Paper No. 2023/212, International Monetary Fund\)](#)

This paper analyses inflation dynamics in Bulgaria using different complementary econometrics techniques. We find that common factors play a large role in the EU’s inflation variation but impact individual countries differently due to country-specific factors. Greater weight of energy and food in Bulgaria’s CPI basket amplifies the impact of shocks on headline inflation. Furthermore, second-round effects in Bulgaria are likely pronounced, associated with a higher inflation persistence compared to the EU countries. Recent ECB monetary tightening has been insufficient for Bulgaria and its transmission is weak.

### **[Reaching \(Beyond\) the Frontier: Energy Efficiency in Europe \(Working Paper No. 2023/198, International Monetary Fund\)](#)**

The world is not decarbonizing fast enough, with global warming on track to reach as much as 4°C over the next century absent a global green transition. Policymakers in Europe—and beyond—still have an opportunity both to achieve net zero emissions by 2050 and to strengthen economic prospects by increasing energy efficiency, along with changing the energy mix from fossil fuels to renewables. In this paper, we assess energy efficiency (or intensity) in a panel of 38 European countries over the period 1980–2021 by using the stochastic frontier analysis and obtain statistically significant and intuitive results.

### **[Energy Support for Firms in Europe: Best Practice Considerations and Recent Experience \(Working Paper No. 2023/197, International Monetary Fund\)](#)**

The surge in energy prices due to Russia's February 2022 invasion of Ukraine significantly increased costs for European firms, prompting governments to introduce a range of support schemes. Although energy prices had eased by early 2023, uncertainty around prices remains unusually large. Against this backdrop, this paper examines the case for government intervention and identifies best practices with a view to improving the design of existing energy support schemes, facilitating exit from those schemes, and preparing policymakers for a downside scenario in which energy prices flare up again.

### **[Spillovers from Russia to Neighboring Countries: Transmission Channels and Policy Options \(Working Paper No. 2023/185, International Monetary Fund\)](#)**

This paper studies how output fluctuations in Russia are transmitted internationally. Using vector autoregression (VAR) and dynamic panel models, the paper finds that Russia's output fluctuations are an important driver of output fluctuations of countries in the region, especially for oil importers, and are transmitted increasingly via trade and market confidence channels. The magnitude of cross-border spillovers is larger for countries with relatively high bilateral trade concentration, low export diversification, and weak external buffers. The paper also finds evidence that stronger public institutional quality—especially in the fiscal area—may help insulate countries from volatility in the Russian sovereign debt market.

### **[The Economics of Sovereign Debt, Bailouts, and the Eurozone Crisis \(Working Paper No. 2023/177, International Monetary Fund\)](#)**

Despite a formal 'no-bailout clause,' we estimate significant net present value transfers from the European Union to Cyprus, Greece, Ireland, Portugal, and Spain, ranging from roughly 0.5% (Ireland) to a whopping 43% (Greece) of 2010 output during the Eurozone crisis. We propose a model to analyze and understand bailouts in a monetary union, and the large observed differences across countries. We characterize bailout size and likelihood as a function of the economic fundamentals (economic activity, debt-to-gdp ratio, default costs).

### **[Financial Conditions in Europe: Dynamics, Drivers, and Macroeconomic Implications \(Working Paper No. 2023/209, International Monetary Fund\)](#)**

We develop a new measure of financial conditions (FCs) that targets the growth of financial liabilities using the partial least square methodology. We then estimate financial condition indexes (FCIs) across European economies, both at the aggregate and sectoral levels. We decompose the changes in FCs into several factors including credit availability and costs, price of risk, policy stance, and



funding constraints. Our results show that FCs loosened during the pandemic thanks to policy support but started to tighten significantly since mid-2021.

### **Pricing Climate Transition Risk in Europe's Equity Market (CEPR VoxEU)**

A successful green transition will require a major reallocation of resources away from emissions-intensive to emissions-light activities. This column assesses whether climate transition risk is priced in Europe's equity market by analysing relative equity returns of high versus low CO<sub>2</sub>-emitting firms over the period 2005 to 2019. The authors employ several econometric models to assess the carbon risk premium both at the individual firm level and portfolio level and find that carbon intensity is negatively related to stock returns.

### **Sluggish Growth, Rising Risks (Europe and Central Asia Economic Update, Fall 2023, World Bank)**

Europe and Central Asia continues to be negatively impacted by the Russian Federation's invasion of Ukraine, tighter global financial conditions, persistent inflation, and global economic fragmentation. Economic growth in the region is projected to remain weak relative to the long-term trend, delaying the convergence of living standards to those of high-income countries. The impacts of climate change are becoming a serious constraint on growth, as extreme weather events are affecting the region with increased frequency and severity.

### **Corruption as a Push and Pull Factor of Migration Flows: Evidence from European Countries (Policy Research Working Papers 10566, World Bank)**

Conclusive evidence on the relationship between corruption and migration has remained scant in the literature to date. Using data from 2008 to 2018 on bilateral migration flows across European Union and European Free Trade Association countries and four measures of corruption, this paper shows that corruption acts as both a push factor and a pull factor for migration patterns.

### **Russia's Invasion of Ukraine and Firm Performance in Central Asia: The Role of Export Links and Digital Gains (Policy Research Working Papers 10557, World Bank)**

This paper studies the effect of Russia's invasion of Ukraine on the performance of firms in Central Asia. It uses unique data from the Business Pulse Survey run by the World Bank in the Kyrgyz Republic, Tajikistan, and Uzbekistan, which tracks the sales and employment—along with other main characteristics—of about 1,200 to 1,800 firms in a panel structure. The survey contains two waves before and one wave after Russia's invasion of Ukraine.

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