VÁLOGATÁS

az ECB, az EU, az IMF, a BIS, az FSB és az OECD dokumentumaiból

2011. április 7. – április 13.

MAGYAR NEMZETI BANK

1. MONETÁRIS POLITIKA, INFLÁCIÓ

The global financial crisis and the role of central banking http://www.ecb.int/press/key/date/2011/html/sp110412.en.html Speech by **Jürgen Stark**, Member of the Executive Board of the ECB, Institute of Regulation & Risk, North Asia, Hong Kong, 12 April 2011	ECB Speech
Monetary policy decisions, 07/04/2011 http://www.ecb.int/press/pr/date/2011/html/pr110407.en.html magyarul: http://www.ecb.int/press/pr/date/2011/html/pr110407.hu.html	ECB Press Release
Welfare costs of inflation and the circulation of US currency abroad, 13/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1326.pdf Empirical studies of the „shoe-leather" costs of inflation are typically computed using M1 as a measure of money. Yet, official data on M1 includes all currency issued, regardless of the country of residence of the holder. Using monetary data adjusted for US dollars abroad, we show that the failure to control for currency held by non residents may lead to significantly overestimating the shoe-leather costs for the domestic economy. In particular, our estimates of shoe-leather costs are minimized for a positive but moderate value of the inflation rate, thereby justifying a deviation from the Friedman rule in favour of the Fed's current policy.	ECB Working Paper
Nowcasting inflation using high frequency data, 08/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1324.pdf This paper proposes a methodology to nowcast and forecast inflation using data with sampling frequency higher than monthly. The nowcasting literature has been focused on GDP, typically using monthly indicators in order to produce an accurate estimate for the current and next quarter. This paper exploits data with weekly and daily frequency in order to produce more accurate estimates of inflation for the current and followings months. In particular, this paper uses the Weekly Oil Bulletin Price Statistics for the euro area, the Weekly Retail Gasoline and Diesel Prices for the US and daily World Market Prices of Raw Materials. The data are modeled as a trading day frequency factor model with missing observations in a state space representation. For the estimation we adopt the methodology exposed in Banbura and Modugno (2010). In contrast to other existing approaches, the methodology used in this paper has the advantage of modeling all data within a unified single framework that, nevertheless, allows one to produce forecasts of all variables involved. This offers the advantage of disentangling a model-based measure of "news" from each data release and subsequently to assess its impact on the forecast revision. The paper provides an illustrative example of this procedure. Overall, the results show that these data improve forecast accuracy over models that exploit data available only at monthly frequency for both countries.	ECB Working Paper
What lies beneath? A time-varying FAVAR model for the UK transmission mechanism, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1320.pdf This paper uses a time-varying Factor Augmented VAR to investigate the evolving transmission of monetary policy and demand shocks in the UK. Simultaneous estimation of time-varying impulse responses of a large set of macroeconomic variables and disaggregated prices suggest that the response of inflation, money supply and asset prices to monetary policy and demand shocks has changed over the sample period. In particular, during the post-1992 inflation targeting period, monetary policy shocks started having a bigger impact on prices, a smaller impact on activity and began contributing more to overall volatility. In contrast, demand shocks had the largest impact on these variables before the 1990s. We also document changes in the response of disaggregated prices, with the median reaction to contractionary policy shocks becoming more negative and the distribution more dispersed post-1992.	ECB Working Paper

2. PÉNZÜGYI STABILITÁS/PÉNZÜGYI PIACOK

The big fish small pond problem http://www.bis.org/review/r110413a.pdf Speech by **Mr Andrew G Haldane**, Executive Director, Financial Stability, of the Bank of England, at the Institute for New Economic Thinking Annual Conference, Bretton Woods, New Hampshire, 9 April 2011.	BIS Central Banker Speech
Derivatives regulation http://www.bis.org/review/r110413e.pdf Testimony by **Mr Daniel K Tarullo**, Member of the Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, US Senate, Washington DC, 12 April 2011.	BIS Central Banker Speech
One month after the great East Japan earthquake - critical role of financial infrastructure http://www.bis.org/review/r110411b.pdf Opening remarks by **Mr Masaaki Shirakawa**, Governor of the Bank of Japan, at a meeting hosted by the Institute of Regulation & Risk, North Asia, Tokyo, 11 April 2011.	BIS Central Banker Speech
The role of "financial myths" in financial crises http://www.bis.org/review/r110411e.pdf Remarks by **Mr Eric S Rosengren**, President and Chief Executive Officer of the Federal Reserve Bank of Boston, at the Boston University conference on "The State of Financial Reform" (panel on Lessons Learned from the Global Financial Meltdown), Boston, Massachusetts, 28 February 2011	BIS Central Banker Speech
Regulatory reform of the global financial system http://www.bis.org/review/r110411f.pdf Remarks by Mr William C Dudley, President and Chief Executive Officer of the Federal Reserve Bank of New York, at a meeting hosted by the Institute of Regulation & Risk, North Asia, Tokyo, 11 April 2011.	BIS Central Banker Speech
Universal banking - Hong Kong's perspective http://www.bis.org/review/r110408c.pdf Keynote address by **Mr Norman T L Chan**, Chief Executive of the Hong Kong Monetary Authority, at the opening session of the Asian Banker Summit 2011, Hong Kong, 7 April 2011.	BIS Central Banker Speech
Community bankers and supervisors - seeking balance http://www.bis.org/review/r110408d.pdf Speech by **Ms Sarah Bloom Raskin**, Member of the Board of Governors of the Federal Reserve System, at the Federal Reserve Bank of New York Community Bankers Conference, New York, 7 April 2011.	BIS Central Banker Speech
Additional capital requirements for four Irish banks http://www.bis.org/review/r110407a.pdf Remarks by **Mr Patrick Honohan**, Governor of the Central Bank of Ireland, at the publication of capital and liquidity results for the banking sector, Dublin, 31 March 2011.	BIS Central Banker Speech
Russia: Statement at the Conclusion of the IMF's Financial Stability Assessment Mission Under the IMF's Financial Sector Assessment Program, April 12, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11132.htm	IMF Press Release
Systemic risk diagnostics: coincident indicators and early warning signals, 13/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1327.pdf We propose a novel framework to assess financial system risk. Using a dynamic factor framework based on state-space methods, we construct coincident measures ('thermometers') and a forward looking indicator for the likelihood of simultaneous failure of a large number of financial intermediaries. The indicators are based on latent macrofinancial and credit risk components for a large data set comprising the U.S., the EU-	ECB Working Paper

27 area, and the respective rest of the world. Credit risk conditions can significantly and persistently de-couple from macro-financial fundamentals. Such decoupling can serve as an early warning signal for macro-prudential policy.	
Household sector borrowing in the euro area - a micro data perspective, 08/04/2011 http://www.ecb.int/pub/pdf/scpops/ecbocp125.pdf This paper uses micro data from the European Union Statistics on Income and Living Conditions (EU-SILC) to generate structural information for the euro area on the incidence of household indebtedness and the debt service burden. It breaks down incidence by characteristics such as income, age and employment status, all features that can be crossreferenced in the light of theories such as the life-cycle hypothesis. Overall, income appears to be the dominant feature determining the debt status of a household. The paper also examines the evolution of indebtedness and debt service burdens over time and compares the situation in the euro area with that in the United States. In general, the results suggest that the macroeconomic implications of indebtedness for monetary transmission and fi nancial stability are not associated with the mean but with the tails of the distribution.	ECB Occasional Paper
Financial imbalances and financial fragility, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1317.pdf This paper develops a general equilibrium model to analyze the link between financial imbalances and financial crises. The model features an interbank market subject to frictions and where two equilibria may (co-)exist. The normal times equilibrium is characterized by a deep market with highly leveraged banks. The crisis times equilibrium is characterized by bank deleveraging, a market run, and a liquidity trap. Crises occur when there is too much liquidity (savings) in the economy with respect to the number of (safe) investment opportunities. In effect, the economy is shown to have a limited liquidity absorption capacity, which depends -inter alia- on the productivity of the real sector, the ultimate borrower. I extend the model in order to analyze the e¤ects of financial integration of an emerging and a developed country. I find results in line with the recent literature on global imbalances. Financial integration permits a more e¢cient allocation of savings worldwide in normal times. It also implies a current account deficit for the developed country. The current account deficit makes financial crises more likely when it exceeds the liquidity absorption capacity of the developed country. Thus, under some conditions -which this paper spells out- financial integration of emerging countries may increase the fragility of the international financial system. Implications of financial integration and global imbalances in terms of output, wealth distribution, welfare, and policy interventions are also discussed.	ECB Working Paper
Quarterly note on the euro-denominated bond markets - March 2011 http://ec.europa.eu/economy_finance/publications/bond_market/2011/pdf/bond_156_en.pdf Statistical annex: http://ec.europa.eu/economy_finance/publications/bond_market/2011/pdf/bond_156_annex_en.pdf	EU Publication
Macroprudential Policy - An Organizing Framework, April 8, 2011 http://www.imf.org/external/np/pp/eng/2011/031411.pdf Macroprudential policy is a complement to microprudential policy and it interacts with other types of public policy that have an impact on systemic financial stability. Indeed, prudential regulation, as carried out in the past, also had some macroprudential aspects, and the recent crisis has reinforced this focus; hence, a clear separation between "micro" and "macro" prudential, if useful conceptually, is difficult to delineate in practice. Moreover, no matter how different policy mandates are structured, financial stability tends to be a common responsibility, reflecting the far reaching consequences of financial crises. This calls for coordination across policies, to ensure that systemic risk is comprehensively addressed. Equally important, macroprudential policy is no substitute for sound policies more broadly, including, in particular, strong prudential regulation and supervision, and sound macroeconomic policies. Operational independence in other policy areas, including monetary and microprudential policy, should not be undermined in the name of macroprudential policy. Finally, given the global nature of the financial system, the	IMF Policy Paper + Background Paper + Press Release

multilateral aspects of macroprudential policy will need to be fully considered—an important aspect that is only touched upon in this paper. Background paper: http://www.imf.org/external/np/pp/eng/2011/031411a.pdf MCM conducted a survey in December 2010 to take stock of international experiences with financial stability and the evolving macroprudential policy framework. The survey was designed to seek information in three broad areas: the institutional setup for macroprudential policy, the analytical approach to systemic risk monitoring, and the macroprudential policy toolkit. The survey was sent to 63 countries and the European Central Bank (ECB), including all countries in the G-20 and those subject to mandatory Financial Sector Assessment Programs (FSAPs). The target list is designed to cover a broad range of jurisdictions in all regions, but more weight is given to economies that are systemically important (see Annex for details). The response rate is 80 percent. This note provides a summary of the survey's main findings. Related press release: http://www.imf.org/external/np/sec/pn/2011/pn1146.htm	
Assessing Reserve Adequacy April 7, 2011 http://www.imf.org/external/np/pp/eng/2011/021411b.pdf The dramatic increase in reserves holdings over the past decade has resumed since the global financial crisis, even at an accelerated pace. While the crisis has heightened perceptions of the importance of holding adequate reserves, there is little consensus on what constitutes an adequate level from a precautionary perspective: traditional metrics are narrowly-based and often provide conflicting signals; while newer approaches tend to be hostage to stylized modeling assumptions and calibrations. As a result, assessments tend to rely on comparisons with peers, probably amplifying the upward trend as perceived needs rise in line with actual holdings. Supplementary information: http://www.imf.org/external/np/pp/eng/2011/021411c.pdf The dramatic increase in reserves holdings over the past decade has resumed since the global financial crisis, even at an accelerated pace. While the crisis has heightened perceptions of the importance of holding adequate reserves, there is little consensus on what constitutes an adequate level from a precautionary perspective: traditional metrics are narrowly-based and often provide conflicting signals; while newer approaches tend to be hostage to stylized modeling assumptions and calibrations. As a result, assessments tend to rely on comparisons with peers, probably amplifying the upward trend as perceived needs rise in line with actual holdings. The metric proposed in the main paper is based on outflows—principally in relation the relevant stock of underlying foreign liabilities or domestic assets—during periods of exchange market pressure (EMP). Especially as it remains the primary reason countries accumulate reserves for insurance purposes, the metric is based on balance of payments drains experienced during EMP episodes—i.e., a measure of sufficient reserves periods of pressure and ahead of a full-blown crisis. Related press release: http://www.imf.org/external/np/sec/pn/2011/pn1147.htm	IMF Policy Paper + Press Release
Managing Abundance to Avoid a Bust in Latin America, April 7, 2011 http://www.imf.org/external/pubs/ft/sdn/2011/sdn1107.pdf Exceptional global circumstances have produced a double bonanza of easy foreign financing and high terms of trade for Latin America (LA), particularly for commodity exporters—favorable conditions that will not last forever. Managing this abundance will be critical to avoiding a boom-bust cycle. This note explores the sources of these double tailwinds, the problems and vulnerabilities they can engender in LA, and how to build an appropriate policy response.	IMF Staff Discussion Note

Potential financial stability risks arising from recent trends in exchange-traded funds (ETFs), April 12, 2011 http://www.financialstabilityboard.org/publications/r_110412b.pdf As part of its mandate, the Financial Stability Board (FSB) monitors market developments and advises on their implications for regulatory policy1. In doing so, it seeks to identify potential vulnerabilities and the actions that may be needed to address them. The recent rapid growth and innovation in the market for Exchange Traded Funds (ETFs) is a development that the FSB believes warrants increased attention by regulatory and supervisory authorities, as well as by the ETF industry, including providers, market-makers and investors. This note highlights a number of recent developments that call for such attention. Related press release: http://www.financialstabilityboard.org/publications/r_110412b.pdf	BIS-FSB Publication + Press Release
Shadow Banking: Scoping the Issues, April 12, 2011 http://www.financialstabilityboard.org/publications/r_110412a.pdf At the November 2010 Seoul Summit, in view of the completion of the new capital standards for banks (Basel III), the G20 Leaders identified some remaining issues of financial sector regulation that warranted attention. They highlighted "strengthening regulation and supervision of shadow banking" as one of these issues and requested that the Financial Stability Board (FSB), in collaboration with other international standard setting bodies, develop recommendations to strengthen the oversight and regulation of the "shadow banking system" by mid-2011. Related press release: http://www.financialstabilityboard.org/press/pr_110412a.pdf	BIS-FSB Publication + Press Release
Market structures and systemic risks of exchange-traded funds, April 13, 2011 http://www.bis.org/publ/work343.pdf Crisis experience has shown that as the financial intermediation chain lengthens, it becomes complicated to assess the risks of financial products due to a lack of transparency as to how risks are managed at different levels of the intermediation chain. Exchange-traded funds, which have become popular among investors seeking exposure to a diversified portfolio of assets, share this characteristic, especially when their returns are replicated using derivative products. As the volume of such products grows, such replication strategies can lead to a build-up of systemic risks in the financial system. This article examines the operational frameworks of exchange-traded funds and identifies potential channels through which risks to financial stability can materialise.	BIS Working Paper

3. FIZETÉSI RENDSZEREK

Settlement fails - report on securities settlement systems (SSS) measures to ensure timely settlement, 12/04/2011 http://www.ecb.int/pub/pdf/other/settlementfails042011en.pdf This publication draws on Eurosystem expertise on the topic, and on a survey about measures to enhance settlement efficiency (already) adopted by SSSs in the European Union. This publication is meant as an informative brochure: i) to provide background information about fails, their possible causes and what the consequences are for the parties involved (Section 1), and ii) to describe the main measures actually in place to prevent, discourage and mitigate the effect of fails (Sections 3, 4 and 5). Section 2 addresses various aspects related to the level and duration of settlement fails. In this respect, it is emphasised that currently no uniform methodology and data availability for the experience of EU SSSs with respect to settlement fails exists, which makes it difficult to draw meaningful conclusions that are comparable amongst the European SSSs.	ECB Publication

4. KÖLTSÉGVETÉSI POLITIKA

Fiscal developments and financial stress: a threshold VAR analysis, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1319.pdf We use a threshold VAR analysis to study whether the effects of fiscal policy on economic activity differ depending on financial market conditions. In particular, we investigate the possibility of a non-linear propagation of fiscal developments according to different financial market stress regimes. More specifically we employ a quarterly dataset, for the U.S., the U.K., Germany and Italy, for the period 1980:4-2009:4, encompassing macro, fiscal and financial variables. The results show that (i) the use of a nonlinear framework with regime switches is corroborated by nonlinearity tests; (ii) the responses of economic growth to a fiscal shock are mostly positive in both financial stress regimes; (iii) financial stress has a negative effect on output growth and worsens the fiscal position; (iv) the nonlinearity in the response of output growth to a fiscal shock is mainly associated with different behaviour across regimes; (v) the size of the fiscal multipliers is higher than average in the last crisis.	ECB Working Paper
Shifting Gears Tackling Challenges on the Road to Fiscal Adjustment - IMF Fiscal Monitor, April 12, 2011 http://www.imf.org/external/pubs/ft/fm/2011/01/pdf/fm1101.pdf The projections included in this Fiscal Monitor are based on the same database used for the April 2011 World Economic Outlook (WEO) and Global Financial Stability Report (GFSR) (and are referred to as "IMF staff projections"). The fiscal projections refer to the general government unless otherwise indicated. Short-term fiscal projections are based on officially announced budgets, adjusted for differences between the national authorities and the IMF staff regarding macroeconomic assumptions. The medium-term fiscal projections incorporate policy measures that are judged by the IMF staff as likely to be implemented. For countries supported by an IMF arrangement, the mediumterm projections are those under the arrangement. In cases where the IMF staff has insufficient information to assess the authorities' budget intentions and prospects for policy implementation, an unchanged cyclically adjusted primary balance is assumed, unless indicated otherwise. Country-specific assumptions are detailed in the Methodological and Statistical Appendix, which precedes the Statistical Tables. This issue of the Fiscal Monitor includes a new table (Statistical Table 9) on structural fiscal indicators.	IMF Publication
A Fiscal Indicator for Assessing First and Second Pillar Pension Reforms, April 12, 2011 http://www.imf.org/external/pubs/ft/sdn/2011/sdn1109.pdf Traditional deficit and debt indicators focus on the health of public finances today but fail to capture the future impact of public programs. This weakness is evident in the treatment of pension reforms, which may strengthen the long-term fiscal outlook, but have adverse effects on the budget balance and government debt in the near term. This asymmetry has raised concerns that assessments based on traditional indicators could create incentives to delay or even reverse pension reforms. This issue has recently become a key concern in Central and Eastern Europe, where countries have diverted contributions back from funded private sector "second pillar" systems to the unfunded public sector "first pillar" systems. This Staff Discussion Note proposes a new fiscal indicator—the "pension-adjusted" budget balance—which provides a level playing field for the evaluation of a country's pension policies and addresses these concerns. The usefulness of the proposed measure is illustrated by a number of stylized examples. Going forward, both overall and pension-adjusted balances should be monitored.	IMF Staff Position Note
Tax Policy: Designing and Drafting a Domestic Law to Implement a Tax Treaty, April 11 2011 http://www.imf.org/external/pubs/ft/tnm/2011/tnm1101.pdf The purpose of this article is to provide introductory guidance to the tax policy department in a developing country that is expanding or is about to expand its tax treaty network on how to design and draft a domestic law to implement a tax treaty and related issues. While	IMF Technical Notes and Manuals

each treaty is different, for simplicity, my explanation cites articles of the OECD Model Tax Convention (OECD MTC). The article consists of three parts, i.e.: • Relationship between tax treaties and domestic laws; • Role of domestic laws to implement a tax treaty; • Role of domestic laws to counter tax treaty shopping.	
When and How to Adjust Beyond the Business Cycle? A Guide to Structural Fiscal Balances, April 11, 2011 http://www.imf.org/external/pubs/ft/tnm/2011/tnm1102.pdf Structural balances are an extension of cyclically adjusted balances, correcting for a broader range of factors such as asset and commodity prices and output composition effects. Such analysis helps strengthen the understanding of the underlying drivers of fiscal positions that became apparent during the recent global crisis. This technical note seeks to provide operational guidance on when and how to apply various approaches to compute cyclically adjusted and structural fiscal balances. The main lesson is that there is no single way of adjusting fiscal balances; the appropriate adjustment should take into account the purpose of the analysis, data availability, the fiscal regime, and the economic structure, but will ultimately reflect analytical judgment. The note presents an empirical example based on Canada and other examples from country work. It also makes available a package of STATA codes for the regressions and diagnostic tests needed to estimate cyclically adjusted and structural balances, and an Excel template to compute these balances once elasticity estimates are available that can be readily adapted to other country cases.	IMF Technical Notes and Manuals

5. ÁLTALÁNOS GAZDASÁGPOLITIKA

Introductory statement to the press conference (with Q&A) http://www.ecb.int/press/pressconf/2011/html/is110407.en.html Introductory statement by **Jean-Claude Trichet**, President of the ECB, and **Vítor Constâncio**, Vice-President of the ECB, Frankfurt am Main, 7 April 2011	ECB Speech
The Global Jobs Crisis— Sustaining the Recovery through Employment and Equitable Growth http://www.imf.org/external/np/speeches/2011/041311.htm Speech by **Dominique Strauss-Kahn**, Managing Director, International Monetary Fund, Washington, April 13, 2011	IMF Speech
Commodity prices, the economic outlook, and monetary policy http://www.bis.org/review/r110413c.pdf Speech by **Ms Janet L Yellen**, Vice Chair of the Board of Governors of the Federal Reserve System, at the Economic Club of New York, New York, 11 April 2011.	BIS Central Banker Speech
Iceland's economy and monetary regime - a series of crossroads http://www.bis.org/review/r110411a.pdf Speech by Mr Már Guðmundsson, Governor of the Central Bank of Iceland, at the 50th Annual General Meeting of the Central Bank of Iceland, Reykjavik, 7 April 2011.	BIS Central Banker Speech
Recent economic and financial developments and the conduct of monetary policy http://www.bis.org/review/r110411d.pdf Speech by **Mr Tadao Noda**, Member of the Policy Board of the Bank of Japan, at a meeting with business leaders, Kumamoto, 3 March 2011.	BIS Central Banker Speech
Two key questions about the economic recovery http://www.bis.org/review/r110408e.pdf Remarks by **Mr Eric S Rosengren**, President and Chief Executive Officer of the Federal Reserve Bank of Boston, at the New England Mortgage Expo, hosted by the Connecticut Mortgage Bankers Association and The Warren Group, Boston, Massachussetts, 14 January 2011	BIS Central Banker Speech

Commission's mission to Hungary welcomes commitment to structural reform and calls for further details on deficit cuts, 11/04/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/458&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Relesae
Statement by the Eurogroup and ECOFIN Ministers, 08/04/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/227&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Relesae
Slovak Republic: 2011 Article IV Consultation Concluding Statement of the Mission, April 12, 2011 http://www.imf.org/external/np/ms/2011/041111.htm	IMF Press Release
Hungary: Post-Program Monitoring Discussions, April 11, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11129.htm	IMF Press Release
Portugal: IMF experts to join EC and ECB teams in upcoming technical assessment on April 12, April 10, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11126.htm	IMF Press Release
Portugal: Statement by IMF Managing Director Dominique Strauss-Kahn, April, 8 2011 http://www.imf.org/external/np/sec/pr/2011/pr11124.htm	IMF Press Release
Czech Republic: IMF Executive Board Concludes 2011 Article IV Consultation, April 7 2011 http://www.imf.org/external/np/sec/pn/2011/pn1145.htm	IMF Press Release
Wage structure effects of international trade: evidence from a small open economy, 08/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1325.pdf In the last decades, international trade has increased between industrialised countries and between high- and low-wage countries. This important change has raised questions on how international trade affects the labour market. In this spirit, this paper aims to investigate the impact of international trade on wage dispersion in a small open economy. It is one of the few to: i) use detailed matched employeremployee data to compute industry wage premia and disaggregated industry level panel data to examine the impact of changes in exports and imports on changes in wage differentials, ii) examine the impact of imports according to the country of origin. Looking at the export side, we find a positive effect of exports on the industry wage premium. The results also show that import penetration from low-income countries has a significant and negative impact on the inter-industry wage differentials, while imports from high-income countries seem to have a more ambiguous impact on the wage structure. The results suggest that trade with low-income and high-income countries has different effects on the inter-industry wage differentials.	ECB Working Paper
Structural reforms and macroeconomic performance in the euro area countries: a model-based assessment, 08/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1323.pdf We quantitatively assess the macroeconomic effects of country-specific supply-side reforms in the euro area by simulating EAGLE, a multi-country dynamic general equilibrium model. We consider reforms in the labor and services markets of Germany (or, alternatively, Portugal) and the rest of the euro area. Our main results are as follows. First, there are benefits from implementing unilateral structural reforms. A reduction of markup by 15 percentage points in the German (Portuguese) labor and services market would induce an increase in the long-run German (Portuguese) output equal to 8.8 (7.8) percent. As reforms are implemented gradually over a period of five years, output would smoothly reach its new long-run level in seven years. Second, cross-country coordination of reforms would add extra benefits to each region in the euro area, by limiting the deterioration of relative prices and purchasing power that a country faces when implementing reforms unilaterally. This is true in particular for a small and open economy such as Portugal. Specifically, in the long run German output would increase by 9.2 percent, Portuguese output by 8.6 percent. Third, cross-country coordination would make the macroeconomic performance of the different	ECB Working Paper

regions belonging to the euro area more homogeneous, both in terms of price competitiveness and real activity. Overall, our results suggest that reforms implemented apart by each country in the euro area produce positive effects, cross-country coordination produces larger and more evenly distributed (positive) effects.	
Business cycle synchronisation: disentangling trade and financial linkages, 08/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1322.pdf Drawing on a large sample of countries, this paper explores whether closer economic ties between countries foster business cycle synchronisation and disentangles the role of the various channels, including trade and financial linkages as well as the similarity in sectoral specialisation. Overall, our results confirm that trade integration fosters business cycle synchronisation. Similar patterns of sectoral specialisation also lead to closer business cycle co-movement. By contrast, it remains difficult to find a direct relationship between bilateral financial linkages and output correlation. However, our results suggest that financial integration affects business cycle synchronisation indirectly by raising the similarity in sectoral specialisation. Through this indirect link, financial integration tends to raise business cycle comovement between countries.	ECB Working Paper
Macroeconomic implications of downward wage rigidities, 08/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1321.pdf Growth of wages, unemployment, employment and vacancies exhibit strong asymmetries between expansionary and contractionary phases. In this paper we analyze to what degree downward wage rigidities in the bargaining process affect other variables of the economy. We introduce asymmetric wage adjustment costs in a New-Keynesian DSGE model with search and matching frictions in the labor market. We find that the presence of downward wage rigidities strongly improves the fit of the model to the skewness of variables and the relative length of expansionary and contractionary phases even when detrending the data. Due to the asymmetry, wages increase more easily in expansions, which limits vacancy posting and employment creation, similar to the flexible wage case. During contractions nominal wages decrease slowly, shifting the main burden of adjustment to employment and hours worked. The asymmetry also explains the differing transmission of positive and negative demand shocks from wages to inflation. Downward wage rigidities help explaining the asymmetric business cycle of many OECD countries where long and smooth expansions with low growth rates are followed by sharp but short recessions with large negative growth rates.	ECB Working Paper
Using the global dimension to identify shocks with sign restrictions, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1318.pdf Identification of structural VARs using sign restrictions has become increasingly popular in the academic literature. This paper (i) argues that identification of shocks can benefit from introducing a global dimension, and (ii) shows that summarising information by the median of the available impulse responses—as commonly done in the literature—has some undesired features that can be avoided by using an alternatively proposed summary measure based on a “scaled median” estimate of the structural impulse response. The paper implements this approach in both a small scale model as originally presented in Uhlig (2005) and a large scale model, introducing the sign restrictions approach to the global VAR (GVAR) literature, that allows to explore the global dimension by adding a large number of sign restrictions. We find that the patterns of impulse responses are qualitatively similar though point estimates tend to be quantitatively much larger in the alternatively proposed approach. In addition, our GVAR application in the context of global oil supply shocks documents that oil supply shocks have a stronger impact on emerging economies’ real output as compared to mature economies, a negative impact on real growth in oil-exporting economies as well, and tend to cause an appreciation (depreciation) of oil-exporters’ (oil-importers’) real exchange rates but also lead to an appreciation of the US dollar. One possible explanation would be the recycling of oil-exporters’ increased revenues in US financial markets.	ECB Working Paper
The ECB's New Multi-Country Model for the euro area: NMCM - with boundedly rational learning expectations, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1316.pdf	ECB Working Paper

Rational expectations has been the dominant way to model expectations, but the literature has quickly moved to a more realistic assumption of boundedly rational learning where agents are assumed to use only a limited set of information to form their expectations. A standard assumption is that agents form expectations by using the correctly specified reduced form model of the economy, the minimal state variable solution (MSV), but they do not know the parameters. However, with medium-sized and large models the closed-form MSV solutions are difficult to attain given the large number of variables that could be included. Therefore, agents base expectations on a misspecified MSV solution. In contrast, we assume agents know the deep parameters of their own optimising frameworks. However, they are not assumed to know the structure nor the parameterisation of the rest of the economy, nor do they know the stochastic processes generating shocks hitting the economy. In addition, agents are assumed to know that the changes (or the growth rates) of fundament variables can be modelled as stationary ARMA(p,q) processes, the exact form of which is not, however, known by agents. This approach avoids the complexities of dealing with a potential vast multitude of alternative mis-specified MSVs. Using a new Multi-country Euro area Model with Boundedly Estimated Rationality we show this approach is compatible with the same limited information assumption that was used in deriving and estimating the behavioral equations of different optimizing agents. We find that there are strong differences in the adjustment path to the shocks to the economy when agent form expectations using our learning approach compared to expectations formed under the assumption of strong rationality. Furthermore, we find that some variation in expansionary fiscal policy in periods of downturns compared to boom periods.	
The ECB's New Multi-Country Model for the euro area: NMCM - simulated with rational expectations, 07/04/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1315.pdf The model presented here is a New estimated medium-scale Multi-Country Model (NMCM) which covers the five largest euro area countries and is used for forecasting and scenarios analysis at the European Central Bank. The model has a tight theoretical structure which allows for non-unitary elasticity of substitution, non-constant augmenting technical progress and heterogeneous sectors with differentiated price and income elastiticites of demand across sectors. Furthermore, it has the explicit inclusion of expectations on the basis of three optimising private sector decision making units: i.e. firms, trade unions and households, where output is in the short run demand-determined and monopolistically competing firms set prices and factor demands. Labour is indivisible and monopoly-unions set wages and households make consumption/saving decisions. We assume agents optimise under limited information where each agent knows only the parameters related to his/her optimization problem. Therefore we estimate with GMM, which implicitly assumes limited information boundedly rational expectations. In this paper we provide some simulation results under the assumption of model-consistent rational expectations, we show that there is some heterogeneity across countries and that the reactions of the economies to shocks depends strongly on whether the shocks are pre-announced, announced and credible or unannounced and uncredible.	ECB Working Paper
Quarterly Report on the Euro Area - April 2011, 08/04/2011 http://ec.europa.eu/economy_finance/publications/qr_euro_area/2011/pdf/qrea1_en.pdf The April 2011 issue of the Quarterly Report focuses on the EU's economic policy response to the crisis since its outbreak in 2008, placing a particular emphasis on the comprehensive package of policy measures agreed by the European Council in March 2011. The Council's decision to establish a permanent crisis resolution mechanism in the form of the European Stability Mechanism and the sealing of the Euro Plus Pact complement prior policy action spanning the entire economic, budgetary and financial sphere. A second focus section examines the recent upward drift in euro area inflation, stressing the importance of cyclical, but also of structural and political explanatory factors. The acceleration of inflation is found to be mainly driven by commodities prices, especially oil, whereas underlying price pressures remain subdued due to the large amount of spare capacity and well-anchored expectations. The Report also assesses the macroeconomic impact of higher capital requirements for banks under a move to Basel III regulations, finding that GDP would be lowered slightly over the	EU Publication + Press Release

medium term, but would also be less volatile. A further topic reviews Estonia's path towards the adoption of the euro and emphasises the role of sound economic policymaking in having achieved this goal. A final contribution assesses the ongoing recovery through the lens of the Commission's European Business and Consumer Survey data, which show that the recovery remains on track but is characterised by unusually sluggish and rather unbalanced growth. Related press release: **Inflation in the euro area has picked up, but underlying price pressures remain subdued** http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/449&format=HTML&aged=0&language=EN&guiLanguage=en	
World Economic Outlook (WEO), April 2011, April 11, 2011 Tensions from the Two-Speed Recovery: Unemployment, Commodities, and Capital Flows http://www.imf.org/external/pubs/ft/weo/2011/01/pdf/text.pdf The analysis and projections contained in the World Economic Outlook are integral elements of the IMF's surveillance of economic developments and policies in its member countries, of developments in international financial markets, and of the global economic system. The survey of prospects and policies is the product of a comprehensive interdepartmental review of world economic developments, which draws primarily on information the IMF staff gathers through its consultations with member countries.	IMF Publication
Inequality and Unsustainable Growth: Two Sides of the Same Coin? April 8, 2011 http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf The relationship between income inequality and economic growth is complex. Some inequality is integral to the effective functioning of a market economy and the incentives needed for investment and growth. But inequality can also be destructive to growth, for example, by amplifying the risk of crisis or making it difficult for the poor to invest in education. The evidence has also been mixed: some find that average growth over long periods of time is higher with more initial equality; others find that an increase in equality today tends to lower growth in the near term.	IMF Staff Discussion Note
Overview of the Economic Survey of France http://www.oecd.org/dataoecd/4/63/47420767.pdf Related press release: **Clean break needed to stop worsening public finances,** 11-Apr-2011 http://www.oecd.org/document/15/0,3746,en_2649_201185_47561359_1_1_1_1,00.html	OECD Publication + Press Release
Economic Policy Reforms: Going for Growth 2011 http://www.oecd-ilibrary.org/economic-policy-reforms-2011_5km9754ph8mt.pdf;jsessionid=399mcalb0qne7.delta?contentType=/ns/Book&itemId=/content/book/growth-2011-en&containerItemId=/content/serial/18132723&accessItemIds=&mimeType=application/pdf The global recovery from the deepest recession since the Great Depression is under way, but it remains overly dependent on macroeconomic policy stimulus and has not yet managed to significantly reduce high and persistent unemployment in many countries. Going for Growth 2011 highlights the structural reforms needed to restore long-term growth in the wake of the crisis. For each OECD country and, for the first time, six key emerging economies (Brazil, China, India, Indonesia, Russia and South Africa), five reform priorities are identified that would be most effective in delivering sustained growth over the next decade. The analysis shows that many of these reforms could also assist much-needed fiscal consolidation and contribute to reducing global current account imbalances. The internationally comparable indicators provided here enable countries to assess their economic performance and structural policies in a wide range of areas. In addition, this issue contains three analytical chapters covering hsing policies, te efficiency of health care systems and the links between structural policies and current account imbalances.	OECD Publication + Press Release

Related press release: http://www.oecd.org/document/15/0,3746,en_21571361_44315115_47448207_1_1_1_1,00.html	

6. STATISZTIKA

Euro area securities issues statistics, 12/04/2011 http://www.ecb.int/press/pdf/sis/si1102.pdf	ECB Press Release
February 2011 compared with January 2011: Industrial production up by 0.4% in euro area; Up by 0.2% in EU27, 13/04/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/11/54&format=HTML&aged=0&language=EN&guiLanguage=hu	EU Press Release
Inflation in the euro area has picked up, but underlying price pressures remain subdued, 07/04/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/449&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
Harmonised Unemployment Rates (HURs), OECD - Updated: April 2011, 12-Apr-2011 http://www.oecd.org/dataoecd/38/26/47574606.pdf	OECD Press Release
Composite Leading Indicators (CLIs), OECD, April 2011, 11-Apr-2011 http://www.oecd.org/dataoecd/50/62/47561654.pdf	OECD Press Release
Quarterly National Accounts - Contributions to GDP growth - Fourth Quarter 2010, 08-Apr-2011 http://www.oecd.org/dataoecd/7/23/47546661.pdf	OECD Press Release