VÁLOGATÁS

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

dokumentumaiból

2011. december 8-14.

MAGYAR NEMZETI BANK

1. MONETÁRIS POLITIKA, INFLÁCIÓ

Challenges to monetary policy in 2012 http://www.ecb.europa.eu/press/key/date/2011/html/sp111208.en.html Speech by **Vítor Constâncio**, Vice-President of the ECB, 26th International Conference on Interest Rates, Frankfurt am Main, 8 December 2011	ECB Speech
Bond market co-movements, expected inflation and the equilibrium real exchange rate, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1405.pdf Since the end of the fixed rates in 1973 and after the EMS sterling dismissal in 1992, the value of the pound has undergone large cyclical fluctuations on average. Of particular interest to policy makers is the understanding of whether such movements are consistent with the lack or not of a correction mechanism to some long-run equilibrium. The purpose of the present study is to understand those dynamics, how the external value of the British sterling relative to the USD evolved during the recent floating experiences, and what have been the driving forces. In this paper we assume the real exchange rate to be determined by forces relating to the goods and capital market in a *general equilibrium* framework. This entails testing the purchasing power parity and the uncovered interest parity together. Our findings have two important implications, both for monetary policy. First, we show that some of the observed changes in the real exchange rates can not be solely attributed to changes in inflation rates, but, possibly, also to investors' behavior. Secondly, we show that the special US dollar status of World reserve currency results into a weaker behavior of the US bond rate on international markets.	ECB Working Paper
Monetary policy and the flow of funds in the euro area, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1402.pdf This paper provides new evidence on the transmission of monetary policy in the euro area, assessing the impact of an unexpected increase of the short-term interest on the lending and borrowing activity of the different economic sectors. We exploit the information content of the flow-of-funds statistics, that provide the most appropriate framework to analyse the flowing of funds from one sector (the lender) to the other (the borrower). We proceed in two steps. First, we estimate a small VAR model for the euro area over the period 1991Q1 to 2009Q2. Then, we extend the benchmark VAR model in order to include the flow-of-funds series and analyse the response of the latter variables to a contractionary monetary policy shock. We find that the policy tightening is followed by a worsening of the budget deficit; firms cut on their demand for bank loans, partially replacing them with inter-company loans, and draw on their liquidity to try to offset the fall of revenues associated with the slowdown of economic activity; households reduce net borrowing and increase precautionary saving in the short run. Consistent with the bank lending channel of monetary policy at work, the interest rate hike is followed by a short-run deceleration of credit growth, mainly driven by the response of banks.	ECB Working Paper
The impact of recent central bank asset purchase programmes, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112h.pdf This article analyses the effectiveness of the asset purchase programmes implemented by the Federal Reserve and the Bank of England. Both the Federal Reserve's Large-Scale Asset Purchase (LSAP) programme and the Bank of England's Asset Purchase Facility (APF) had a significant impact on financial markets when the first stages were announced, but the effects became smaller for later extensions of the programmes. Applying a methodology developed by D'Amico and King (2010), we estimate that the lasting reduction in bond supply via central bank asset purchases lowered government bond yields significantly. The effect is largely similar for the LSAP and the APF. Our estimations also suggest that the Federal Reserve's new maturity extension programme (MEP) should have an effect on longer-term Treasury bond yields comparable to that of the outright asset purchases under the LSAP.	BIS Quarterly Review Article

2. PÉNZÜGYI STABILITÁS/PÉNZÜGYI PIACOK

Opening Remarks http://www.imf.org/external/np/speeches/2011/120911.htm Opening remarks by **Min Zhu**, Deputy Managing Director, IMF, at the High-Level Regional Symposium on "Monitoring and Managing Financial Stability: Lessons From and For the FSAP", Shanghai, December 9, 2011	IMF Speech
Foreign participation and bond market development in Asia and the Pacific http://www.bis.org/speeches/sp111209.htm Closing remarks by **Mr Jaime Caruana**, General Manager of the BIS, at the Bank of Japan-BIS high-level seminar on "The develpment of regional capital markets", Yokohama, Japan, 20-22 November 2011.	BIS Management Speech
ECB announces measures to support bank lending and money market activity, 8/12/2011 http://www.ecb.europa.eu/press/pr/date/2011/html/pr111208_1.en.html	ECB Press Releases
State aid: Commission approves extension of Danish winding-up scheme for credit institutions, 09/12/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1523&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
State aid: Commission opens investigation into aid granted to Austrian bank ÖVAG, 09/12/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1522&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
Joint IMF-People's Bank of China Symposium Calls for Strengthening Financial Stability Assessments in Asia and Worldwide, December 9, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11458.htm	IMF Press Release
Currency Momentum Strategies, 13 Dec 2011 http://www.bis.org/publ/work366.pdf We provide a broad empirical investigation of momentum strategies in the foreign exchange market. We find a signiffcant cross-sectional spread in excess returns of up to 10% p.a. between past winner and loser currencies. This spread in excess returns is not explained by traditional risk factors, it is partially explained by transaction costs and shows behavior consistent with investor under- and over-reaction. Moreover, crosssectional currency momentum has very different properties from the widely studied carry trade and is not highly correlated with returns of benchmark technical trading rules. However, there seem to be very effective limits to arbitrage which prevent momentum returns from being easily exploitable in currency markets.	BIS Working Paper
Euro area sovereign crisis drives global financial markets, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112a.pdf News on the euro area sovereign debt crisis drove most developments in global financial markets between early September and the beginning of December. Amid downgrades and political uncertainty, market participants demanded higher yields on Italian and Spanish government debt. Difficulties in meeting fiscal targets in a recessionary environment weighed on prices of Greek and Portuguese sovereign bonds. Conditions stabilised somewhat in October on growing optimism that the end-month EU summit would propose comprehensive measures to tackle the crisis. But by November, investors were growing sceptical about the adequacy of some of these measures. Sovereign bond yields then rose across the euro area, including for higher-rated issuers. Meanwhile, financial institutions with direct exposure to euro area sovereigns saw their costs and access to funding deteriorate. Affected banks took measures to further reduce leverage, selling assets and tightening credit terms. Financial institutions also sold certain types of assets to counter increases in the volatility of their portfolios. This included emerging market securities, whose prices plunged in September and fell again in November, while those of safe haven assets rose in a corresponding flight to quality.	BIS Quarterly Review Article

FX strategies in periods of distress, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112e.pdf This article presents an overview of widely practised short-term multicurrency investment strategies such as carry trade, momentum and term spread strategies. We provide evidence on their downside risk properties and illustrate their performance over historical episodes of financial market turmoil. We show that the strategies exhibit substantial tail risks and that they do not perform uniformly during distress periods in global markets. Interestingly, equity market investments feature even greater downside risk.	BIS Quarterly Review Article
Renminbi internationalisation and China's financial development, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112f.pdf For now, effective capital controls allows the Chinese authorities to retain regulated deposit and lending rates, quantitative credit guidance and bond-market rationing. Relaxing capital controls would put these policies at risk. Reserve requirements can be extended to bank inflows from the offshore market, but only at a cost.	BIS Quarterly Review Article
Assessing global liquidity, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112g.pdf Global liquidity has become a key focus of international policy debates over recent years. The concept of global liquidity, however continues to be used in a variety of ways and this ambiguity can lead to potentially undesirable policy responses. This feature attempts to further the understanding of the global liquidity concept, its measurement and policy implications. It argues that policy responses to global liquidity call for a consistent framework that considers all phases of global liquidity cycles, countering both surges and shortages.	BIS Quarterly Review Article
Systemically Important Banks and Capital Regulation Challenges, 12 Dec 2011 http://www.oecd-ilibrary.org/systemically-important-banks-and-capital-regulation-challenges_5kg0ps8cq8q6.pdf?contentType=/ns/WorkingPaper&itemId=/content/workingpaper/5kg0ps8cq8q6-en&containerItemId=/content/workingpaperseries/18151973&accessItemIds=&mimeType=application/pdf Bank regulation might have contributed to or even reinforced adverse systemic shocks that materialised during the financial crisis. Capital regulation based on risk-weighted assets encourages innovation designed to circumvent regulatory requirements and shifts banks' focus away from their core economic functions. Tighter capital requirements based on risk-weighted assets may further contribute to these skewed incentives. The estimated macroeconomic costs of redirecting banks' attention away from such unconventional business practices are low. During a medium-term adjustment period, for each percentage point of bank equity, regulation that is not based on risk-weighted assets would affect annual GDP growth by -0.02 percentage point more than under the risk-weighted assets framework. Refocusing banks' attention toward their main economic functions is a core requirement for durable financial stability and sustainable economic growth.	OECD Working Paper

3. KÖLTSÉGVETÉSI POLITIKA, ADÓZÁS

Real-time data and fiscal data analysis - a survey of the literature, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1408.pdf This paper surveys the empirical research on fiscal policy analysis based on real-time data. This literature can be broadly divided in three groups that focus on: (1) the statistical properties of revisions in fiscal data; (2) the political and institutional determinants of projection errors by governments and (3) the reaction of fiscal policies to the business cycle. It emerges that, first, fiscal data revisions are large and initial releases are biased estimates of final values. Second, the presence of strong fiscal rules and institutions leads to relatively	ECB Working Paper

more accurate releases of fiscal data and small deviations of fiscal outcomes from government plans. Third, the cyclical stance of fiscal policies is estimated to be more 'counter-cyclical' when real-time data are used instead of ex-post data. Finally, more work is needed for the development of real-time datasets for fiscal policy analysis. In particular, a comprehensive real-time dataset including fiscal variables for industrialized (and possibly developing) countries, published and maintained by central banks or other institutions, is still missing.	
Are There Spillover Effects from Munis? December 9, 2011 http://www.imf.org/external/pubs/ft/wp/2011/wp11290.pdf This paper studies the spillover effects both within the bond markets for individual U.S. states and between the latter and the market for U.S. Treasury securities. We perform the Forbes and Rigobon (2002) spillover test using daily bond yield data over the period 2005 to 2011. Results are twofold. First, we find that between most markets for individual U.S. state bonds there are negative spillovers. In other words, an increase in borrowing costs in one U.S. state results in better borrowing conditions for other states. Second, we find no substantial spillover effect between shocks originating from state securities and from federal markets, except for a few large issuers. Using causality tests in the frequency domain, we find that the Treasury bond market directly causes changes in the markets for municipal bonds in both the short and long run. There is also some evidence of causality from the municipal to the Treasury bond market, but only of a long-run nature. Our results shed some light on the policy debate on the nature of spillover effects within fiscal unions.	IMF Working Paper
Fiscal policy and its implications for monetary and financial stability, 09 Dec 2011 http://www.bis.org/publ/bppdf/bispap59.pdf The BIS 10th Annual Conference took place in Lucerne, Switzerland on 23-24 June 2011. The event brought together senior representatives of central banks and academic institutions, who exchanged views on the conference theme of "Fiscal policy and its implications for monetary and financial stability". This volume contains the opening address of Stephen Cecchetti (Economic Adviser, BIS), a keynote address from Martin Feldstein, and the contributions of the policy panel on "Fiscal policy sustainability and implications for monetary and financial stability". The participants in the policy panel discussion, chaired by Jaime Caruana (General Manager, BIS), were José De Gregorio (Bank of Chile), Peter Diamond (Massachusetts Institute of Technology) and Peter Praet (European Central Bank).	BIS Paper
Long-term fiscal sustainability in major economies, 09 Dec 2011 http://www.bis.org/publ/work361.pdf As the world economy slowly recovers from the very deep and widespread recession of recent years, many countries confront very serious fiscal imbalances. How much time they have to deal with these imbalances is a central question, the salience of which can only have been increased by the ongoing fiscal crisis and bailout in Greece and the immediate fiscal adjustments being discussed or already undertaken in several other countries. There is little doubt that much of the current attention to fiscal imbalances is attributable to the rapid increases in debt to GDP ratios arising from the recession, either directly through the automatic tax and spending responses to slow growth, or indirectly through the countercyclical discretionary fiscal measures undertaken. Table 1 shows the evolution of net general government debt to GDP ratios for several leading economies in recent years, starting in 2007, just as the worldwide recession began.	BIS Working Paper
The "Austerity myth": Gain Without Pain?, 09 Dec 2011 http://www.bis.org/publ/work362.pdf As governments around the world contemplate slashing budget deficits, the "expansionary fiscal consolidation hypothesis" is back in vogue. I argue that, as a statement about the short run, it should be taken with caution. Alesina and Perotti (1995) and Alesina and Ardagna (2010) (AAP) have argued that fiscal consolidations may be expansionary if implemented mainly by cutting government spending. IMF (2010) criticizes the data and methodology used by AAP, and reach opposite conclusions. Some of the methodological critiques are correct. However, the implementation of the IMF methodology has several problems of its own. I then argue that because of the multi-year	BIS Working Paper

nature of the large fiscal consolidations, which are precisely the most informative ones, using yearly panels of fiscal policy is limiting. I present four detailed case studies, two - Denmark and Ireland - undertaken under fixed exchange rates (the most relevant case for many Eurozone countries today) and two - Finland and Sweden - after floating the currency. All four fiscal episodes were associated with an expansion; but only in Denmark the driver of growth was internal demand. However, after three years a long slump set in as the economy lost competitiveness. In all the others for a long time the main driver of growth was exports. In Ireland this occurred because the sterling coincidentally appreciated. In Finland and Sweden the currency experienced an extremely large depreciation after floating. In all consolidations interest rate fell fast, and wage moderation played a key role in generating a gain competitiveness and a decline in interest rates. Wage moderation was facilitated by the direct intervention of the government in the wage negotiation process. In Finland and Sweden, the adoption of inflation targeting at the same time of the consolidation helped the decline in interest rates. These results cast doubt on at least some versions of the "expansionary fiscal consolidations" hypothesis, and on its applicability to many countries in the present circumstances. A depreciation is not available to EMU members today (except vis à vis countries outside the Eurozone). A net export boom is not feasible for the world as a whole. A further decline in interest rates is unlikely in the current situation. And incomes policies are not popular nowadays; moreover, international experience, and the Danish case, suggest that they are ineffective after a few years.	
The Liquidation of Government Debt, 09 Dec 2011 http://www.bis.org/publ/work363.pdf Historically, periods of high indebtedness have been associated with a rising incidence of default or restructuring of public and private debts. A subtle type of debt restructuring takes the form of "financial repression." Financial repression includes directed lending to government by captive domestic audiences (such as pension funds), explicit or implicit caps on interest rates, regulation of cross-border capital movements, and (generally) a tighter connection between government and banks. In the heavily regulated financial markets of the Bretton Woods system, several restrictions facilitated a sharp and rapid reduction in public debt/GDP ratios from the late 1940s to the 1970s. Low nominal interest rates help reduce debt servicing costs while a high incidence of negative real interest rates liquidates or erodes the real value of government debt. Thus, financial repression is most successful in liquidating debts when accompanied by a steady dose of inflation. Inflation need not take market participants entirely by surprise and, in effect, it need not be very high (by historic standards). For the advanced economies in our sample, real interest rates were negative roughly ½ of the time during 1945-1980. For the United States and the United Kingdom our estimates of the annual liquidation of debt via negative real interest rates amounted on average from 2 to 3 percent of GDP a year. We describe some of the regulatory measures and policy actions that characterized the heyday of the financial repression era.	BIS Working Paper
Perceptions and misperceptions of fiscal inflation, 09 Dec 2011 http://www.bis.org/publ/work364.pdf The Great Recession and worldwide financial crisis have exploded fiscal imbalances and brought fiscal policy and inflation to the forefront of policy concerns. Those concerns will only grow as aging populations increase demands on government expenditures in coming decades. It is widely perceived that fiscal policy is inflationary if and only if it leads the central bank to print new currency to monetize deficits. Monetization can be inflationary. But it is a misperception that this is the only channel for fiscal inflations. Nominal bonds, the predominant form of government debt in advanced economies, derive their value from expected future nominal primary surpluses and money creation; changes in the price level can align the market value of debt to its expected real backing. This introduces a fresh channel, not requiring monetization, through which fiscal deficits directly affect inflation. The paper begins by pointing out similarities and differences between the Weimar Republic after World War I and the United States today. It describes various ways in which fiscal policy can directly affect inflation and explains why these fiscal effects are difficult to detect in time series data.	BIS Working Paper

Was This Time Different?: Fiscal Policy in Commodity Republics, 09 Dec 2011 http://www.bis.org/publ/work365.pdf According to standard economic theory, fiscal policy should be countercyclical. In the neoclassical smoothing model of Barro (1979), a government should optimally run surpluses in good times and deficits in bad times. That is the same a government should do, though for different reasons, in the standard Keynesian or neo-Keynesian framework. Yet in practice governments often seem to follow a pro-cyclical fiscal policy. Cuddington (1989), Talvi and Vegh (2005) and Sinnott (2009), among others, document that governments save little or even disave in booms. Procyclicality is most evident in Latin America, but is also present in OECD countries.	BIS Working Paper

4. PÉNZFORGALOM, FIZETÉSI RENDSZEREK

A fair and open system for payments in the Single Market http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/889&format=HTML&aged=0&language=EN&guiLanguage=en Speech by **Joaquín Almunia**, Vice President of the European Commission responsible for Competition Policy, at the European Payments Council Plenary meeting, Brussels, 14 December	EU Speech

5. ÁLTALÁNOS GAZDASÁGPOLITIKA

The State of the global economy http://www.ecb.europa.eu/press/key/date/2011/html/sp111209.en.html Speech by **Peter Praet**, Member of the Executive Board of the ECB, 4th World Policy Conference, Vienna, 9 December 2011	ECB Speech
Introductory statement to the press conference (with Q&A) http://www.ecb.europa.eu/press/pressconf/2011/html/is111208.en.html By **Mario Draghi**, President of the ECB and by **Vítor Constâncio**, Vice-President of the ECB, Frankfurt am Main, 8 December 2011	ECB Speech
A Scoreboard to measure Economic Imbalances in the EU http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/890&format=HTML&aged=0&language=EN&guiLanguage=en Speech by **Olli Rehn**, Vice-President of the European Commission and member of the Commission responsible for Economic and Monetary Affairs and the Euro, EP Plenary Session, Brussels, 14 December 2011	EU Speech
Speech by President Barroso at the EP debate on the review of the Polish Presidency http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/887&format=HTML&aged=0&language=EN&guiLanguage=en Speech by **President José Manuel Durão Barroso** at the EP debate on the review of the Polish Presidency, European Parliament plenary session, Strasbourg, 14 December 2011	EU Speech
Speech at the EP debate on the conclusions of the December European Council http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/880&format=HTML&aged=0&language=EN&guiLanguage=en Speech by **President José Manuel Durão Barroso** at the EP debate on the conclusions of the December European Council, European Parliament plenary session, Strasbourg, 13 December 2011	EU Speech
Tusk: EU is at crossroads, we fight for its future, or we regret it in future, 14/12/2011 http://www.europarl.europa.eu/news/en/headlines/content/20111214STO34102/html/Tusk-EU-is-at-crosswords-we-fight-for-its-future-or-we-regret-it-in-future	EU Press Release

Saving the euro: MEPs debate latest European Council deal, 13/12/2011 http://www.europarl.europa.eu/news/en/headlines/content/20111201FCS33093/7/html/Saving-the-euro-MEPs-debate-latest-European-Council-deal	EU Press Release
Remarks by President of the European Council Herman Van Rompuy at the European Parliament, 13/12/2011 http://www.consilium.europa.eu//uedocs/cms_data/docs/pressdata/en/ec/126848.pdf	EU Press Release
DG ECFIN initiates information campaign on the euro in China, 12/12/2011 http://ec.europa.eu/economy_finance/articles/euro/2011-12-12-china-euro-expo_en.htm	EU Press Release
EU Economic governance "Six-Pack" enters into force, 12/12/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/898&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
Statement by the Euro Area Heads of State or Government, 9/12/2011 http://www.consilium.europa.eu/press/press-releases/latest-press-releases/newsroomloaddocument?id=&lang=en&directory=en/ec/&fileName=126658.pdf	EU Press Release
European Council 9 December 2011 - Conclusions, 9/12/2011 http://www.consilium.europa.eu//uedocs/cms_data/docs/pressdata/en/ec/126714.pdf	EU Press Release
Statement by President Barroso at the press conference following the European Council, 9/12/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/871&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
Remarks of Herman Van Rompuy, President of the European Council, following the meeting of the European Council, 09/12/2011 http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/11/488&format=HTML&aged=0&language=EN&guiLanguage=en	EU Press Release
Transcript of a Conference Call on Greece, December 14, 2011 http://www.imf.org/external/np/tr/2011/tr121311.htm	IMF Press Release
Poland-Concluding Statement of the 2011 Staff Visit, December 9, 2011 http://www.imf.org/external/np/ms/2011/120911.htm	IMF Press Release
Statement on Hungary, December 8, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11453.htm	IMF Press Release
Russian Federation-Concluding Statement for the December 2011 Staff Visit, December 9, 2011 http://www.imf.org/external/np/ms/2011/120811.htm **Statement by IMF Mission to Russia**, December 8, 2011 http://www.imf.org/external/np/sec/pr/2011/pr11454.htm	IMF Press Release
Macroeconomic vulnerability and disagreement in expectations, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1407.pdf In this paper we discuss the role of the cross-sectional heterogeneity of beliefs in the context of understanding and assessing macroeconomic vulnerability. Emphasis lies on the potential of changing levels of disagreement in expectations to infuence the propensity of the economy to switch between different regimes, a hypothesis that finds robust empirical support from a regime-switching model with endogenous transition probabilities for output growth and realized stock market volatility in the US.	ECB Working Paper

The public sector pay gap in a selection of euro area countries, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1406.pdf We investigate the public-private wage differentials in ten euro area countries (Austria, Belgium, France, Germany, Greece, Ireland, Italy, Portugal, Slovenia and Spain). To account for differences in employment characteristics between the two sectors, we focus on micro data taken from EU-SILC. The results point to a conditional pay differential in favour of the public sector that is generally higher for women, at the low tail of the wage distribution, in the Education and the Public administration sectors rather than in the Health sector. Notable differences emerge across countries, with Greece, Ireland, Italy, Portugal and Spain exhibiting higher public sector premia than other countries.	ECB Working Paper
A VAR analysis for the uncovered interest parity and the ex-ante purchasing power parity - the role of macroeconomic and financial information, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1404.pdf This study revisits the relation between the uncovered interest parity (UIP), the *ex ante* purchasing power parity (EXPPP) and the real interest parity (RIP) using a VAR approach for the US dollar, the British sterling and the Japanese yen interest rates, exchange rates and changes in prices. The original contribution is on developing some joint coefficient-based tests for the three parities conditions at a long horizon. Particularly, test results are derived by rewriting the UIP, the EXPPP and the RIP as a set of cross-equation restrictions in the VAR (see also Campbell and Shiller, 1987; Bekaert and Hodrick, 2001; and Bekaert *et al.*, 2007; King and Kurmann, 2002). Consistent with the idea of some form of proportionality among the above three parities, we find a ”forward premium” bias in both the UIP - as it is normally found in empirical analysis (e.g. Fama, 1987) - and the *ex ante* PPP. The latter result is new in the literature and stems from testing the PPP in *expectational* terms, thus assuming agents to bear on the uncertainty of future exchange rate changes and inflation dynamics. The overall results confirm the UIP to be currency-based (see also Bekaert *et al.*, 2007) and the EXPPP to be horizon-dependent (see also Lothian and Taylor, 1996; Taylor, 2002). Moreover, we find (weak) evidence that conditioning the VAR on variables having a strong forward-looking component (i.e. share prices) helps recover a unitary coefficient in the UIP equation.	ECB Working Paper
Do EU structural funds promote regional employment? Evidence from dynamic panel data models, 13/12/2011 http://www.ecb.int/pub/pdf/scpwps/ecbwp1403.pdf Despite its rather broad goal of promoting “economic, social and territorial cohesion”, the existing literature has mainly focused on investigating the Cohesion Policy’s growth effects. This ignores the fact that part of the EU expenditures is directly aimed at reducing disparities in the employment sector. Against this background, the paper analyses the impact of EU structural funds on employment drawing on a panel dataset of 130 European NUTS regions over the time period 1999-2007. Compared to previous studies we (i) explicitly take into account the unambiguous theoretical propositions by testing the conditional impact of structural funds on the educational attainment of the regional labour supply, (ii) use more precise measures of structural funds for an extended time horizon and (iii) examine the robustness of our results by comparing different dynamic panel econometric approaches to control for heteroscedasticity, serial and spatial correlation as well as for endogeneity. Our results indicate that high-skilled population in particular benefits from EU structural funds.	ECB Working Paper
Eurosystem staff macroeconomic projections for the euro area, 8/12/2011 http://www.ecb.int/pub/pdf/other/eurosystemstaffprojections201112en.pdf The Eurosystem staff macroeconomic projections are produced jointly by experts from the ECB and the euro area NCBs. They are a biannual input into the Governing Council’s assessment of economic developments and the risks to price stability. On the basis of the information available up to 25 November 2011, Eurosystem staff assesses that Euro area economic activity weakened in the second half of 2011. This reflected a weakening in global demand and a substantial deterioration in both business and consumer confidence in recent months, in an environment of increased uncertainty stemming from intensified tensions in	ECB Publication

financial markets, with equity prices falling significantly and financing conditions worsening in an increasing number of euro area countries. Assuming that the financial crisis does not intensify further, real GDP growth is projected to recover during the course of 2012 and to improve somewhat further in 2013.	
Economic Adjustment Programme for Ireland - Autumn 2011 Review, 14/12/2011 http://ec.europa.eu/economy_finance/publications/occasional_paper/2011/pdf/ocp88_en.pdf This paper reports on the joint EU-IMF review of policy conditionality under the financial assistance programme to Ireland to end-November 2011. It also incorporates in an annex the updated programme documents, endorsed by the ECOFIN on 30 November and to be considered by the IMF Executive Board on 14 December 2011. Ireland's 2011 growth forecast has been revised upward, thanks to a stronger-than-expected performance in the first half of 2011, on account of strong exports (aided by progress in recovering the lost cost competitiveness), although domestic demand remains subdued, as much needed balance sheet repair continues. At the same time, the forecast for growth in 2012 has been lowered with risks tilted to the downside, reflecting softening global growth. Programme implementation remains strong: fiscal targets have been met or are on track to be met, ambitious consolidation plans based on sound measures have been announced for 2012-15, and important reforms are being advanced in the banking sector (e.g. the domestic bank recapitalization has been substantively completed) and other areas (e.g. presentation of bills to open up to competition hitherto sheltered sectors such as medical and legal professions and to strengthen the enforcement of competition law). The programme remains well-financed, and - thanks to the lower-than-expected fiscal cost of bank recapitalization - the programme envelope is now seen to cover financing needs until the second half of 2013, though the Irish authorities intend to re-enter the market sooner, to also keep a sufficiently large cash buffer for the post-programme period. Going forward, continued strict programme implementation remains essential to buttress credibility in the policy framework and in the achievability of the programme consolidation objectives.	EU Occasional paper
Greece: Fifth Review Under the Stand-By Arrangement, Rephasing and Request for Waivers of Nonobservance of Performance Criteria—Staff Report, December 13, 2011 http://www.imf.org/external/pubs/ft/scr/2011/cr11351.pdf Letter of Intent, TMoU http://www.imf.org/External/NP/LOI/2011/GRC/113011.pdf	IMF Country Reports
IMF Research Bulletin -- December 2011, December 8, 2011 http://www.imf.org/External/Pubs/FT/irb/2011/04/index.pdf • Booms and Busts • Did Export Diversification Soften the Impact of the Global Financial Crisis? • Q&A: Seven Questions about Large Fiscal Consolidation Attempts in the Past and Implications for Policymakers Today • IMF Working Papers • Visiting Scholars • Staff Discussion Notes	IMF Publication
Overview of the Economic Survey of the Russian Federation, http://www.oecd.org/dataoecd/6/26/49207915.pdf The Russian economy is recovering from the severe 2008/9 recession, but has not yet reached pre-crisis peak activity levels. Trend growth of around 4% is not fully exploiting opportunities provided by Russia's rich endowment of natural resources and the high skill level of its population. This OECD Economic Survey makes recommendations for a well balanced combination of further strengthened macroeconomic policy settings, decisive improvements in the business environment, including determined efforts to reduce corruption and strengthen the rule of law, and increasing energy efficiency. Such a combination could generate synergies which will help to accelerate overall convergence and improve living standards for the Russian population.	OECD Publication + Press Release

Related press release: http://www.oecd.org/document/47/0,3746,en_21571361_44315115_49216431_1_1_1_1,00.html	

6. STATISZTIKA

Long-term interest rate statistics for EU Member States, 13/12/2011 http://www.ecb.int/stats/money/long/html/index.en.html	ECB Press Releases
Euro area securities issues statistics: October 2011, 12/12/2011 http://www.ecb.int/press/pdf/sis/si1110.pdf	ECB Press Releases
October 2011 compared with September 2011: Industrial production down by 0.1% in euro area - Down by 0.2% in EU27, 14/12/2011 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-14122011-AP/EN/4-14122011-AP-EN.PDF	EU Press Release
GDP per capita (in purchasing power standards) in the Member States ranged from 44% to 271% of the EU27 average in 2010, 13/12/2011 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-13122011-BP/EN/2-13122011-BP-EN.PDF	EU Press Release
EU - Russia Summit: EU27 trade in goods with Russia up by 27% in the first nine months of 2011, 12/12/2011 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/6-12122011-BP/EN/6-12122011-BP-EN.PDF	EU Press Release
Workers' remittances in the EU27: Money transferred by migrants to their country of origin up by 3% to 31 bn euro in 2010, 12/12/2011 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-12122011-AP/EN/2-12122011-AP-EN.PDF	EU Press Release
First estimate for the third quarter of 2011: EU27 current account deficit 17,2 bn euro - 25,1 bn euro surplus on trade in services, 9/12/2011 http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-09122011-AP/EN/2-09122011-AP-EN.PDF	EU Press Release
OECD unemployment rate rises slightly to 8.3% in October, 13/12/2011 http://www.oecd.org/document/51/0,3746,en_21571361_44315115_49245235_1_1_1_1,00.html	OECD Press Release
OECD composite leading indicators continue pointing to slowdown in economic activity, 12/12/2011 http://www.oecd.org/document/45/0,3746,en_21571361_44315115_49238061_1_1_1_1,00.html	OECD Press Release
Highlights of the BIS international statistics, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112b.pdf BIS reporting banks reduced their cross-border claims on residents in developed economies in the second quarter of 2011 but increased cross-border lending to emerging markets for the ninth quarter in a row. In absolute terms, lending to residents of the United States shrank the most. Claims on the United Kingdom and Japan also fell, whereas claims on residents of the euro area remained virtually unchanged, inching up by a mere $7.5 billion. Among the emerging market regions, increased cross-border lending to China drove up claims on borrowers in Asia-Pacific. Cross-border claims on residents of Latin America and the Caribbean and of emerging Europe also increased, whereas claims on residents of Africa and the Middle East shrank by $6.3 billion or 1.2%. High shares of cross-border claims and short-term international claims in their debt to BIS reporting banks could make Asia-Pacific economies more vulnerable to sudden capital flight through the banking system. That said, the risk of a withdrawal of lending triggered by a possible deleveraging by euro area banks is highest in emerging Europe. Issuance of international debt securities dropped in the third quarter of 2011. Deteriorating market conditions compounded the usual summer slowdown in the northern hemisphere. This resulted in a 16% decline in completed global gross issuance. At $1,663 billion, this was the lowest since end-2005. Net issuance of international debt securities slid to $142 billion, the second lowest level since end-1998.	BIS Quarterly Review Article

Enhanced BIS statistics on credit risk transfer, 12 Dec 2011 http://www.bis.org/publ/qtrpdf/r_qt1112i.pdf From June 2011, the BIS credit derivatives statistics provide more granular information on the types of risks transferred through credit default swaps by different groups of counterparties. The new data suggest that reporting dealers have used some hard-to-value credit derivatives to transfer credit risk to shadow banks, possibly exposing these counterparty groups to valuation risks. The data also show that some financial counterparties have sold protection against defaults in the same sector on a net basis.	BIS Quarterly Review Article
Proceedings of the IFC Conference on "Initiatives to address data gaps revealed by the financial crisis", Basel, 25-26 August 2010 - IFC Bulletin No 34, December 2011 http://www.bis.org/ifc/publ/ifcb34.pdf One key lesson of the financial crisis learned is that supervisors, policymakers, and investors should have sufficient data and information to promptly evaluate the potential effects, for instance, of the possible failure of a large bank on other large banks through counterparty credit channels, settlement arrangements, and reliance on common sources of short-term funding. The need for comprehensive, high-frequency, and timely data to monitor systemic risks associated with operations of the global systemically important financial institutions (G-SIFIs) was underscored by the IMF as well. Recognizing the existence of data gaps, the G-20 Working Group on Reinforcing International Co-operation and Promoting Integrity in Financial Markets asked the IMF and the Financial Stability Board (FSB) to explore the gaps and provide appropriate proposals for strengthening data. This call was endorsed by the IMF's International Monetary and Financial Committee at its Spring Meetings in 2009 and 2010. In response, staff of the IMF and the FSB Secretariat, in consultation with official users of economic and financial data in G-20 economies and key international organizations, identified 20 recommendations that need to be addressed.	BIS Publication