



OESTERREICHISCHE NATIONALBANK

EUROSYSTEM

## Conference on European Economic Integration (CEEI) 2020

“CESEE in the COVID-19 crisis –  
the role of the EU and global spillovers”

### Opening remarks

*Robert Holzmann*  
Governor

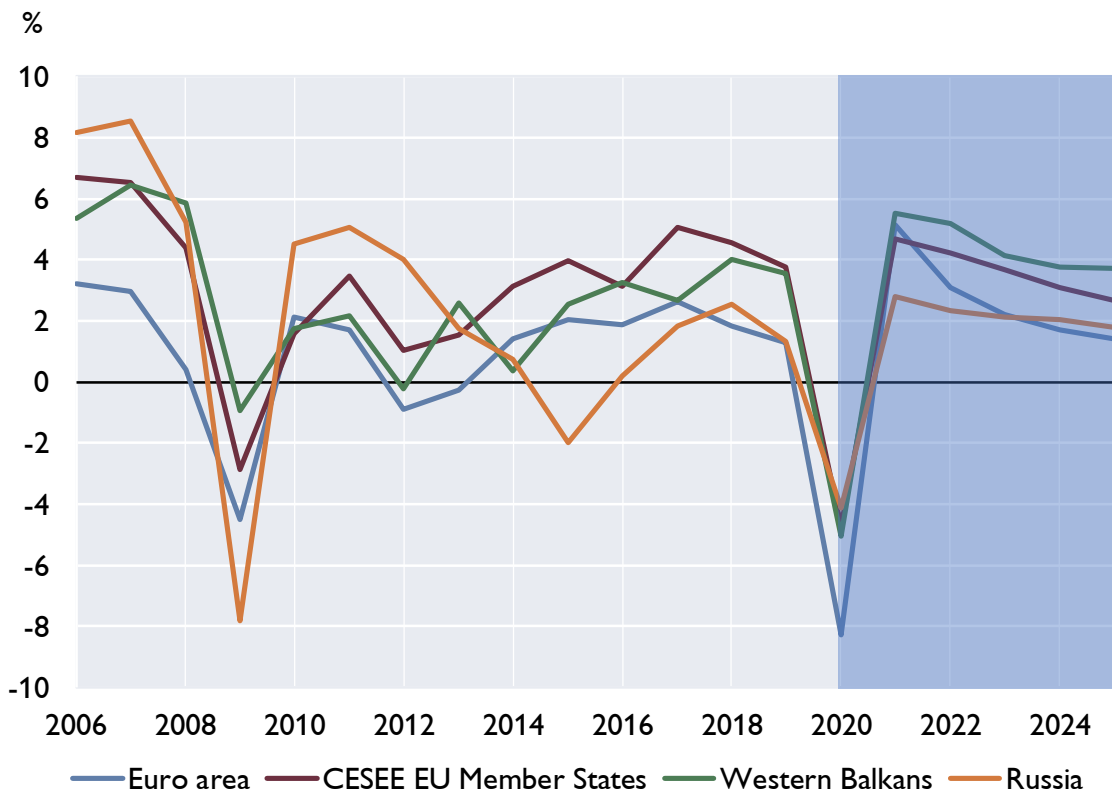
Vienna, November 5, 2020

[www.oenb.at](http://www.oenb.at)



## Second biggest recession in 2020 since the transition in the early 1990s

### Real GDP growth



Source: IMF.

### OeNB-BOFIT GDP projections for 2020 to 2022

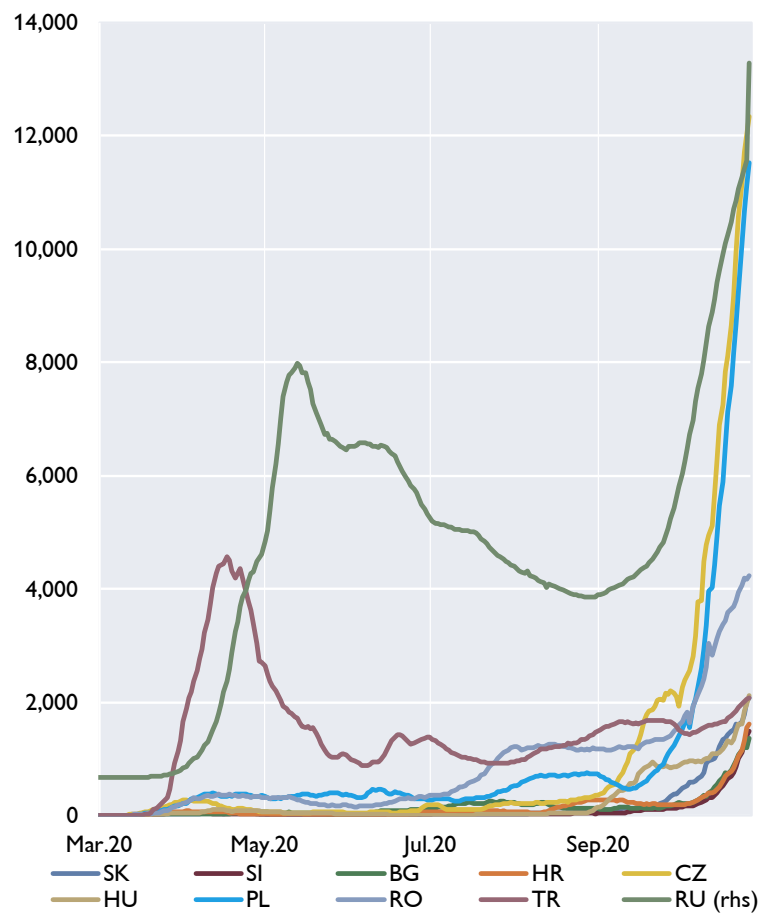
	Eurostat/ Rosstat	OeNB-BOFIT projections October 2020			
		2019	2020	2021	2022
Year-on-year growth in %					
CESEE-6	3.9	-5.0	3.8	3.6	
Bulgaria	3.4	-5.3	4.3	3.4	
Croatia	3.0	-8.6	4.9	4.1	
Czech Republic	2.3	-5.3	2.3	3.7	
Hungary	4.9	-6.3	5.2	3.3	
Poland	4.2	-4.2	4.1	3.6	
Romania	4.1	-4.9	3.3	3.6	
Russia	1.3	-4.0	2.4	2.2	

Source: Rosstat, OeNB-BOFIT projections.

# COVID-19 situation deteriorates rapidly after having been contained in spring

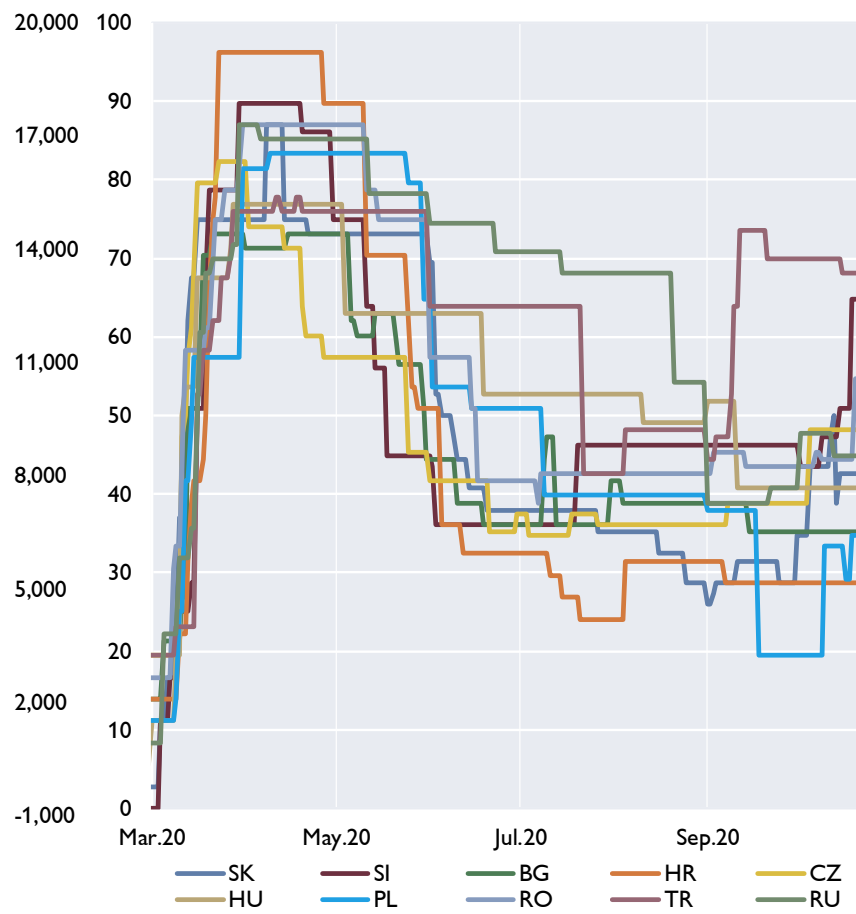
### Number of newly confirmed COVID-19 cases

7-day moving average, latest observation: October 27, 2020



Source: European Centre for Disease Prevention & Control.

### COVID-19 government response stringency index

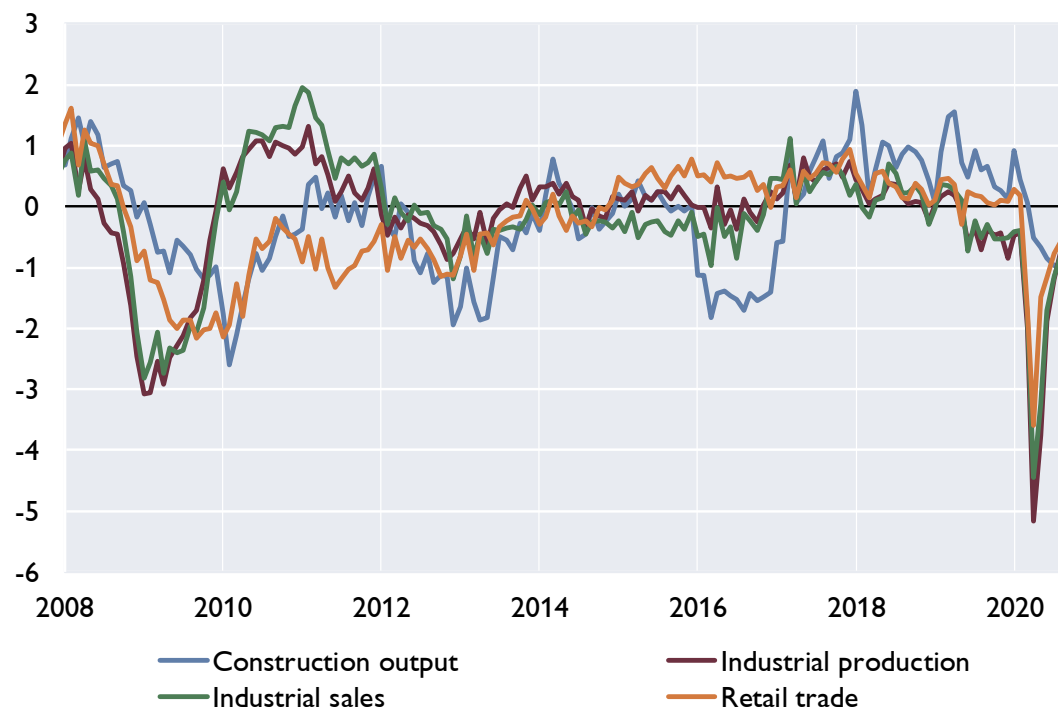


Source: Oxford COVID-19 Government Response Tracker, Blavatnik School of Government.

# High-frequency indicators point to protracted recovery

## Selected activity indicators

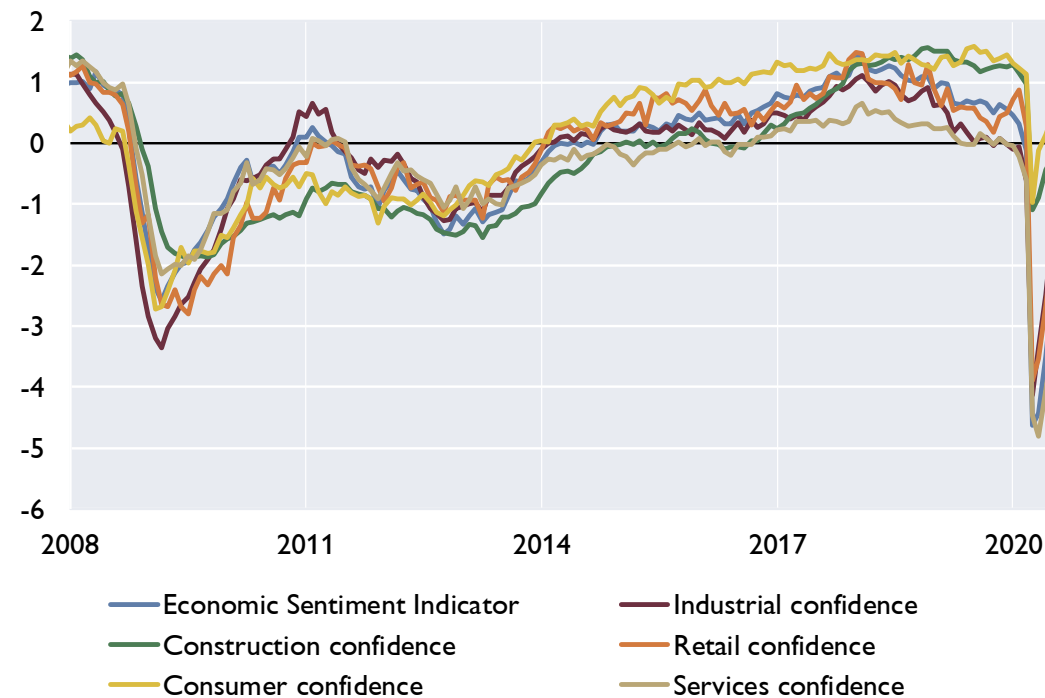
Deviation to the mean of the indicator relative to its standard deviation



Source: Eurostat, OeNB.

## Economic Sentiment Indicator and Subcomponents

Deviation to the mean of the indicator relative to its standard deviation

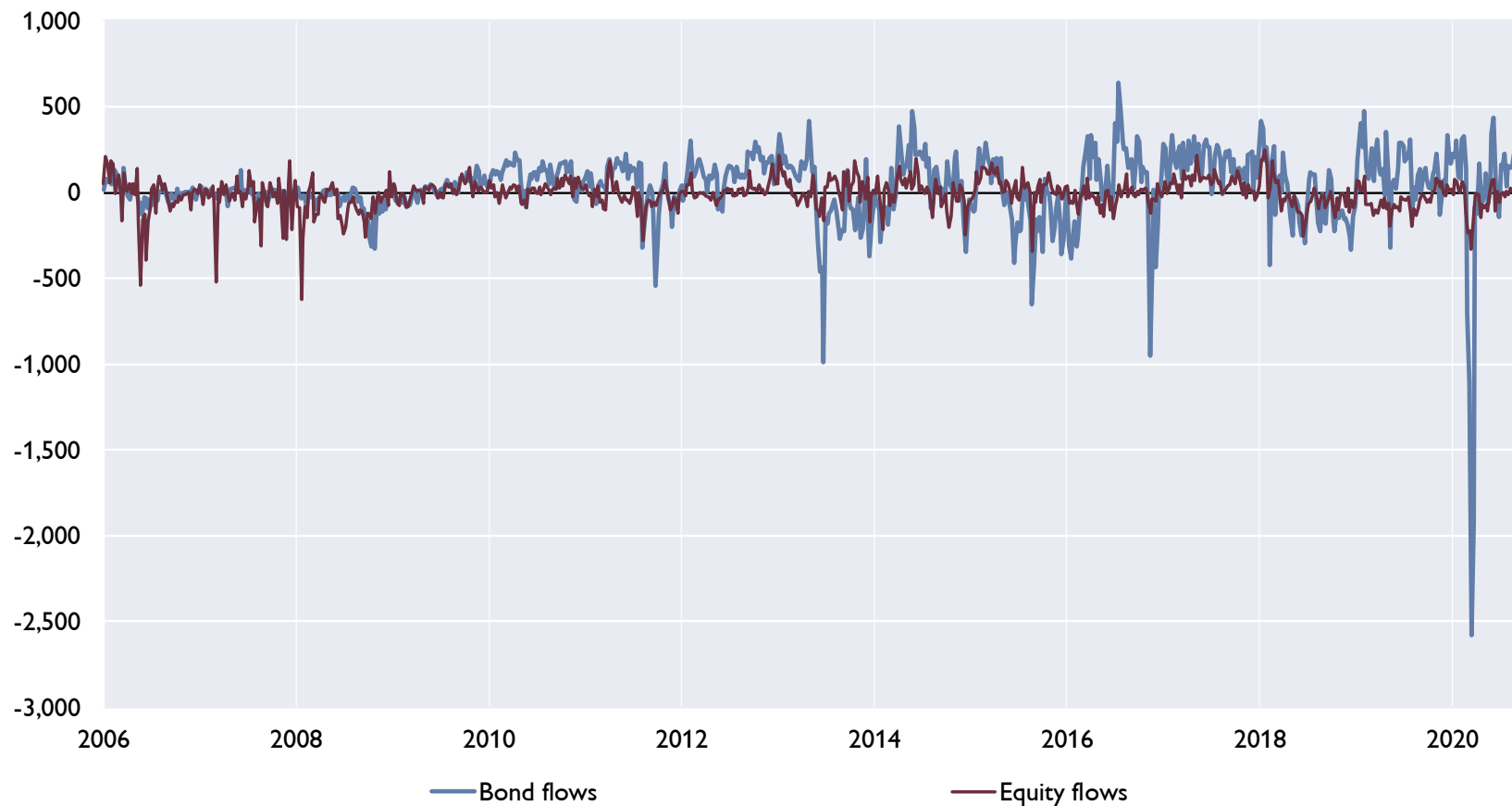


Source: European Commission, OeNB.

# Swift cooperation and support helped stabilize international capital flows

## Weekly net fund flows to CESEE

in USD mn

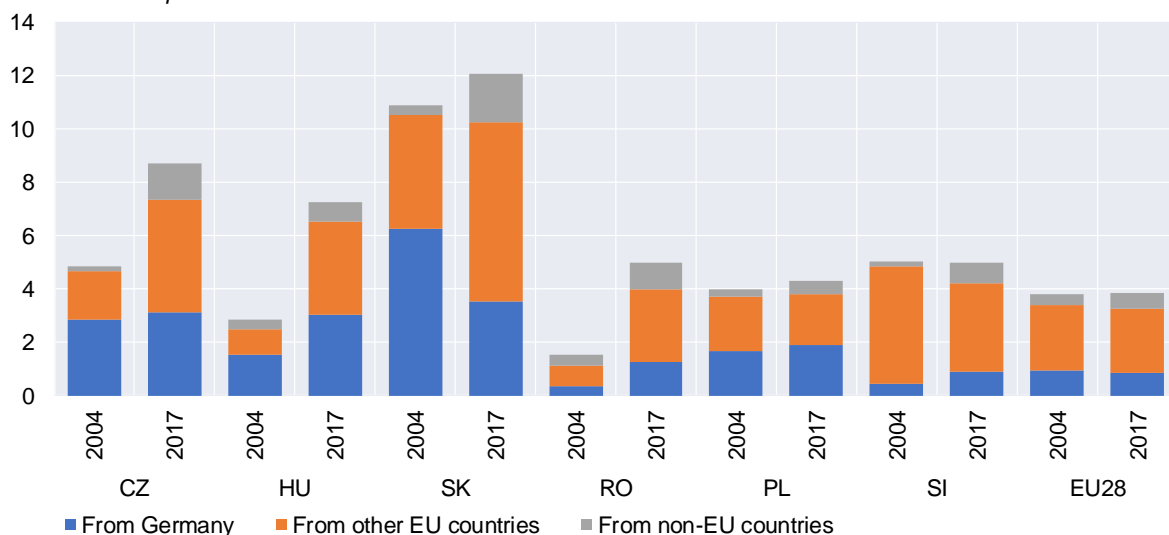


Note: Weekly net flows into/out of globally domiciled ETFs and mutual funds by geographic distribution of fund's assets. The CESEE aggregate does not comprise Russia and Turkey.  
Source: EPFR.

# CESEE economies form the core of European manufacturing as is evidenced by deep regional value chain integration, especially in automobiles

## Imports: Share of products related to the production of motor vehicles

in % of total imports

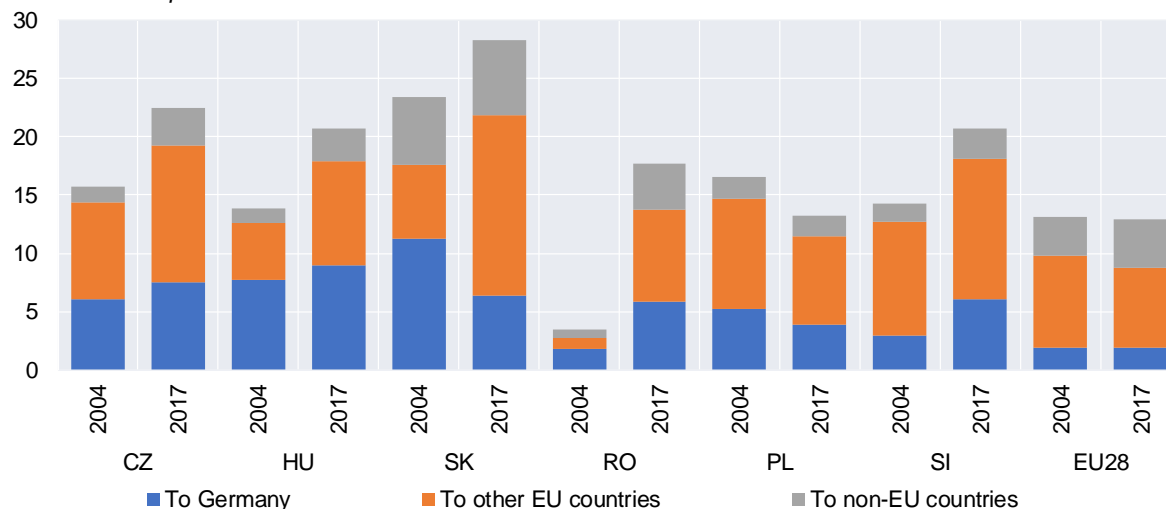


Note: Product groups according to SITC Rev. 4: 784 (parts and accessories), 7132 (piston engines) and 7783 (various electrical equipment for motor vehicles).

Source: Eurostat.

## Exports: Share of products related to the production of motor vehicles

in % of total exports



Note: Product groups according to SITC Rev. 4: 722, 781, 782, 783 (tractors, motor cars and motor vehicles), 784 (parts and accessories), 786 (trailers and semi-trailers, containers), 7132 (piston engines) and 7783 (various electrical equipment for motor vehicles).

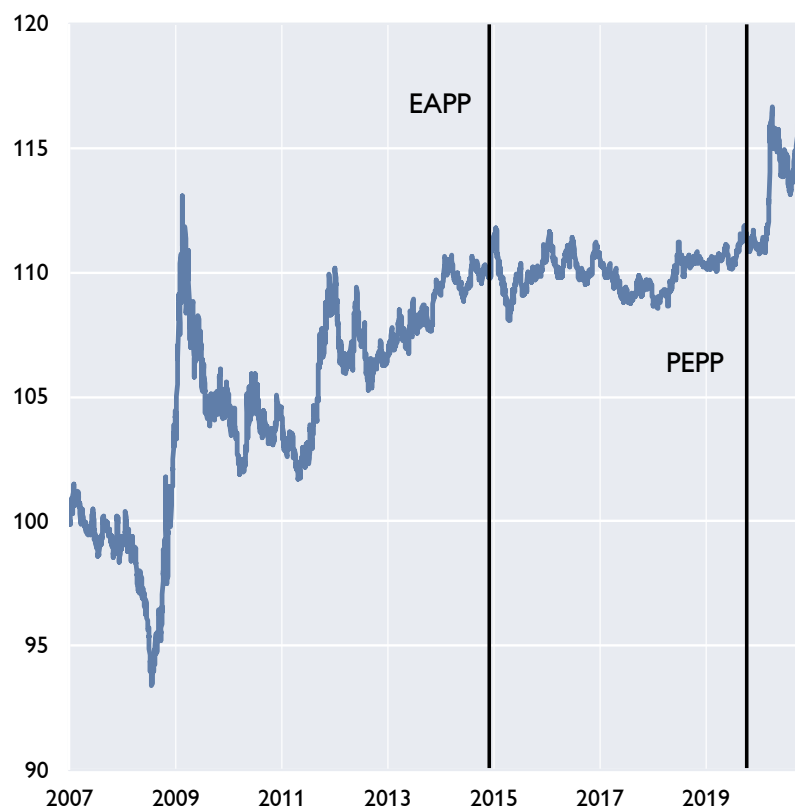
Source: Eurostat.

# Spillovers of ECB monetary policy to CESEE

## Monetary policy measures of the ECB and selected financial variables in CESEE

### Exchange rates

Index: Jan. 2007 = 100



### Equity prices and bond yields

Index: Jan. 2007 = 100



**Danke für Ihre Aufmerksamkeit**

**Thank you for your attention**

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