

# CESEE Research Update

Foreign Research Division

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The CESEE Research Update is released quarterly by the Foreign Research Division of the Oesterreichische National Bank (OeNB). The aim of this newsletter is to inform readers about OeNB research and analysis output on Central, Eastern and Southeastern Europe (CESEE) as well as past and forthcoming CESEE-related events.

Foreign Research Division

OeNB

## Highlights of This Issue

- The latest issue of the OeNB's quarterly publication "**Focus on European Economic Integration**" has just been released. This Issue's **Special Focus: Credit in CESEE – Selected Topics** (see p. 7)
- On November 21 and 22, 2011, the **Conference on European Economic Integration (CEEI) 2011** took place in Vienna. The CEEI 2011 was jointly organized by the OeNB and Suomen Pankki – Finland's Bank and discussed various aspects of European economic integration from a global perspective, investigating the impact of China and Russia as emerging global economic players on the catching-up process in CESEE. (see p. 2)
- The OeNB's **Olga Radzyner Award** was bestowed upon five young economists from CESEE for excellent scientific work on European economic integration. (see p. 3)
- The current **OeNB-BOFIT Projections for Selected CESEE Countries** expect GDP growth in the CEE-7 region to moderate from 2.8% in 2011 to 2.5% in 2012. (see p. 5)
- The OeNB invites applications from external researchers for participation in a **Visiting Research Program** established by the OeNB's Economic Analysis and Research Department. (see p. 9)

# The Conference on European Economic Integration 2011: Exceptional for Two Reasons

## European Integration in a Global Economic Setting: CESEE, China and Russia

The 2011 Conference on European Economic Integration (CEEI) was unique among the series of CEEI conferences for two reasons.

First, the CEEI 2011 took place in Vienna, as always, but was organized jointly with the Suomen Pankki – Finlands Bank. Both Governor Nowotny of the OeNB and Governor Liikanen of Suomen Pankki agreed that such a cooperation could draw on synergies established through numerous cooperation projects over the years. In addition, both central banks share a regional economic research focus. While the OeNB's research is devoted to Central, Eastern and Southeastern Europe (CESEE), Suomen Pankki – or more specifically the BOFIT, the Bank of Finland Institute for Transition Economies – concentrates its research on China and Russia.

Second, the conference for the first time broadened its geographic focus after having limited itself to the CESEE region. This broader perspective is highly topical, as emerging and developing economies like China and Russia are set to overtake the advanced economies in terms of output in the near future, thereby shifting the balance of economic activity in the world significantly. The cooperation between the OeNB and Suomen Pankki thus allowed for a perfect match.

More than 300 participants from over 30 countries followed the presentations and discussions of high-profile representatives of international organizations, central banks, the business and banking sector, and academia. Among the distinguished speakers, Min Zhu, who has been Deputy Managing Director of the IMF since July 2011, impressively highlighted the challenges for both China and the European Union raised by changing global economic structures and slower growth rates. While China has to move from an export-led growth model to a growth model driven more by domestic investment and consumption, Europe should foster human capital formation and R&D investment to better adapt to the environment of slower growth. The first session underlined these propositions, as it showed that in the light of the crisis in 2009, each region has to deal with imbalances and that these imbalances in the real economy are closely linked to monetary policy.

Andrew Rose, professor of international trade at the University of California at Berkeley, investigated the economic effects of regional trade agreements. He emphasized that greater transatlantic trade liberalization would be highly desirable, but at the same time underlined that the persistence of vested interests in the two regions renders complete liberalization very unlikely. The session on competitiveness and trade revealed that China and Russia represent an increasing challenge to CESEE. But both regions additionally offer rewarding opportunities, e.g. as attractive target markets for exports.

Challenges to financial stability in the banking sector were discussed during the second day of the conference. While Markus Taube, expert for China and professor at the University of Duisburg-Essen, gave the Chinese banking sector a positive review, risks remain, e.g. regional housing bubbles and particularly the sizeable informal shadow banking sector. By contrast, Russia's financial sector is still weak, and economic challenges are closely linked to political problems, as Sergey Aleksashenko of the Carnegie Moscow Center cautioned. Against the background of the financial crisis, the banking panel agreed that as a rule, markets are always ahead of regulators, and that the main challenge was to avoid irrational exuberance and thus to step up cooperation between institutions and markets.

Looking back on the CEEI 2011, the OeNB's joint venture with Suomen Pankki has proved to be highly rewarding for all parties. For this reason, the OeNB has decided to repeat this cooperation in a different setting. Next year, the CEEI will go abroad. The OeNB, together with Suomen Pankki, have the pleasure of inviting you to the CEEI 2012 on November 26 and 27, 2012, in Helsinki!

For details, papers and presentations, see [http://www.oenb.at/en/geldp\\_volksw/zentral\\_osteuropa/Events/CEEI](http://www.oenb.at/en/geldp_volksw/zentral_osteuropa/Events/CEEI)

The [conference proceedings of the CEEI 2011](#) will be published by Edward Elgar Publishing Ltd. in the course of 2012. For more information about the publication, send an e-mail to [ceei@oenb.at](mailto:ceei@oenb.at).

## Olga Radzyner Award Winners 2011

2011 marks the 12<sup>th</sup> year that the OeNB bestowed its Olga Radzyner Award on young economists from Central, Eastern and Southeastern Europe (CESEE) for excellent scientific work on European economic integration. This award commemorates Olga Radzyner, the former head of the OeNB's Foreign Research Division, who died in a tragic accident in August 1999.

Interest in the award has been rising continually over the years. In 2011, the OeNB received 32 submissions from young economists from 15 countries, a great number of which was of outstanding quality. The many different aspects related to European economic integration covered in the contributions ranged from trade and FDI issues, financial integration and financial market developments to fiscal and monetary policy issues.

Out of the pool of promising young CESEE economists competing for the award, a panel of OeNB reviewers selected four papers, which were considered outstanding in terms of originality, overall presentation of the research question and analysis, and the use of state-of-the-art methods. On November 21, 2011, at the OeNB's Conference on European Economic Integration (CEEI), Governor Ewald Nowotny conferred this year's award upon:<sup>1</sup>

*Audre Biciunaite* (Lithuania), freelance analyst, and *Povilas Lastauskas* (Lithuania), PhD student at the University of Cambridge. In their paper, they apply a broad-based approach to explain the Baltic countries' economic integration at the European level. Assessing different aspects of economic convergence fostering economic growth in the Baltic region from 1992 to 2009, they find that besides spatial proximity, trade integration and FDI played a decisive role for the successful economic integration of the Baltic countries.

*Olena Havrylchyk* (Ukraine), economist at the CEPII Institute in Paris. In her paper, she investigates how

foreign bank entry impacted on firm entry and exit as well as on the size of startup firms in nine CESEE countries from 2002 to 2005. Havrylchyk finds that the foreign banks' mode of entry was a key determinant. She concludes that besides the positive effect of foreign bank entry on average loan supply in the CESEE economies, both the entry and exit rates of firms in opaque (in terms of technology) industries increased and especially small and medium-sized enterprises (SMEs) may have faced tighter credit constraints.

*Osman Rraci* (Kosovo), graduate teaching assistant at Dardania University (Kosovo). His paper focuses on the impact of the share of foreign-owned banks on obstacles to access to financing and cost of financing of firms in 25 transition economies in 2005. The analysis based on EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS) 2005 data indicates that both obstacles to access and costs of financing are higher for SMEs compared to large firms, yet no such effects were observed for exporting and foreign-owned firms. Moreover, an increase of the asset share of foreign banks indiscriminately affects all firms irrespective of their size.

*Marina Tkalec* (Croatia), research assistant at the Zagreb Institute of Economics. Her paper investigates the determinants of deposit euroization in 12 CESEE countries. By applying threshold models, the author focuses on the nonlinear effects of the exchange rate regime and the interest rate differential on deposit euroization. This study finds threshold effects in all CESEE countries in the sample except for Poland and the Czech Republic. Tkalec concludes that exchange rate depreciation has a stronger effect than exchange rate appreciation both on deposit euroization and on the widening of interest rate differentials.

<sup>1</sup> Winners in alphabetical order.

## 21st-Century Regionalism: Filling the Gap between 21st-Century Trade and 20th-Century Trade Rules

### Summary of the 16<sup>th</sup> Global Economy Lecture by Richard Baldwin

On November 14, 2011, Richard Baldwin, Professor of International Economics at the Graduate Institute, Geneva, who is also Policy Director of the London-based Centre for Economic Policy Research (CEPR)

and cofounder and editor-in-chief of Vox.EU, gave the [2011 Global Economy Lecture at the OeNB](#). In his entertaining and interesting presentation, Baldwin proposed a new way of thinking about globalization

and highlighted the implications of the changing nature of trade for trade negotiations. In his view, globalization is not a monotonous opening-up of economies by continually lowering border barriers. Rather, it is the story of two major unbundling processes. The unbundling of production enabled by the steam revolution was followed in the mid-1980s by the unbundling of firms, which is associated with “fragmentation of production,” “vertical specialization,” or “trade in tasks.” The new form of trade – connecting factories across borders – implies a trade-investment-services nexus. As a consequence, “behind-the-border barriers” (BBBs) have become increasingly important, and therefore modern trade negotiations should no longer merely be concerned with tariff negotiations, which are straightforward to multilateralize. Instead, deeper bilateral and regional trade agreements (RTAs) with provisions for investment protection, competition policies, intellectual property and free capital flows have surged outside the WTO in an attempt to fill the governance vacuum left by the Doha Agenda – a clearly backward-oriented 20th-century trade agenda.

The discussion first revolved around potential

negative welfare implications of RTAs. It was suggested that subsidiarity and learning from best practice may lead to a good outcome, even though the WTO only plays a minor role when RTAs are not multilateralizable. Moreover, many RTAs contain identical provisions, which would make them suitable for being incorporated into WTO rules. Baldwin also referred to the Single European Act and the U.S.-Canada free trade area as early examples of deep RTAs with well-studied welfare implications. However, North-South RTAs need more rules as Northern firms cannot always trust in Southern governments. Prompted on the Doha Round, Baldwin confirmed the apparent deadlock that has arisen from unacceptable requests the U.S.A. made of China. The only way forward would be an expansion of the agenda to also include investments in the GATS. Meanwhile, he sees the formation of a new multilateral framework through the Trans-Pacific Partnership (TPP), currently being negotiated between the U.S.A. and several partners, which he compared to a “Single European Act light” and which could become a substitute for the WTO, provided more partners find it attractive to join.

## Overall Euroization Not Affected by the Ongoing Sovereign Debt Crisis

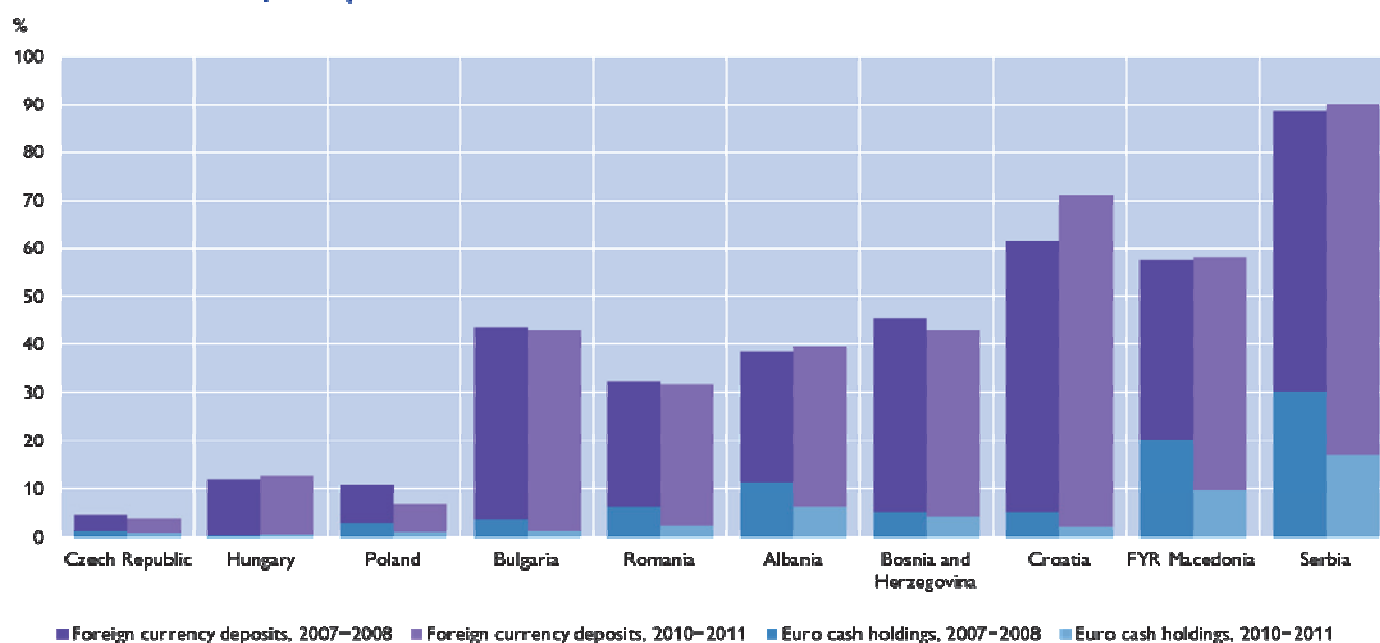
In their forthcoming article<sup>1</sup>, Beckmann, Dvorsky, Scheiber study whether the widespread use of the euro in CESEE has been affected by recent developments in the neighboring euro area. The OeNB Euro Survey reveals that confidence in the euro has dropped substantially in all CESEE countries but that CESEE households nevertheless still consider the euro stable and trustworthy. Furthermore, we find that the sovereign debt crisis did not lead to a significant change in the relative assessment of local CESEE currencies vis-à-vis the euro.

The question arises whether the recent developments in relation to the sovereign debt crisis had any impact on the overall degree of euroization in the CESEE region. As has been shown in earlier publications, the overall degree of euroization comprising both euro cash holdings and foreign currency deposits, has remained surprisingly stable over time in virtually all countries surveyed and proved to be hardly affected by the global financial crisis in 2008 and early 2009.<sup>2</sup>

Chart 1 shows the development of the overall euroization index (EI)<sup>3</sup> over time. It compares the average EI calculated for spring 2011 and fall 2010 with the average EI calculated for fall 2007 and spring 2008. In most countries surveyed, the EI has remained virtually unchanged over time. It continues to show the well-known regional pattern of relatively low levels of euroization in Central and Eastern Europe and substantially higher levels in Southeastern Europe, ranging between over 30% in Romania and nearly 90% in Serbia. A notable exception in this context is Croatia, which records a substantial EI increase by more than 10 percentage points compared with precrisis levels.

Interestingly, the composition of the EI has changed for some countries as of May/June 2011: In Serbia, FYR Macedonia, Croatia, Albania and Romania, the relative contribution of foreign currency deposits to overall euroization has gone up, whereas euro cash holdings have lost some of their relative importance. This pattern complements a finding of Feige<sup>4</sup>, who reports a negative correlation between indices of

## Euroization Index by Components over Time



Source: Beckmann, E., Dvorsky, S., T. Scheiber. 2011. OeNB Euro Survey: Growing Uncertainty, but Overall Euroization Not Affected. In: Focus on European Economic Integration Q4/11. forthcoming.

Note: Euroization index = (euro cash + foreign currency deposits) / (total cash + total deposits). Figures are calculated as the average from the fall 2007 and spring 2008 surveys and the fall 2010 and spring 2011 surveys.

currency substitution and deposit substitution for some Latin American countries. Feige presumes that rising confidence in the banking system could have led to a decrease in the use of foreign currency cash and an increase in foreign currency deposits, possibly leaving the overall degree of dollarization unchanged. By contrast, in CESEE this shift toward

foreign currency deposits took place although the level of trust in the banking system was found to be lower in the period under observation. This loss of confidence, however, was probably contained throughout the region by the extension of deposit insurance schemes in the course of 2008–09.

<sup>1</sup> Beckmann, E., Dvorsky, S., T. Scheiber. 2011. OeNB Euro Survey: Growing Uncertainty, but Overall Euroization Not Affected. In: Focus on European Economic Integration Q4/11. forthcoming.

<sup>2</sup> Dvorsky, S., T. Scheiber and H. Stix. 2010. Real Effects of Crisis Have Reached CESEE Households: Euro Survey Shows Dampened Savings and Changes in Borrowing Behavior. Focus on European Economic Integration Q2/10. 79–90.

<sup>3</sup> The euroization index (EI) is calculated as the sum of euro cash and foreign currency deposits over the sum of total (euro and local) cash and total (foreign currency and local currency) deposits.

<sup>4</sup> Feige, E. L. 2003. Dynamics of Currency Substitution, Asset Substitution and De Facto Dollarisation and Euroisation in Transition Countries. In: Comparative Economic Studies 45(3). 358–83.

## OeNB-BOFIT Outlook for Selected CESEE countries: Growth Moderates Due to Worsening External Demand<sup>1</sup>

The deteriorating external environment will cause economic growth in the CEE-7 region – that is Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania – to moderate from 2.8% in 2011 to 2.5% in 2012. This downward revision from our previous growth forecasts for both years still relies for technical reasons on a rather optimistic outlook for the euro area of roughly 1.5% in 2011

and a slightly lower growth rate in 2012. Assuming a potentially worse, but more realistic growth performance of euro area GDP in 2012 (one percentage point lower) would lower the 2012 growth rate of the CEE-7 region to 1.9%. Based on the current assumptions, 2011 will bring again positive and more homogenous growth rates for all countries in the CEE-7 region that will range from 1.5% (Hungary

and Romania) to somewhat below 4% (Poland); only Lithuania will grow more dynamically at 6%. Growth will become more broadly based, with external demand continuing to drive growth in the majority of countries in 2011. Positive investment growth and cautiously reviving private consumption in all economies apart from Hungary marks the turnaround in the growth composition back to the precrisis pattern. Except in Hungary, domestic demand will re-emerge as the main growth driver in 2012. Poland, the largest economy in the region, continues to pose an exception in terms of both growth rates and of reversed growth drivers. Yet, in all countries the major domestic demand components show a peak in their growth rates in 2011. Risks to growth are clearly tilted to the downside and comprise substantially slower-than-assumed growth in the euro area and additional contagion risks through banking and financial market channels.

Russian economic growth in the first half of 2011 was weaker than forecast, while the expansion of imports exceeded expectations. Our GDP forecast has therefore been revised downward to 4.4% in 2011 and 2012. The import rebound is expected to remain buoyant in 2011, but to lose speed in 2012. The full-year 2011 GDP growth forecast is supported by investment, which should gain momentum, since the

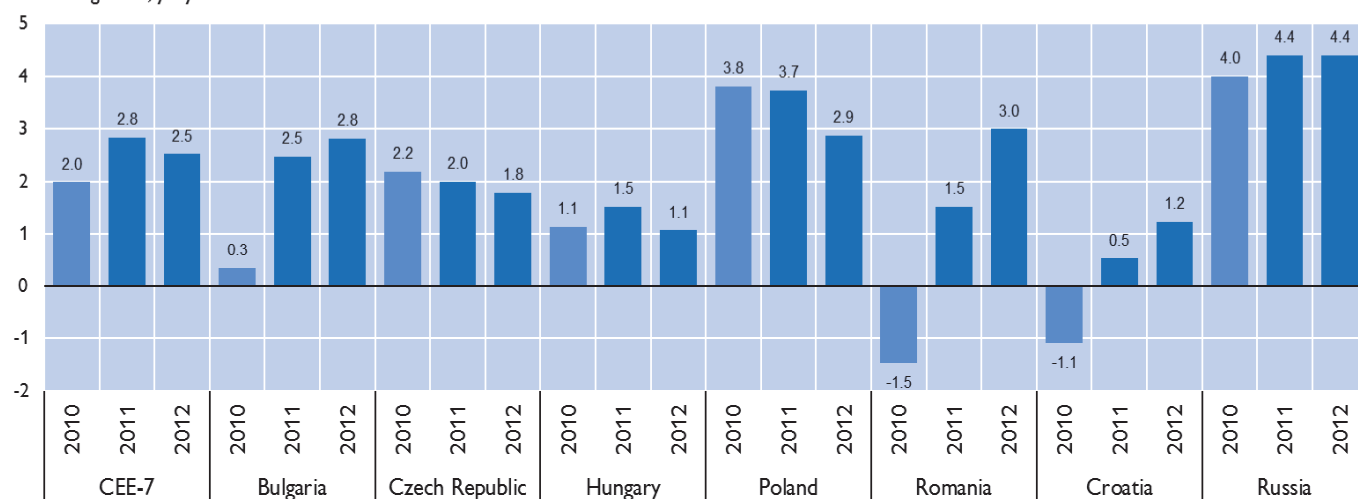
output gap is closing. Rebuilding inventories may continue in 2011. However, the economic expansion is projected to slow down soon, assuming the oil price will level off during the forecast period. Full-year GDP growth will remain at 4.4% in 2012, as a result of a base effect, the partial winding-back of corporate social taxes in 2012, and accelerated government spending increases connected with the elections. Forecast risks are manifold and mainly downside, comprising lower oil prices induced by global disturbances and growth setbacks, new bouts of risk aversion, uncertainties weakening consumer confidence, a new food inflation wave, and heightened import growth in case of stronger than expected ruble appreciation.

With a moderate economic recovery in the second half of the year, Croatian GDP is forecast to expand by a modest 0.4% in 2011 and to pick up slightly to 1.3% in 2012 on the back of strengthening domestic demand. The growth pattern seen in 2009 and 2010 will also prevail in 2011, implying a negative contribution of domestic demand and a positive contribution of net exports (albeit less pronounced than in previous years). GDP growth is expected to accelerate in 2012, driven mainly by a recovery of gross fixed capital formation as a result of gradually increasing FDI inflows ahead of EU entry in 2013.

<sup>1</sup> The OeNB and the Bank of Finland Institute for Economies in Transition (BOFIT) compile semiannual forecasts of economic developments in selected CESEE countries (Bulgaria, the Czech Republic, Hungary, Poland, Romania, Russia and Croatia). They are based on a broad range of available information, including country-specific time series models for Bulgaria, Croatia, the Czech Republic, Hungary, Poland and Romania (for technical details, see Crespo Cuaresma, Feldkircher, Slacik and Wörz, 2009. Simple but Effective: The OeNB's Forecasting Model for Selected CESEE Countries. Focus on European Economic Integration Q4/09. 84–95). The projections for Russia were prepared by the Bank of Finland Institute for Economies in Transition and are based on an SVAR model. The cutoff date for all projections is September 29, 2011.

### OeNB-BOFIT CESEE GDP Projections 2010-2012 as of September 2011.

real GDP growth, y-o-y



Source: Eurostat. OeNB. BOFIT.

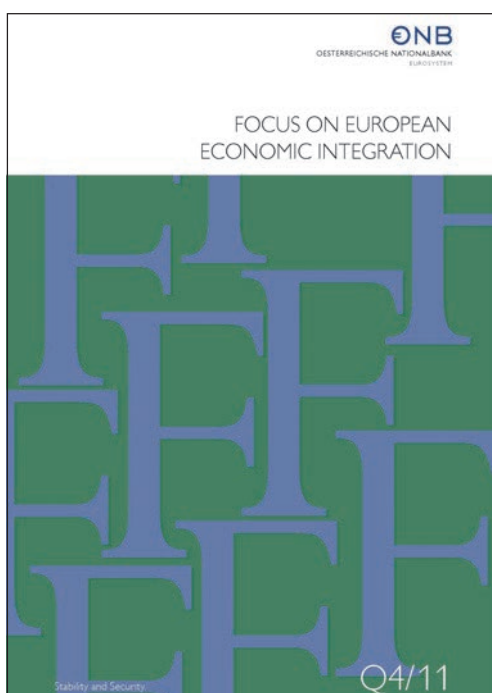


## OeNB Publications

### Focus on European Economic Integration Q4/11

#### This Issue's Special Focus: Credit in CESEE – Selected Topics

The latest issue of the Oesterreichische Nationalbank's quarterly publication "Focus on European Economic Integration" has just been released. As a channel for communicating the OeNB's ongoing research on Central, Eastern and Southeastern European (CESEE) countries, this publication includes peer-reviewed studies on macrofinancial and monetary integration as well as economic country analyses, cross-regional comparisons and summaries of CESEE-related events hosted by the OeNB.



#### Call for Applications Visiting Research Program

#### Recent Economic Developments

Developments in Selected CESEE Countries: Deteriorating External Demand and Rising Risk Aversion Increasingly Weigh on Growth in CESEE  
Compiled by *Josef Schreiner*

#### Studies

Nonperforming Loans in CESEE – What Do They Comprise? *Stephan Barisitz*

Determinants of Foreign Currency Loans in CESEE Countries: A Meta-Analysis  
*Jesús Crespo Cuaresma, Jarko Fidrmuc, Mariya Hake*

OeNB Euro Survey: Growing Uncertainty, but Overall Euroization Not Affected. *Elisabeth Beckmann, Sandra Dvorsky and Thomas Scheiber*

#### Event Wrap-Ups

OeNB Conference on European Economic Integration 2011 –  
European Integration in a Global Economic Setting: CESEE, China and Russia  
Compiled by *Doris Ritzberger-Grünwald and Maria-Antoinette Silgoner*

Olga Radzyner Award Winners 2011

Global Economy Lecture 2011: Richard Baldwin Compiled by *Julia Wörz*

IMF Regional Economic Outlook: Europe – Navigating Stormy Waters Compiled by *Christina Lemer*

Statistical Annex Compiled by *Angelika Knollmayer*

#### [Focus on European Economic Integration Q4/11](#)

### Crespo Cuaresma, J., Fidrmuc, J., Hake, M. “Determinants of Foreign Currency Loans in CESEE Countries: A Meta-Analysis”, pp. 69 - 88

In this paper, we analyze the growing literature on determinants of foreign currency loans in the countries of Central, Eastern and Southeastern Europe (CESEE), applying a metaregression approach. We consider the seven most common determinants presented in the literature and aim at obtaining a more clear-cut picture behind various effects related to differences in methods and data characteristics. In our meta-analysis we apply two alternative estimation methods and identify exchange rate volatility, foreign currency deposits and the minimum variance portfolio (i.e. the ratio of

inflation volatility to real exchange rate volatility) as the most robust determinants of foreign currency loans. Our findings indicate that the results reported in the literature are systematically influenced by model specification, the econometric methodology applied and the country samples included in the papers.

JEL classification: C5, E52, F31, O57, P20

Keywords: Central and Eastern Europe, foreign currency loans, metaregression, random effects maximum likelihood

## Barisitz, S. “Nonperforming Loans in CESEE-What Do They Comprise?”, pp. 46 - 68

This study attempts to shed comparative light on nonperforming loans (NPLs) by analyzing the loan classification systems in ten Central, Eastern and Southeastern European (CESEE) countries, namely Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. Comparing NPL data across countries is often found to be difficult. Three approaches are used to identify a loan as nonperforming. First, the most widely known NPL definition, which is based on the IMF Financial Soundness Indicators (FSIs) Compilation Guide, is simple and clear: “principal or interest 90 days or more overdue.” The IMF strives to present cross-country comparative time series of NPL and other prudential Indicators on the FSI website. With respect to nonperforming loans, the FSI website as yet lacks comprehensive data coverage, and comparability is in fact restrained. Therefore, we propose to take stock of national definitions, for which more extensive time series of data are available. Second, national supervisors’ NPL definitions mostly relate to the commonly used

credit quality categories proposed by the Institute of International Finance (IIF), whose weakest three categories (“substandard – doubtful – loss”) are typically identified as nonperforming loans. Third, NPL definitions of CESEE and other countries regularly refer to the existence of a “well-defined weakness” of the loan or the borrower in addition to some other factors. Based on these criteria, with priority given to the 90days+ rule, we arrive at an NPL threshold, which includes in some cases NPL bands. We hope this threshold is applicable in such a way that it enables meaningful cross-country comparisons. Finally, the study takes a rough comparative snapshot of the development of NPLs (based on the derived threshold) in the CESEE countries from 2005 to 2010.

JEL classification: G12, G21, G33

Keywords: bank lending, CESEE, credit quality, credit risk, financial soundness indicators, nonperforming loans

## Beckmann, E., Dvorsky, S., Scheiber, T. OeNB Euro Survey: Growing Uncertainty, but Overall Euroization Not Affected, pp. 88 - 99

Based on descriptive evidence obtained from the latest OeNB Euro Survey, this contribution examines whether the widespread use of the euro among households in Central, Eastern and Southeastern Europe (CESEE) has been affected by the ongoing sovereign debt crisis in the euro area. Although households’ confidence in the euro has decreased substantially in all CESEE countries, it is still stronger than confidence in the respective local currencies in all countries except the Czech Republic. Despite this loss of trust in the euro, the relative weight of euro cash in the total economy is still substantial in several Southeastern European countries. Aggregate data on the development of foreign currency deposits in total deposits provide a

mixed picture across countries. The overall degree of euroization – comprising cash holdings and deposits – has remained surprisingly stable in CESEE over time and has hardly been affected by the crisis in the euro area. Interestingly, in some countries the relative contribution of foreign currency deposits to overall euroization has increased against precrisis levels, whereas euro cash holdings have lost in relative importance.

JEL classification: D14, E41, G01, G11

Keywords: Euroization, global financial crisis, portfolio decision, survey data, Central, Eastern and Southeastern Europe



## CESEE-Related Abstracts from Other OeNB Publications

Fidrmuc, J., Hake, M., Stix, H.(2011), “Households’ Foreign Currency Borrowing in Central and Eastern Europe”, OeNB Working Paper No.177.

Foreign currency loans represent an important feature of recent financial developments in CEECs. This might pose a serious challenge for macroeconomic stability. Against this background, we study the determinants of foreign currency loans of households, using data on the behavior of households in nine CEECs. Our results reveal that foreign currency loans are driven by households’ lack of trust in the stability of the local currency and in

domestic financial institutions. Moreover, special factors including remittances and expectations of euro adoption play an important role in selected regions. The financial crisis reduced foreign currency borrowing, but there is some indication this effect might be only temporary.

Keywords: Foreign currency loans, dollarization, euroization, monetary credibility, trust, CEEC.

JEL Classification: G18, G21, C25.

## Visiting Research Program

### Call for Applications



The Oesterreichische Nationalbank (OeNB) invites applications from external researchers for participation in a Visiting Research Program established by the OeNB’s Economic Analysis and Research Department. The purpose of this program is to enhance cooperation with members of academic and research institutions (preferably post-doc) who work in the fields of macroeconomics, international economics or financial economics and/or with a regional focus on Central, Eastern and Southeastern Europe.

The OeNB offers a stimulating and professional research environment in close proximity to the policymaking process. Visiting researchers are expected to collaborate with the OeNB’s research staff on a prespecified topic and to participate actively in the department’s internal seminars and other research activities. They are provided with accommodation on demand and have, as a rule, access to the department’s data and computer

resources and to research assistance. Their research output will be published in one of the department’s publication outlets or as an OeNB Working Paper. Research visits should ideally last between 3 and 6 months, but timing is flexible.

Applications (in English) should include

- a curriculum vitae,
- a research proposal that motivates and clearly describes the envisaged research project,
- an indication of the period envisaged for the research stay, and
- information on previous scientific work.

Applications for 2012/13 should be e-mailed to [Eva.Gehring-Wasserbauer@oenb.at](mailto:Eva.Gehring-Wasserbauer@oenb.at) by May 1, 2012.

Applicants will be notified of the jury’s decision by mid-June. The next round of applications will close on November 1, 2012.

## OeNB Courses at the Joint Vienna Institute (JVI)

For further details see: [http://www.jvi.org/fileadmin/jvi\\_files/JVI\\_Program2012.pdf](http://www.jvi.org/fileadmin/jvi_files/JVI_Program2012.pdf)

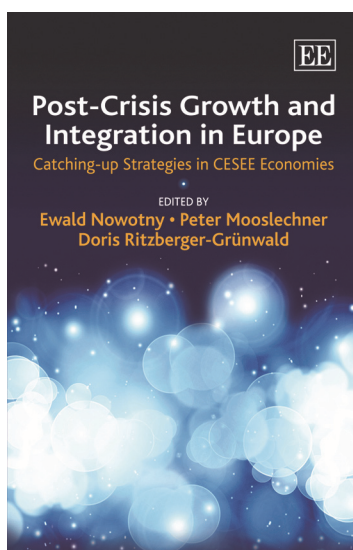
December 12–14, 2011	Translation in a Central Bank Setting
January 30 – February 2, 2012	Financial Stability Stress Testing for Banking Systems: An Introduction (STB)

## Upcoming and Recent Events

The following events are organized by the OeNB and cover CESEE relevant topics.

Please note that attendance is by invitation only. If you are interested in participating in one or more of the events, please send an e-mail to [ceec@oenb.at](mailto:ceec@oenb.at).

Upcoming	
January 31, 2012 (TBC)	Jeromin Zettelmeyer (EBRD): Presentation of the EBRD Transition Report 2011
February 23, 2012	OeNB's 70 <sup>th</sup> East Jour Fixe: "Forecasting CESEE Growth after the Crisis"
Recent	
November 21–22, 2011	Conference on European Economic Integration (CEEI) 2011: European Integration in a Global Economic Setting – CESEE, China and Russia, Jointly organized by the OeNB and Suomen Pankki – Finlands Bank
November 14, 2011	Global Economy Lecture, Richard Baldwin, Graduate Institute, Geneva, and CEPR, London: "Filling the Gap Between 21st Century Regionalism and 20th Century Trade Rules"



### New from Edward Elgar Publishing Post-Crisis Growth and Integration in Europe Catching-up Strategies in CESEE Economies

Edited by Ewald Nowotny, Peter Mooslechner and Doris Ritzberger-Grünwald.

This book reflects the conference theme of the OeNB's CEEI 2010: the challenge of choosing and implementing the right catching-up strategies in Central, Eastern and South-Eastern Europe after the crisis that unfolded in 2008. A wide range of topics were explored under this heading by high-ranking central bankers and other policymakers, commercial bankers and academics – and their findings have now been published by Edward Elgar.

<http://www.e-elgar.com>

### Research Update Q4 2011: Economic Analysis and Research Department of the OeNB

To find out more about OeNB economic research and analysis topics as well as past and forthcoming OeNB events ranging beyond CESEE-related research, see the next issue of the OeNB's Research Update, which is due to be released in January 2012.

[http://www.oenb.at/en/geldp\\_volksw/vowi\\_pub/newsletter/einleitung.jsp#tcm:16-171525](http://www.oenb.at/en/geldp_volksw/vowi_pub/newsletter/einleitung.jsp#tcm:16-171525)

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